

# WASHINGTON STATE BOARD OF ACCOUNTANCY

## Unapproved Draft - Minutes of an Annual Meeting of the Board – Unapproved Draft

<b>Time and Place of Meeting</b>	9:00 a.m. - 12:57 p.m. Thursday, October 17, 2013 The Doubletree Hotel Seattle Airport Cascade 11 18740 International Boulevard SeaTac, Washington
<b>Attendance</b>	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 (Departed 11:35am) Lauren C. Jassny, Public Board Member Thomas G. Neill, CPA, Board Member Gerald F. Ryles, Public Board Member (Arrived 9:03am) Bruce L. Turcott, Assistant Attorney General, Board Adviser (Departed 11:35am) Richard C. Sweeney, CPA, Executive Director Jennifer Sciba, Deputy Director Charles E. Satterlund, CPA, Director of Investigations Taylor Shahon, Special Assistant to the Director of Investigations Tia Landry, Enforcement Administrator Kirsten Donovan, Board Clerk
<b>Public Rule-Making Hearing</b>	<p>The Board held a public rule-making hearing from 9:01 a.m. to 9:07 a.m. The Board Chair presided. The Board proposed to amend:</p> <ul style="list-style-type: none"><li>• WAC 4-30-070 - What are the experience requirements in order to obtain a CPA license?</li><li>• WAC 4-30-080 - How do I apply for an initial individual CPA license?</li></ul> <p>The Executive Director presented a brief statement.</p> <p>The Board received written comments from one individual prior to the hearing. The comment addressed the proposed changes to WAC 4-30-070 and WAC 4-30-080.</p>
<b>Call to Order</b>	Board Chair, Emily Rollins, called the annual meeting of the Board to order at 9:07 a.m.

**Rules Review**

WAC 4-30-070 What are the experience requirements in order to obtain a CPA license? The Board voted unanimously to adopt the rule proposal. The Board voted for an implementation date of January 1, 2014.

WAC 4-30-080 How do I apply for an initial individual CPA license? The Board voted unanimously to adopt the rule proposal. The Board voted for an implementation date of January 1, 2014.

The Board expressed concern if January 1, 2014 implementation date provided sufficient time for preparation of the exam. The Executive Director assured the Board that the exam is mostly complete and the January 1, 2014 provides sufficient time for implementation.

The Board recommends a bold statement on the website indicating the changes.

**Minutes – July 22,  
2013 Regular Board  
Meeting**

The Board approved the minutes of the July 22, 2013, regular Board meeting with one spelling correction.

**Board Policies**

Reconsideration of 2003-1 Safe Harbor Report Language for Use by Non-CPAs. The Board discussed the use of safe harbor language. The Executive Director recommended removal of the parenthetical statements.

The Board heard oral testimony on Board Policy 2003-1 proposing changes in safe harbor language from the following participants:

- Gene Bell, Washington Association of Accountants (WAA)
- Gary Smith, Independent Business Association
- Rich Jones, CPA, President and CEO, Washington Society of CPAs (WSCP)

The participants also suggested the removal of the statement, “Substantially all of the disclosures and the statement of cash flows have been omitted from these statements.” The Executive Director agreed that this should be removed in addition to the parenthetical statements.

The Board voted unanimously to revise Board Policy 2003-1, Safe Harbor Report Language for Use by Non-CPAs, to exclude the parenthetical statements and the statement, “Substantially all of the disclosures and the statement of cash flows have been omitted from these statements.”

### **Chair’s Report**

Election of 2014 Officers – The Chair presented the following slate of officers to serve during 2014:

- Chair – Emily R. Rollins, CPA
- Vice Chair – Karen R. Saunders, CPA
- Secretary – Elizabeth D. Masnari, CPA

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

2014 Board Meeting Schedule – The Board established the following schedule for the 2014 Board meetings:

- January 31, 2014 – SeaTac Area
- April 17, 2014 – SeaTac Area
- July 24, 2014 – SeaTac Area
- October 24, 2014 – SeaTac Area

Establish Qualifications Committee – The Board established the Qualifications Committee with the purpose of discussing education topics. Board suggested topics for the committee included: false transcripts, community colleges providing 4-year degree programs, and course substance for the final 30 credit requirement.

Committee Appointments for 2014 – The Board made the following committee appointments for 2014:

- Qualifications Committee:
  - Chair:  
Thomas G. Neill, CPA
  - Members:  
Elizabeth D. Masnari, CPA
- Compliance Assurance Oversight Committee

Minutes, October 17, 2013, Annual Board Meeting

Chair:

Edwin G. Jolicoeur, CPA

Members:

Nina Gerbic, CPA

Deidra Roberts, CPA

- Legislative Review Committee

Chair:

Donald F. Aubrey, CPA

Members:

Karen R. Saunders, CPA

- Quality Assurance Committee

Chair:

Thomas G. Neill, CPA

Members:

Robert Speicher, CPA

- Request Review Committee

Chair:

Karen R. Saunders, CPA

Members:

Gerald F. Ryles

- State Ethics Compliance Committee

Ethics Advisor:

Lauren C. Jassny

**Executive Committee**

Emily Rollins reported that she met with the Executive Director and Vice Chair on September 26, 2013. Their discussion included:

- Safe Harbor Language
- Complaints
- Board Staff and Separation of Duties
- Education Courses
- Audit Reports

**Report Acceptance Body**

Executive Director reported on the Summary of Report Acceptance Body Meeting stating that both Deidre M. Robert and Nina Gerbic were very happy with the results.

**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:

- Pending change in the Uniform Accountancy Act's (UAA) model language for the definition of "attest services".
- UAA's discussion on firm mobility.

Don Aubrey states that it is critically important for the Board to send NASBA an opinion statement on the firm mobility issue prior to January 17, 2014.

Discussions center around the implications/impact firm mobility will have on revenue and enforcement.

The Board votes unanimously, with Don Aubrey abstaining, to have the Executive Director draft a letter for the Board's approval advising NASBA more time is needed to analyze and deliberate before an opinion can be formulated on the firm mobility issue.

**Executive Committee**

Emily Rollins reported on September 26, 2013 Executive Committee conference call.

**Compliance Assurance Oversight Committee**

The compliance assurance oversight committee had nothing to report for this meeting.

**Legislative Review**

The legislative review had nothing to report for this meeting.

**Quality Assurance Committee**

Tom Neill reported on Peer Review updates.

Tom Neill reported that peer reviewers not receiving payment for services seems to be a growing trend.

The Executive Director suggests the possibility of a rule concerning non-payment for peer review.

Rich Jones, CPA, President and CEO, Washington

Society of CPAs (WSCPAs) reported on administrative fees for nonmembers of the AICPA and WSCPAs subject to peer review.

**Request Review Committee**

Karen Saunders reported during the 3rd quarter 2013, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: *Approved:*

- Simpson and Company
- AuditWerx, LLC
- Nitax Service, Inc.
- Figure
- Skye CPA Services
- Hansen Financial Management
- Bishop French LLC
- Dawson & Co., PS
- EKS&H LLP
- KLJ & Associates, LLP
- Weaver and Tidwell, L.L.P
- Icompass Compliance Solutions LLC
- Skoda Minotti & Company

Professional/Educational Organization - Recognition

Requests: During the 3<sup>rd</sup> quarter 2013, the Board approved APlusCPE as an educational organization for purposes of obtaining a list of individual CPAs.

Domestic or Foreign Education Credential Evaluation

Services – Applications: During the 3<sup>rd</sup> quarter 2013, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

**State Ethics Compliance**

The State Ethics Compliance had nothing to report for this meeting.

**Legal Counsel's Report**

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

Minutes, October 17, 2013, Annual Board Meeting

**Executive Director's Report**

Budget Review: The Executive Director provided the Board with an update on the agency's budget.

Results Washington – A Goal Focused, Transparent, Lean State Government: The Executive Director provided an explanation of Results Washington, and the agency's alignment with its purpose.

Agency Database Restructuring Initiative: Investment for IT Database Restructuring in FY 2014 is waiting for OFM approval of additional spending authority to initiate the project.

Staffing: The Executive Director introduced new staff members, Tia Landry and Kirsten Donovan.

Investigation – Complaint Status Report and Investigation Statistics: Charles Satterlund, CPA, Director of Investigations provided the following reports to the Board:

- Complaint Status Report for the period of September 30, 2012 through September 30, 2013.
- Investigations Statistics through September 30, 2013.
- Summary of Dismissed Files, 2013 through October 10, 2013.

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

No executive or closed sessions with legal counsel held.

**Public Input**

During the course of the meeting, the Board heard public input from Rich Jones representing the Washington Society of CPAs (WSCPAs), Gene Bell representing the Washington Association of Accountants (WAA), and Gary Smith representing the Independent Business Association.

**Adjournment**

The Board meeting adjourned at 12:57 p.m.