

WASHINGTON STATE BOARD OF ACCOUNTANCY

Minutes of a Regular Meeting of the Board

Time and Place of Meeting	9:02 a.m. – 2:23 p.m. Monday, July 22, 2013 The Doubletree Hotel Seattle Airport Cascade 12 18740 International Boulevard SeaTac, Washington
Attendance	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 Lauren C. Jassny, Board Member Edwin G. Jolicoeur, CPA, Board Member Thomas G. Neill, CPA, Board Member Bruce L. Turcott, Assistant Attorney General, Board Adviser 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
Public Rule-Making Hearing	<p>The Board held a public rule-making hearing from 9:05 a.m. to 9:18 a.m. The Board Chair presided. The Board proposed to amend:</p> <ul style="list-style-type: none">• WAC 4-30-134 What are the CPE requirements for individuals? <p>The Executive Director presented a brief statement.</p> <p>The Board received written comments from three individuals prior to the hearing. All comments addressed the proposed changes to WAC 4-30-134.</p>
Rules Review	<p><u>WAC 4-30-134 What are the CPE requirements for individuals?</u> The Board voted unanimously to adopt the rule proposal with minor changes to wording. The Board voted for an implementation date of January 1, 2014.</p> <p><u>WAC 4-30-070 What are the experience requirements in order to obtain a CPA license? and WAC 4-30-080 How do I apply for an initial individual CPA license?</u> The Board directed staff to move the proposal forward for public hearing in October in conjunction with the</p>

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Call to Order	Board's annual meeting. Board Chair, Emily Rollins, called the regular meeting of the Board to order at 9:48 a.m.
Minutes – April 23, 2013 Regular Board Meeting	The Board approved the minutes of the April 23, 2013, regular Board meeting as presented.
Board Policies	<p><u>2003-1 Safe Harbor Report Language for Use by Non-CPAs.</u> The Board discussed the use of safe harbor language. The Board made several changes to the policy. The Board directed the Executive Director to review the policy with the Association of Washington Businesses (AWB) and the Washington Association of Accountants (WAA) for further input. The Board will review at the October meeting.</p> <p><u>2000-1 Continuing Professional Education.</u> The Board reviewed the interim policy drafted by staff, and voted unanimously to file as drafted with a minor word adjustment.</p>
Motion for Entry of Order on Default – ACB-1367 Myrtle M. Parent, CPA	Ms. Parent failed to respond to a Statement of Charges. The Executive Director presented the case, and Don Aubrey, as Consulting Board Member, did not participate in the discussions. The Board proposed changes to the Default Order, and will review and vote once Board staff has completed the changes.
AICPA Changes to Code of Conduct	<p>The AICPA Professional Ethics Executive Committee requested comments on the proposed revised AICPA Code of Conduct. Comments are due by August 15, 2013.</p> <p>Tom Neill and the Executive Director summarized the Exposure Draft.</p> <p>The Board directed the Executive Director to write a letter of appreciation to the AICPA for the efforts in clarity and transparency.</p>
NASBA Update	<p><u>Update:</u> 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:</p>

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- Pending change in the Uniform Accountancy Act's (UAA) definition of "attest services"
- UAA's discussions on firm mobility.
- AICPA's Financial Reporting Framework efforts.

Western Regional Meeting: Edwin Jolicoeur, Don Aubrey, Tom Neill, and the Executive Director attended the meeting, and reported to the Board.

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

Executive session was held from 12:30 p.m. to 1:34 p.m. to discuss with legal counsel representing the agency matters relating to agency enforcement actions and litigation or potential litigation to which the agency or a member acting in an official capacity is, or is likely to become, a party.

**Legal Counsel's
Report**

Bruce Turcott, the Board's legal counsel, advised the Board of the legislative change to the Administrative Procedures Act, authorizing Board Orders/Notices to be served by email when consent is obtained.

Chair's Report

The Chair acknowledged Cheryl Sexton's years of great service and her invaluable and extensive contributions to the Board. The Executive Director supported the Chair's comments, and appreciated all the support provided by her to the Board and to himself. Public members added their appreciation as well on behalf of the Washington Society of CPAs (WSCPAs).

The Chair gave recognition to the WSCPAs regarding its legislative efforts this past session.

Executive Committee

The Board Officers met with the Executive Director via telephone on July 12, 2013. The Chair reported on the meeting.

**Compliance
Assurance Oversight
Committee**

Edwin Jolicoeur reported on the PROC (Peer Review Oversight Committee) Summit that was jointly sponsored by AICPA and NASBA, and reviewed some of the issues discussed regarding the AICPA's peer review program.

**Legislative Liaison
Committee**

Karen Saunders reported on a change in firm registration processes, requiring new firms to go through the Master Business Licensing with the Department of Revenue,

from which CPA firms will be referred to the Board.

**Quality Assurance
Committee
Request Review
Committee**

Tom Neill reported on Peer Review updates.

Karen Saunders reported:

During the 2nd quarter 2013, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

CPE Extensions exceeding 16 CPE credit hours: All CPE extension request were due on or before December 31, 2012. Staff treated any extension requests received during the 2nd quarter as self-reported CPE deficiencies and individuals were subject to reinstatement.

Firm Names: Approved:

- Laws & Associates CPA's Inc.
- Haynie & Company
- Anton & Chia, LLP
- Account on Wheels
- RAC-CPA, PLLC
- Jim MA PLLC
- Gray CPA, PC
- Addcom CPA
- Augustedge PLLC
- Julie A Russillo Accounting PLLC
- Hartley Moore Accountancy Corporation
- Friedman LLP
- The Dawson Group, PS
- Sound Sense Money Management LLC

Late Fee Waivers: Total = 3

- Individual Requests – 2
 - Approved – 2
 - Denied - 0
- Firm Request – 1
 - Approved - 0
 - Denied - 1

Professional/Educational Organization - Recognition Requests: During the 2nd quarter 2013, the Board did not receive any requests for recognition as an

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educational organization or professional association for purposes of obtaining a list of individual CPAs.

Domestic or Foreign Education Credential Evaluation Services – Applications: During the 2nd quarter 2013, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

**State Ethics
Compliance
Committee**

Ethics advisor, Tom Neill, reported on Board staff ethics, and intent to work with new staff.

**Executive Director's
Report**

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

Executive Director and Board Members Reappointments: The Executive Director reported on his reappointment and that of the five Board Members.

Lean Government Overview: The Executive Director reported on Lean Government efforts and improving performance.

Implementation of Performance Review Task Force Recommendations: The Executive Director reported on the progress. The agency is in the email vaulting solution provided by Department of Enterprise Services.

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

- Investigation Statistics January 1990 through June 30, 2013.
- Case Status Report for the period ended June 30, 2013
- Investigations Results/Statistics through June 30, 2013

The Director of Investigations discussed on Hot Topics: Federal Referrals including "Pass" through AICPA.

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IT Integration: The Executive Director reported on the status of IT projects and a positive direction.

Renewal: The Executive Director reported on renewal numbers; everything is moving in the right direction.

Staffing: The Executive Director reported on two new hires in the agency.

Public Input

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

Adjournment

The Board meeting adjourned at 2:23 p.m.