

# Board of Accountancy

## WASHINGTON STATE

Winter Edition 2015



**EXECUTIVE DIRECTOR'S CORNER**  
Richard Sweeney, CPA  
Executive Director

## LIFE IS A JOURNEY

With trepidation but with pride, this is my final contribution to the semi-annual Washington State Board of Accountancy newsletter. Although this leg of my life's journey will end, I look forward to exploring new horizons forever reflecting on the opportunities and privileges that my licensed status has provided me and my family. Little did I ever dream that this renegade from Idaho would have had the opportunity to serve the public as a member of the CPA profession let alone represent two state governors as Executive Director of this state's Board of Accountancy.

My journey has been like a dream. Every day I wake up and say "Hey, kid, how did this happen?" As I now ponder that question, I realize that my luck is because of all those CPAs who tolerated and coached me to stay focused on the honor and trust that providers of capital, individual and enterprise clients, the general public and governments bestow upon us as CPAs, both individually and collectively.

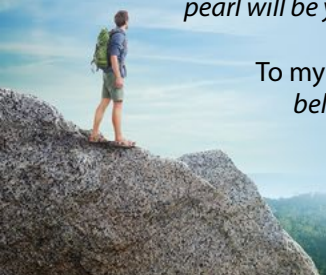
I have too many dear friends and close professional acquaintances to single out in a story this brief but I offer my thanks to each and every one of you who have guided me in my personal as well as my professional life.

To those who follow in this respected profession, I say: *The world is your oyster. Stay focused on the public trust and the pearl will be yours to own at the end of your journey.*

To my superb staff here at the agency and all members of the Board, I say: *This Board's regulatory future belongs to those in the present and the future. Regretfully, I belong to the past.*

I will miss you all,

Richard Sweeney, CPA



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### 2016 RENEWALS...

For those of you who are getting ready to renew your individual credential in 2016, please be sure that all of your Continuing Professional Education (CPE) is completed by December 31, 2015.

Don't forget you must complete a Board Approved Washington State Ethics course.

There is still time to complete your CPE; act now and get those hours done by December 31, 2015!

### ARE YOU CUTTING IT CLOSE TO THE CPE DEADLINE?

The Board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. Your CPE extension request must be submitted on the approved form by December 31, 2015.

Positions effective July 1, 2015

*Officers:*

Donald F. Aubrey, CPA - Chair  
Lauren C. Jassny - Vice Chair  
Karen R. Saunders, CPA - Secretary

*CPA Members:*

Emily R. Rollins, CPA  
Edwin G. Jolicoeur, CPA  
Elizabeth Deak Masnari, CPA  
Thomas G. Neill, CPA

*Public Members:*

James R. Ladd  
Favian Valencia

**OFFICE CLOSURES**

**Friday, December 25, 2015**  
Christmas

**Friday, January 1, 2016**  
New Year's Day

**Monday, January 18, 2016**  
Martin Luther King, Jr. Day

**Monday, February 15, 2016**  
Presidents' Day

**Monday, May 30, 2016**  
Memorial Day

**Monday, July 4, 2016**  
Independence Day

**HELP US, HELP YOU,  
ANY SUGGESTIONS?**

Please send your suggestions to  
[customerservice@cpaboard.wa.gov](mailto:customerservice@cpaboard.wa.gov).

**HOW TO . . .**

[Create an Online Service Account  
Through Secure Access Washington](#)

[Log back into your SAW account](#)

[Update your SAW profile](#)

[Update your Board \(WBOA\) profile](#)

[Find the List of Board Approved Ethics  
Courses](#)

## A MESSAGE FROM THE BOARD CHAIR

### IS THE PROFESSION VIOLATING THE CONTRACT THEY HAVE WITH THE PUBLIC?



**Don Aubrey, CPA**  
**Board Chair**

I have had the privilege of serving on the Board of Directors for both the Washington Society of CPAs and the Washington State Board of Accountancy. During that tenure I have met many CPAs and can honestly say that CPAs are very intelligent people. However, experience has shown that when we gather together as a group we can do some very stupid things.

As a learned profession we were granted a monopoly on certain accounting services. In exchange for that monopoly, the expectation is that we would set appropriate accounting standards and self-regulate the profession to help protect the public interest. Markets work most efficiently when an industry will self-regulate with the interests of the general public in mind rather than their own short term interests. Absent that level of self-regulation, governments task regulators to oversee the industry in order to protect the public interest. That often leads to over regulation and inefficient markets.

As a profession, we no longer set all of our own accounting standards. We have lost the trust of the public to do so. We took a monopoly and turned it into a commodity. We then turned it into a loss-leader. When Congress told us we could no longer treat audits as a loss-leader, we tried to fight Congress on that issue. As I mentioned, sometimes we do stupid things.

The accounting industry will be faced with a tremendous amount of change in the future and we need to be cognizant of our obligation to the public as the industry evolves. We also need to be forward-thinking with the decisions we make today and how they will impact the profession in the future.

Hours based education requirements have been criticized as an arbitrary measurement of the profession's demonstration to the public that we, as a profession, are actively engaged in maintaining the technical skills necessary to serve the public. Many within the profession want to scrap that model and replace it with something more efficient or convenient for practitioners. The question needs to be asked how a different system will impact the contract we have with society to maintain our technical skills and what ancillary impact on the industry such a change may have.

Some practitioners take the position that the practice of accounting generates sufficient challenges to keep our technical skills at a high level. If so, that is a short jump to eliminating all educational standards and making entry into the profession strictly competency based. There would be no need for a college degree that is based on hours in a classroom and passing tests. After all, the CPA exam is designed to test the skills employers need in order for employees to succeed in the industry. And, wouldn't passing the exam be prima facie evidence the candidate has the skills necessary to succeed as a CPA? Is that a journey we, as a profession, want to take?

Individual mobility has been enacted in nearly every jurisdiction in the United States and firm mobility is heading in the same direction. The next mobility issue has to do with international mobility and discussions have begun as to how it may be implemented.

Consumer choice is good for the public while confusion regarding the choices available to consumers is not. For years the U.S. CPA credential has been well-defined with very little confusion in the general public as to what it represents. A well-defined CPA credential is a public protection issue since it provides consumers with a clear understanding of the quality of services being offered.

## A MESSAGE FROM THE BOARD CHAIR (CONTINUED)

The profession has initiated other credentials useful for designating specializations. Those designations have been linked to the CPA credential and have caused some confusion and uncertainty in the public as to what the brand represents. In addition, other countries have adopted their own version of the “CPA” credential. International mobility will be here sooner than we think.

Strictly from the standpoint of a CPA license holder, I place tremendous value in the CPA credential. The profession has spent decades telling the public and the world that the U.S. CPA credential is the premier designation in the world. In spite of that, the profession has adopted additional credentials that have eroded the value of the CPA credential. Some in the profession are proposing international mobility similar to the model used for state mobility, allowing use of the CPA designation issued by other countries to be used in the United States. So now we want to tell the general public that we were just kidding, that other CPA designations are just as good as the one issued in the U.S.? Sometimes we are our own worst enemy.

A strong, viable profession is good for the public. We have been granted a monopoly by the public and we need to pay our dues and live up to our side of the contract. Failure to meet the terms of our side of the contract would not likely result in the revocation of our monopoly. Rather, it would result in more governmental regulation and oversight to insure we are actually doing what we should have voluntarily been doing all along.

Sincerely,

Don Aubrey, CPA  
Board Chair



## FOUR SIMPLE STEPS TO BEAT THE HOLIDAY BLUES

*BY SARAH ELIZABETH RICHARDS, LIFE BY DAILYBURN*

The holidays are supposed to be the happiest time of the year, yet for many, they trigger deep feelings of sadness and anxiety.

Here are four tips to help you improve your mood:

1. Seek social support
2. Get to the gym
3. Don't look at Facebook
4. Reframe your thinking

If you feel isolated, it is important to remember you are still in charge of your life. Also, it helps to tell yourself that the holidays are just a season that will soon pass.

### WA STATE BOARD OF ACCOUNTANCY BOARD STAFF:

Richard C. Sweeney, CPA  
Executive Director

Jennifer Sciba  
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Director of Investigations

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Michelle Tuscher  
Information Technology Project Manager

Taylor Shahon  
Special Assistant

Kelly Wulfekuhle  
Administrative Assistant

Kirsten Donovan  
Special Assistant

Jordan King  
Communications Specialist

### USEFUL LINKS ON OUR WEBSITE

Looking for something on our website?  
Here are two commonly visited links from  
our website:

#### Approved Ethics and Regulations Courses

Board approved ethics and regulations  
courses with specific application to  
the practice of public accounting in  
Washington State:

<http://www.cpaboard.wa.gov/individual-licensing/continuing-professional-education-cpe/approved-ethics-and-regulations-courses>

#### Study Guide for Washington Ethics Test for CPA Applicants

Applicants for initial licensing in  
Washington State are required to  
successfully complete a test on “Ethics  
and Regulation in Washington State” with  
a grade of 90% or higher as part of the  
initial licensing requirements.

<http://cpaboard.wa.gov/sites/default/files/WashingtonStateEthicsforCPAApplicants.pdf>



# WHO CAN USE THE TITLE CPA? AND WHAT DOES IT MEAN?

An individual cannot use the title "CPA" unless the individual obtains and continues to hold an active License.

Licensing requires qualification by a Board of Accountancy. The general criteria for qualification are:

- A high level of college and university **Education**
- Successful completion of the Uniform CPA **Examination**
- A level of work place **Experience**
- A personal history of no felonious or dishonest acts

Certified Public Accountant (CPA) is a license status granted by Boards of Accountancy in the United States that permits an individual to offer or perform professional services to the public AND use the restricted title "Certified Public Accountant (CPA)."

"Chartered Professional Accountant (CPA)" is a Canadian individual license status for qualified individuals eligible to perform public accounting services in Canada. Canadian Chartered Professional Accountants must qualify and obtain a Washington State license if a Canadian individual offers or performs public accounting services for individuals or enterprises located in Washington State.

CPA-Inactive is a restricted title use status. Individuals holding the status CPA-Inactive cannot practice public accounting or use the title certified public accountant (CPA) and must refer to themselves as a CPA-Inactive on a business card, letterhead, or any other document published or transmitted through electronic media in the same font size as the title.

***Each of the forgoing status' (Licensed CPA or CPA-Inactive) have renewal requirements every three years.***

***The status lapses if the holder fails to qualify for renewal.***

Individuals whose license or CPA-Inactive certificate has lapsed, lose the right to use any one of the restricted titles. For a lapsed CPA licensee, the privilege to offer or perform professional services as a licensee is restricted until the individual is approved for reinstatement by the Board.

CPA-Retired is not a license status. CPA-Retired is a Board permitted designation granted to those licensees who meet the requirements of Board Rule, WAC 4-30-058. An individual qualifying for this designation is restricted from the practice of public accounting and the use of the restricted titles CPA or CPA-Inactive.

The question of title use can be confusing. Please do not hesitate to call the Board office at (360) 753-2586 if you have any questions.

## 2016 BOARD MEETING SCHEDULE

The Board conducts meetings four times per year. The purpose of the Board meeting is for the Board to conduct its business. However, to encourage citizen participation, the Board meeting agenda specifically includes a public input section.

For 2016, we have broadened our horizons to provide the opportunity for individuals outside of the local Seattle area to attend a Board meeting. All meetings start promptly at 9:00 am.

The 2016 meeting dates and locations are as follows:

January 29, 2016  
University of Washington- Bothell  
Collaboratory in the Beardslee Building  
18807 Beardslee Blvd., UWBB 205  
Bothell, WA 98011

April 19, 2016  
Evergreen Plaza  
2nd Floor Conference Room  
711 Capitol Way S  
Olympia, WA 98501

July 29, 2016  
North Seattle College  
9600 College Way North  
Seattle, WA 98103

October 28, 2016  
Washington State University  
Compton Union Building-CUB 204  
Senate Room  
1500 NE Terrell Mall  
Pullman, WA 99163

We encourage your attendance and participation at the Board meetings. Hope to see you there!

## ***Three Things You Can Do To Keep Your Practice Running Smoothly...***

- Craft clear and concise engagement letters for the services you are providing your clients. Set clear and limited expectations.
- Inform your clients of the need for good internal controls within their business. Stress the point that your services are not a substitute for the proper oversight of their own interests.
- Be aware of the requirements for client confidentiality and client records under WAC 4-30-050 and WAC 4-30-051.

Thank you,  
Washington State Board of Accountancy - Enforcement Team