

**PROCEEDINGS BEFORE THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

In the Matter of the Certified Public  
Accountant (CPA) Certificate and/or  
Licenses to Practice Public Accounting of:

Loveridge Hunt & Co., PLLC  
License No. 4054

Respondent.

No. ACB-1470

AMENDED CONSENT  
AGREEMENT

The Washington State Board of Accountancy (Board) and Loveridge Hunt & Co., PLLC (Respondent), stipulate and agree as follows:

**Section 1: Procedural Stipulations**

- 1.1 Respondent understands that the Board may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges. The Board has not done so in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060 and the provisions of WAC 4-30-140.
- 1.2 Respondent has the right to defend against a statement of charges by demanding a hearing and presenting evidence on the Respondent's behalf. Respondent voluntarily waives the right to a hearing and all other rights that may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.
- 1.3 Respondent understands that should the Board prevail at hearing based on a statement of charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's CPA certificate or any individual or firm licenses to practice

public accounting as a CPA or CPA firm in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.

- 1.4 Respondent wishes to expedite the resolution of this matter by means of this Consent Agreement and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 Respondent understands that the terms of this Consent Agreement are not binding unless approved by the Board and fully executed.
- 1.6 Should this Consent Agreement be rejected by the Board and the Board proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.

The parties further stipulate to the following Stipulated Facts, Conclusions of Law, and Agreed Order:

### **Section 2: Stipulated Facts**

- 2.1 Respondent Firm holds a valid Certified Public Accountant (CPA) firm license to practice public accounting (License No. 4054, issued on May 3, 1999) in Washington State.
- 2.2 Respondent Firm performed local government audits under OMB Circulator A-133. Multiple deficiencies were identified related to applicable audit standards for eight separate local governmental audits.

### **Section 3: Conclusions of Law**

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding.
- 3.2 The conduct described above constitutes cause for Board discipline under RCW 18.04.295, for violations of WAC 4-30-048. WAC 4-30-048 states that licensees must comply with rules, regulations, and professional standards promulgated by the appropriate bodies for each service undertaken.

### **Section 4: Agreed Order**

- 4.1 Respondent consents to the entry of this Agreement and has waived any right to a hearing.
- 4.2 Pursuant to RCW 18.04.295, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board and Respondent agree that:
  - 4.2.1 Respondent must undergo preissuance review of the first two audits each year performed in accordance with OMB Circular A-133 for the next three years by a reviewer pre-approved by the Executive Director prior to each engagement. Each preissuance review must be submitted to the reviewer with sufficient time for the following:
    - 4.2.1.1 Preissuance review by the reviewer, and submission of the reviewer's report to the Executive Director;
    - 4.2.1.2 The Executive Director's follow up review of the report;
    - 4.2.1.3 Notification by the Executive Director whether or not the audit report is approved for issuance. The audit report shall not be issued without this approval.

- 4.2.2 Each individual that performs work on, or related to, OMB Circular A-133 audits, must complete sixteen (16) hours of Continuing Professional Education (CPE) on applicable audit standards.
- 4.2.2.1 Within 30 days of acceptance, the firm must submit to the Board a list of all employees performing, or expected to perform, work related to audits of federal programs conducted in accordance with OMB Circular A-133.
- 4.2.2.2 Within 180 days of acceptance, each employee listed in Paragraph 4.2.2.1 must complete the CPE required by Paragraph 4.2.2. Within 30 days of completion of CPE, the CPE certificates must be submitted to the Board.
- 4.2.3 Respondent shall pay the Board a fine in the amount of two thousand dollars (\$2,000) within 90 days of the service of this Agreement. Such payment shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA, 98507-9131.
- 4.2.4 Respondent shall pay the Board the amount of five hundred dollars (\$500) to reimburse the Board's investigative and legal costs within 90 days of the service of this Agreement. Such payment shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA, 98507-9131.
- 4.2.5 All costs associated with the requirements of this Consent Agreement shall be borne by Respondent.

I, as the recognized representative of Loveridge Hunt & Co., PLLC, certify that I have read this Consent Agreement in its entirety, and that I fully understand and agree to all of it and

that it may be presented to the Board without my appearance. If the Board accepts the Consent Agreement, I understand that I will receive a signed copy.

DATED this 11<sup>th</sup> day of May, 2017.

RESPONDENT

Max E Hunt, Manager  
Representative for  
Loveridge Hunt & Co., PLLC

The Board accepts and enters this Consent Agreement.

DATED this 11<sup>th</sup> day of May, 2017.

WASHINGTON STATE  
BOARD OF ACCOUNTANCY

Thomas Neill, CPA  
Thomas G. Neill, CPA  
Chair