

State of Washington

BOARD OF ACCOUNTANCY

(name of governing body)

(agency name, if applicable)

Resolution No. _____

Administrative Order No. ACB 107

(1) Be it resolved by the Washington State Board of Accountancy
acting at Seattle, Washington (place)

that it does adopt the annexed rules relating to:

amending WAC 4-25-020

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. WSR 83-24-069
filed with the code reviser on 12/7/83. These rules shall take effect:

- thirty days after they are filed with the code reviser pursuant to RCW 34.04.040(2).
- at a later date, such date being _____

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

We, _____, find that
an emergency exists and that this order is necessary for the preservation of the public health, safety, or general
welfare and that observance of the requirements of notice and opportunity to present views on the proposed action
would be contrary to public interest. A statement of the facts constituting the emergency is:

These rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04.026¹ that "every agency shall incorporate the most specific, but
in no case omit all, of the following language alternatives when adopting or amending rules" fill in statement (a), (b),
or (c) as appropriate:

(a) This rule is promulgated pursuant to RCW 18.04.055
and is intended to administratively implement that statute.

(b) This rule is promulgated pursuant to RCW _____
which directs that the

(agency)

has authority to implement the provisions of

(name of act or RCW citation)

(c) This rule is promulgated under the general rule-making authority of the

(agency)

as authorized in RCW _____

(4) The undersigned hereby declares that the agency has complied with the provisions of the Open Public
Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW), and the State Register
Act (chapter 34.08 RCW) in the adoption of these rules.

(5) This order, after being first recorded in the order register of this governing body, is herewith transmitted to
the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

APPROVED AND ADOPTED January 27, 19 84

FILED

FEB 29 1984

By E. William Parker
E. William Parker, C.P.A.
Chairman

Title

CODE REVISER'S OFFICE
WSR 84-06-021

AMENDATORY SECTION (Amending Order ACB 105, filed 10/26/83)

WAC 4-25-020 DEFINITIONS. For purposes of these rules the following terms have the meanings indicated:

- (1) "Act" means the Public Accounting Act of 1983.
- (2) "Board" means the Washington State Board of Accountancy.
- (3) "Client" means the person or entity which retains a licensee for the performance of professional services.
- (4) "Enterprise" means any person or entity, whether organized for profit or not, with respect to which a licensee performs professional services.
- (5) "Firm" means a sole proprietorship, a corporation or a partnership.
- (6) "Financial statements" means statements and footnotes related thereto that purport to show financial position which relates to a period of time, or changes in financial position which relate to a period of time, or results of operations, on the basis of generally accepted accounting principles or another comprehensive basis of accounting. The term does not include (~~incidental~~) incidental financial data included in management advisory services reports to support recommendations to a client, nor does it include tax returns and supporting schedules.
- (7) "He," "his," and "him" mean, where applicable, the corresponding feminine and neuter pronouns also.
- (8) "Licensee" means the holder of a certificate issued under the Act, or of a permit issued under the Act; or, in each case, under corresponding provisions of prior law.
- (9) "Practice of (or practicing) public accountancy" means performing services as one skilled in the knowledge and practice of public accounting and preparing reports designated as "audit reports," "review reports," and "compilation reports."
- (10) "Professional services" means any services performed or offered to be performed by a licensee for a client in the course of a practice of public accountancy.
- (11) "Public communication" means a communication made in identical form to multiple persons or to the world at large, as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card or directory.
- (12) (~~("Opinions on financial statements" are any reports prepared by certified public accountants, including audits based on examinations in accordance with generally accepted auditing standards and review and compilation reports based on~~ Statements on Standards for Accounting and Review Services (SSARS) as to whether the presentation of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental, conforms with generally accepted accounting principles or other comprehensive bases of accounting, in accordance with pronouncements or other authoritative media formally issued by the American Institute of Certified Public Accountants or any of its subdivisions including but not limited to the FASB and SSARS.) "Generally Accepted Auditing Standards" (GAAS) are measures of the quality of auditing performance as demonstrated by a licensee and include general standards, standards of field work, and standards of reporting as defined and codified by the American Institute of Certified Public Accountants. "Generally Accepted Accounting Principles"

(GAAP) is a body of knowledge which refers to the set of accounting conventions, rules and procedures as developed by the accounting profession and applied by licensees in the practice of public accountancy. Generally accepted accounting principles include but are not limited to principles concerned with the recognition and recording of financial data and with the issuance of reports upon that data, including audit reports based on examinations in accordance with generally accepted auditing standards and review and compilation reports based on Statements on Standards for Accounting and Review Services (SSARS), all in accordance with pronouncements or other authoritative publications issued by the Financial Accounting Standards Board (FASB) and by the American Institute of Certified Public Accountants, including but not limited to the senior technical committees thereof.