



RULE-MAKING ORDER
(RCW 34.05.360)

CR-103 (10/1/89)

Agency: Board of Accountancy

Permanent Rule

Emergency Rule

(1) Date of adoption: September 24, 1992

(2) Purpose: Defines terms used through the the board's rules.

(3) Citation of existing rules affected by this order:

Repealed:

Amended: WAC 4-25-020

Suspended:

(4) Authority for adoption:

Statute: RCW 18.04.055(11)

Other Authority:

(5.1) **PERMANENT RULE ONLY**

Pursuant to notice filed as WSR 92-17-083 on August 19, 1992 (date).

Describe any changes other than editing from proposed to adopted version:

(5.2) **EMERGENCY RULE ONLY**

Pursuant to RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If yes, explain:

(6) Effective date of rule:

Permanent Rules

Emergency Rules

31 days after filing

Immediately

Other (specify) _____ *

Later (specify) _____

*(If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED

OCT 06 1992

TIME: 4:00 ^{PM}

WSR 92-20-103

NAME (TYPE OR PRINT)

Carey L. Rader

SIGNATURE

TITLE

Executive Director

DATE

9/29/92

AMENDATORY SECTION (Amending Order ACB 107, filed 2/29/84)

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 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))~~ (10) "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))~~ (11) "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.