

FINAL BILL REPORT

HB 1208

C 71 L 19
Synopsis as Enacted

Brief Description: Concerning public accounting services.

Sponsors: Representatives Vick, Kirby and Wylie; by request of State Board of Accountancy.

House Committee on Consumer Protection & Business
Senate Committee on Labor & Commerce

Background:

The Public Accountancy Act (Act) governs the practice of accounting in Washington. Under the Act, both accountants and accounting firms must be licensed to hold themselves out as "certified public accountants" or "CPAs." The Board of Accountancy (Board) issues licenses, adopts rules, conducts investigations, and otherwise administers the Act.

Certified Public Accountants and CPA firms perform various services that, depending on the service, must meet certain professional standards.

The "practice of public accounting" means performing or offering to perform one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports, or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or consulting services on tax matters.

The CPAs and CPA firms may also provide "attest" services. "Attest" means providing the following financial statement services:

- any audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
- any review of a financial statement to be provided in accordance with the Statements on Standards for Accounting and Review Services;
- any examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; and
- any engagement to be performed in accordance with the Public Company Accounting Oversight Board Auditing Standards.

The CPAs and CPA firms may also provide "compilation" services. "Compilation" means providing a service to be performed in accordance with statements on standards for

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accounting and review services that is presenting in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

Summary:

Various provisions of the Public Accountancy Act (Act) are amended to include attest and compilation services as included functions of CPAs and CPA firms. The CPA firms that do not provide or offer to provide attest services or compilations are not required to obtain or renew a CPA firm license.

Various provisions related to the use of "certified public accountant" and "CPA" in firm or office titles are amended. The firm offering accounting and other regulated services must be licensed by the Board; however, specific language prohibiting the use of the "certified public accountant" and "CPA" are removed.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 28, 2019
June 30, 2023 (Sections 3 and 6)