



RULE-MAKING ORDER
(RCW 34.05.360)

CR-103 (7/10/97)

Agency: Board of Accountancy

- Permanent Rule**
- Emergency Rule**
- Expedited Adoption**
- Expedited Repeal**

(1) Date of adoption: 4/28/00

(2) Purpose:

To identify the standards with which the Board requires Certified Public Accountants (CPAs) to comply and the bodies that promulgate the identified standards

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

Repealed:

Amended: WAC 4-25-631 With which rules, regulations and professional standards must a CPA comply?

Suspended:

(4) Statutory authority for adoption: RCW 18.04.055(2) and (6)

Other authority:

PERMANENT RULE ONLY (including EXPEDITED ADOPTION):

Adopted under notice filed as WSR 00-07-008 on 3/3/00 (date).

Describe any changes other than editing from proposed to adopted version: None

EMERGENCY RULE ONLY

Under 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:

EXPEDITED REPEAL ONLY

Under Preproposal Statement of Inquiry filed as WSR _____ on _____ (date).

(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

or Expedited Rule Making

- 31 days after filing
- Other (specify) 6/30/00*

*(If less than 31 days after filing specific finding in 5.3 under RCW 34-05.380(3) is required)

Emergency Rules

- Immediately
- Later (specify) _____

NAME (TYPE OR PRINT)

Dana M. McInturff, CPA

SIGNATURE

TITLE

Executive Director

DATE

05/08/00

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED

MAY 15 2000

TIME 2:01 AM

WSR 00-11-071

(COMPLETE REVERSE SIDE)

Note: If any category is left blank, it will be calculated as zero.
No descriptive text.

Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New _____ Amended _____ Repealed _____

The number of sections adopted on the agency's own initiative:

New _____ Amended 1 Repealed _____

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New _____ Amended 1 Repealed _____

The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	<u>1</u>	Repealed	_____

AMENDATORY SECTION (Amending WSR 98-12-050, filed 5/29/98, effective 6/29/98)

~~WAC 4-25-631 ((Compliance with standards.))~~ With which rules, regulations and professional standards must a CPA comply? ((A certified public accountant shall exercise due care and professional judgment in order to comply with the pertinent accounting principles, professional standards, regulations, releases and rules (hereinafter referred to as "standards") promulgated by the "appropriate bodies" for each endeavor undertaken. A certified public accountant shall be knowledgeable of federal, state and local law pertinent to the endeavor. If professional standards differ from board rule, board rules prevail.

~~Such "appropriate bodies" include, but are not limited to, the Securities and Exchange Commission, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Internal Revenue Service, federal, state, and local audit, regulatory and tax agencies, the American Institute of Certified Public Accountants, and recognized educational and industry institutions.~~

~~Such "standards" include, but are not limited to:~~

- ~~(1) Regulation SX and the accounting series releases of the Securities and Exchange Commission;~~
 - ~~(2) Generally accepted accounting principles and other comprehensive bases of accounting;~~
 - ~~(3) Generally accepted auditing, review, compilation, attestation, consulting and peer review standards;~~
 - ~~(4) Generally accepted government accounting standards;~~
 - ~~(5) Consensus opinions of "appropriate bodies" such as Emerging Issues Task Forces;~~
 - ~~(6) Circular 230 of the IRS and "appropriate bodies" guidance with respect to responsibilities in tax practice;~~
 - ~~(7) Rules governing practice before regulatory agencies; and~~
 - ~~(8) Guidance found in industry publications and textbooks and articles published by recognized accounting professionals or societies.))~~
- A CPA must comply with rules, regulations, and professional standards (standards) promulgated by the appropriate bodies for each endeavor undertaken. However, if professional standards differ from board rule, board rules prevail.

Such appropriate bodies include, but are not limited to, the Securities and Exchange Commission (SEC); the Financial Accounting Standards Board (FASB); the Governmental Accounting Standards Board (GASB); the Cost Accounting Standards Board (CASB); the Federal Accounting Standards Advisory Board (FASAB); the U.S. General Accounting Office (GAO); the Federal Office of Management and Budget (OMB); the Internal Revenue Service (IRS); the American Institute of Certified Public Accountants (AICPA), and federal,

state, and local audit, regulatory and tax agencies.

Such standards include:

(1) Statements on Auditing Standards and related Auditing Interpretations issued by the AICPA including subsequent amendments;

(2) Statements on Standards for Accounting and Review Services and related Accounting and Review Services Interpretations issued by the AICPA including subsequent amendments;

(3) Statements on Governmental Accounting and Financial Reporting Services issued by GASB including subsequent amendments;

(4) Statements on Standards for Attestation Engagements and related Attestation Engagements Interpretations issued by AICPA including subsequent amendments;

(5) Statements of Financial Accounting Standards, together with those Accounting Research Bulletins and Accounting Principles Board Opinions which are not superseded by action of the FASB, including subsequent amendments;

(6) Statement on Standards for Consulting Services issued by the AICPA including subsequent amendments;

(7) Statements on Quality Control Standards issued by the AICPA including subsequent amendments;

(8) Statements on Responsibilities in Tax Practice and Interpretation of Statements on Responsibilities in Tax Practice issued by the AICPA including subsequent amendments;

(9) Statements on Responsibilities in Personal Financial Planning Practice issued by the AICPA including subsequent amendments;

(10) Professional Code of Conduct issued by the AICPA including interpretations, ethics rulings, and subsequent amendments;

(11) Governmental Auditing Standards issued by the U.S. General Accounting Office, and subsequent amendments; and

(12) Auditing and Accounting Guides (both General and Industry) issued by the AICPA.

If the professional services are governed by standards not included in subsections (1) through (12) of this section, the CPA must:

• Justify the departure from the standards listed in subsections (1) through (12) of this section;

• Determine what standards are applicable; and

• Comply with the applicable standards.

Copies of the above standards may be inspected at the board's office.