

TRANSMITTAL OF RULES ADOPTED

FROM: STATE BOARD OF ACCOUNTANCY
(Name of Agency)

TO: CODE REVISER
LEGISLATIVE BLDG (Southwest Corner, Ground Floor)
Olympia 98501

The enclosed Permanent rules , being order No. _____
Emergency rules

relating to (Name of rules or description of subject matter)

Minimum accounting experience and education required of applicants for certified public accountant's certificate.

Requirements of applicants for re-examination.

Requirements as to when applicants may take the accounting examination.

(ALTERNATIVE A. Use only for adoption of permanent rules)

pursuant to Notice No. ^{2313 and} 2341 ^① filed with the code reviser
May 8 and
on June 17, 69 ^② were regularly adopted as permanent rules of this
(date)
agency at Seattle on July 8, 1969 and are herewith
(place) (date)
filed in the office of the code reviser pursuant to chapter 34.04
RCW. The effective date of such rules shall be Aug. 14, 1969 ^③.

(ALTERNATIVE B. Use only for adoption of emergency rules)

pursuant to its finding that the immediate adoption of
these rules 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 the public interest,
were regularly adopted as emergency rules of this agency at
_____ on _____ and are herewith filed in
(place) (date)
the office of the code reviser pursuant to chapter 34.04 RCW.

Dated this 15th day of July 1969.

STATE OF WASHINGTON
FILED
JUL 15 1969
CODE REVISER'S OFFICE
KET 2507 FILE # 2

STATE BOARD OF ACCOUNTANCY
(AGENCY)
David McGoldrick
DAVID MCGOLDRICK, Assistant Attorney
By General
Representing the State Board of
Accountancy
Title

- ① NOTICE NUMBER AS APPEARS ON THE COPY OF NOTICE RETURNED TO YOU BY REVISER'S OFFICE (IF PROCEEDINGS WERE CONTINUED, USE NO. OF LAST NOTICE)
- ② STAMPED DATE AS APPEARS ON THE COPY OF NOTICE RETURNED TO YOU BY REVISER'S OFFICE (IF PROCEEDINGS WERE CONTINUED, USE DATE OF LAST NOTICE)
- ③ UNLESS A LATER DATE IS SPECIFIED IN THIS ORDER OR IS PRESCRIBED IN ANOTHER STATUTE, RULES ARE EFFECTIVE 30 DAYS AFTER FILING: RCW 34.04.040. LEAVE THIS SPACE BLANK EXCEPT IN SUCH SPECIAL CASES.

STATE OF WASHINGTON, STATE BOARD OF ACCOUNTANCY

ADMINISTRATIVE ORDER ADOPTING RULES AND REGULATIONS:

The 1969 session of the Washington state legislature passed Engrossed House Bill No. 203. This law substantially changed the law governing the licensing of certified public accountants. This law has necessitated the adoption of the following rules:

One of the purposes of Engrossed House Bill No. 203 was to keep the entrance requirements of persons seeking admission to the profession in line with the increasing intellectual and technical demands placed on persons practicing public accounting. Engrossed House Bill No. 203 attempts to increase the education and experience requirements of certified public accountant applicants and to give the State Board of Accountancy authority through its rule-making power to set standards within the guidelines established by the act. Another legislative purpose of Engrossed House Bill No. 203 was to bring Washington's entrance requirements in line with the national trend so as to permit complete reciprocity between the states. The rules adopted herein substantially follow the model laws and recommended rules adopted by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy. House Bill 203 was originally drafted by the Temporary Advisory Council on Higher Education and was strongly supported by the Washington Society of Certified Public Accountants and the State Board of Accountancy. On the basis of this Board's expertise and desire to make this state's educational and experience requirements substantially equivalent to those in other states, the Board hereby adopts WAC 4-12-170.

As a supplement to RCW 18.04.120(6), the Board also is re-adopting WAC 4-12-160, a rule which it adopted in 1968. The re-adoption of this rule is necessary to make it conform with the affidavit requirements of RCW 18.04.120, as amended by the 1969 session of the Washington state legislature. This rule on minimum accounting experience is similarly patterned after the model rules adopted by the National Association of State Boards of Accountancy.

WAC 4-04-180, as adopted herein, specifically recognizes that the 1969 legislature changed RCW 18.04.160, giving the Board authority to determine re-examination requirements. On the basis of the Board's long-standing experience in administering the accountancy examination, the Board has found that applicants should be required to successfully pass all sections of the examination within a reasonable time. This rule attempts to accomplish this objective which was recognized both by the Board and the Washington state legislature.


WAC 4-04-190, as adopted herein, is merely an adoption of a longstanding practice before the Board to require applicants to substantially complete their education prior to taking the Board's examination.

(1) I, LUDWIG LOBE, Chairman of the Washington State Board of Accountancy, by virtue of the authority vested in the Board, after filing Notices Nos. 2313 and 2341 with the Code Reviser, and notifying the press in accordance with RCW 42.32.010, and also notifying all interested persons, state that two public hearings were held before the Board which were open to the public on Friday, June 6, 1969, and Tuesday, July 8, 1969.

(2) After considering statements made at the hearings and material submitted by interested persons, the Board adopted on July 8, 1969, the annexed rules and regulations and authorized me to sign this order.

(3) This order, after first being recorded in the registry of this agency, shall be forwarded to the Code Reviser for filing pursuant to RCW 34.04.

APPROVED AND SIGNED, July 14th, 1969.

By 
LUDWIG LOBE, Chairman
Washington State Board of Accountancy

AMD

WAC 4-12-160 MINIMUM ACCOUNTING EXPERIENCE. In order to fulfill the experience requirements of RCW 18.04.120, the affidavit of a licensed public accountant or certified public accountant, as provided in RCW 18.04.120(6), shall show to the satisfaction of the board that the applicant has experience in all of the following:

(1) Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions recorded in accounting records.

(2) Experience in the preparation of audit working papers covering the examination of the accounts usually found in accounting records.

(3) Experience in the planning of the program of audit work including the selection of the procedures to be followed.

(4) Experience in the preparation of written explanations and comments on the findings of the examination and on the content of the accounting records.

(5) Experience in the preparation and analysis of financial statements together with explanations and notes thereof.

NEW

WAC 4-04-170 MINIMUM EDUCATION AND EXPERIENCE

REQUIREMENTS. The educational and experience requirements of chapter 114, § 1, Laws of 1969, RCW 18.04.120, shall be:

(1) A graduate of a college or university recognized by the board, and who has completed courses satisfactory to the board in the study of accounting, business law, economics and finance. Such a graduate must have either engaged in the practice of public accounting or have been in the employ of a public accountant, for one year, or have acquired at least two years experience in private or governmental accounting work. Such work shall be in accordance with the minimum accounting experience requirements, as set forth in WAC 4-12-160.

(2) A graduate of a college or university recognized by the board or who has an education that the board determines to be equivalent thereof, but who has not completed the courses required by the board in subsection (1) above. Such a graduate, as provided in this subsection, must have either engaged in the practice of public accounting or have been in the employ of a public accountant for at least two years, or have acquired at least three years experience in private or governmental accounting work. Such work shall be in accordance with the minimum accounting experience requirements, as set forth in WAC 4-12-160.

(3) A graduate of an established resident school of business or accounting which offers courses of study in accounting, business law, economics and finance and who is either a graduate of a high school with a four-year course or who has acquired an education equivalent to high school. Such a graduate of a resident school of business or accounting must have either engaged in the practice of public accounting or have been in the employ of a public accountant, a licensed public accountant, or a certified public accountant, for at least two years, or who has acquired at least four years experience in private or governmental accounting. Such work shall be in accordance with the minimum accounting experience requirements, as set forth in WAC 4-12-160. PROVIDED, That authority to apply for a license under this subsection shall expire June 12, 1975. PROVIDED FURTHER, That nothing in this rule shall apply to any applicant who has successfully passed at least one part of the examination administered pursuant to RCW 18.04.120(4), as of August 9, 1969.

NEW

WAC 4-04-180 RE-EXAMINATION REQUIREMENTS. A candidate who passes two or more subjects, or the single subject of accounting practice, at any examination, shall receive a conditional credit for such subject or subjects and shall have the right to be re-examined in the remaining subject or subjects within a period of three years. During the three-year period he may take the examination as many times as he wishes and shall receive a conditional credit for each portion of the examination he passes. If he passes the remaining subject or subjects within the three-year period, he shall be considered to have passed the examination: PROVIDED, That if the applicant has not passed all remaining portions of the examination within the three-year period, he shall lose all conditional credits: PROVIDED, FURTHER, That the time during which a candidate is serving temporarily in the armed forces shall be excluded in determining such three-year period unless the candidate takes an examination while so serving, in which case such time shall be included in computing the three-year period: AND PROVIDED FURTHER, That no portion of this rule shall apply to any applicant who has successfully completed at least one part of the accounting examination prior to August 9, 1969.

NEW

WAC 4-04-190 TIME OF EXAMINATION. A candidate for a certificate must meet the educational requirements set forth in WAC 4-04-170 prior to examination: PROVIDED, That the board may, in its discretion, admit to the examination any person who will complete his study at a college or university recognized by the board within 120 days after the date of the examination. The candidate, if he so elects, shall be examined by the examining committee prior to the time such candidate has acquired the experience required under WAC 4-04-190: PROVIDED, That the certificate shall not be issued until the experience requirements shall have been complied with.