

FORM OF ORDER AND TRANSMITTAL BY BOARD, COMMISSION, OR COUNCIL

State of Washington

BOARD OF ACCOUNTANCY

(name of governing body)

(agency name, if applicable)

Resolution No. _____

Administrative Order No. ACB-146

(1) Be it resolved by the BOARD OF ACCOUNTANCY acting at SEATTLE, WA (place)

that it does adopt the annexed rules relating to:

WAC 4-25-190 - EXPERIENCE

REPEAL WAC 4-25-181 - EXPERIENCE

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

This action is taken pursuant to Notice No. 87-22-069 filed with the code reviser on 11/4/87. These rules shall take effect: [X] 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 34.04.026 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:

[X] (a) This rule is promulgated pursuant to RCW 18.04.215(a) 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 22, 19 88

STATE OF WASHINGTON FILED

By [Signature] Chief Executive Officer Title

FEB 25 1988

CODE REVISER'S OFFICE WSR 88-06-021

NEW SECTION

WAC 4-25-190 EXPERIENCE. Experience required for issuance of an initial license pursuant to RCW 18.04.215 (1)(a) shall meet the requirements of this section:

(1) EXPERIENCE DEFINITION AND TIMING: One year of experience shall consist of full-time employment of no less than two thousand hours. For purposes of computing work experience for a part-time employee, two thousand hours shall constitute one year. Employment may be for one or more employers, with or without compensation, and may consist of any combination of full-time and part-time employment. For an applicant who passed the uniform certified public accounting examination prior to May 1988, experience obtained more than five years prior to application for initial license shall be supplemented by eighty hours of continuing education during the two-year period prior to application. For an applicant who passed the examination in May 1988, or thereafter, experience must be obtained within the five-year period prior to application.

(2) EXPERIENCE IN PUBLIC ACCOUNTING:

(a) An applicant shall show he/she has had employment for a period of one year as a staff accountant under the direct supervision of a currently licensed certified public accountant who is actively engaged in the practice of public accounting. Qualifying experience for purposes of this section shall mean the performance of services as one skilled in the knowledge and practice of public accounting, including performance of accounting or auditing procedures, issuance of reports on financial statements, performance of management advisory or other consulting services, preparation of tax returns and furnishing advice on tax matters.

(b) Public accounting services shall be performed for clients of a certified public accountant or a firm of certified public accountants in compliance with the board's rules and must regularly involve the exercise of independent judgment and the application of appropriate technical and behavioral standards such as the standards contained in the Code of Professional Ethics, Generally Accepted Auditing Standards, Statement of Responsibilities in Tax Practice, Statement on Standards for Management Advisory Services, Statement on Standards for Accounting and Review Services, Statement on Standards for Attestation Engagements and other similar practice standards issued by the American Institute of Certified Public Accountants.

(c) Commencing July 1, 1988, an applicant shall demonstrate that he/she has obtained required experience by performing one or more of the services described in (a) and (b) of this subsection, including attest function experience related to reports on financial statements. As a guideline, five hundred hours of attest function experience will be necessary to achieve a minimum level of competence. Experience gained in less than five hundred hours will be evaluated for quality and substance on a case-by-case basis. The attest function experience shall consist of experience within activities generally performed by certified public accountants in audit engagements, review engagements, compliance audits, management audits, operational audits, or other attest function engagements.

(d) An applicant's attest function experience shall include the following:

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

(ii) Experience in the preparation of working papers in connection with each element of the work accomplished under (d)(i) of this subsection;

(iii) Experience in the planning of the program for the application of accounting and/or auditing procedures and techniques including the selection of the procedures to be followed;

(iv) Experience in the preparation of written explanations and comments on the results of accounting and/or auditing work; and

(v) Experience in the preparation and analysis of financial statements, including explanations and notes.

(e) Attest function experience shall be documented on an experience affidavit form provided by the board which enumerates specific procedures typically applied in an audit of financial statements. The objective of the affidavit is to provide evidence that an applicant has a satisfactory knowledge of current practice standards and pronouncements of the profession.

(3) EXPERIENCE OTHER THAN IN PUBLIC ACCOUNTING:

(a) The experience required, as stated in subsection (2) of this section, may also be met by work experience, not including in-classroom training, performed under the direct supervision of a currently licensed certified public accountant in a commercial or governmental organization which has filed a sponsorship agreement with the board, acceptable to the board, which among other things specifies:

(i) The scope of accounting, auditing, consulting, and other services performed within the organization;

(ii) The professional education and on-job training provided to an applicant prior to application; and

(iii) The program of review and supervision performed by the internal review committee within the organization which administers the agreement.

(b) Qualifying work experience must be of a type and at a level equivalent to that performed in public accounting practice and must regularly involve the exercise of independent judgment and the application of the appropriate technical and behavioral standards.

(c) Two years of experience outside of public accounting shall be considered equivalent to one year of public accounting experience.

(4) EXPERIENCE AFFIDAVIT: The experience claimed by an applicant shall be verified by the certified public accountant or firm of certified public accountants supervising the applicant on an experience affidavit form provided by the board.

(5) EXAMINATION OF EXPERIENCE DOCUMENTATION:

(a) Any licensee who has furnished evidence of an applicant's experience to the board shall upon request by the board explain in writing or in person the information so provided.

(b) The board may require an interview or an inspection of documentation relating to an applicant's experience. Any licensee having custody of such documentation shall produce it upon request by the board.

(c) Any licensee who refuses to provide the evidence or documentation of the applicant's experience, requested by an applicant or by the board, shall upon request by the board explain in writing or in person the basis for such refusal.

(6) RECIPROCITY: An applicant who applies for initial license in this state shall be required to document experience obtained in another jurisdiction which is equivalent to the requirements of this state.