

# Title 4 WAC

## ACCOUNTANCY, BOARD OF

**Chapters**

- 4-24 Public records--Disclosure.**
- 4-25 General provisions.**

**DISPOSITION OF CHAPTERS FORMERLY CODIFIED IN THIS TITLE**

**Chapter 4-04**

**GENERAL PROVISIONS**

4-04-010	Construction of "date of passage of the act." [Regulation 04.010, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-220	filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-020	Use of titles relating to accountancy. [Regulation 04.020, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-230	Fee for registration as CPA partnership or PS. [Order PL-230, § 4-04-220, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-030	Annual notice to renew an annual permit. [Regulation 04.030, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-240	Annual license fee for CPA partnership or PS. [Order PL-230, § 4-04-230, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-040	Annual notice to renew an annual permit. [Regulation 04.030, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-250	Annual fee for LPA license. [Order PL-230, § 4-04-240, filed 11/17/75.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.
4-04-050	Registration limited to individuals and partnerships—Assumed name prohibited. [Regulation 04.040, effective 2/5/60.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.	4-04-260	Fee for registration of LPA partnership or PS. [Order PL-230, § 4-04-250, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-060	Temporary practice by out-of-state accountants. [Regulation 04.110, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-270	Annual license fee for LPA partnership or PS. [Order PL-230, § 4-04-260, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-070	Resident manager of public accounting office. [Regulation 04.130, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-280	Annual fee for PA license. [Order PL-230, § 4-04-270, filed 11/17/75.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.
4-04-080	Professional service corporations—Notification requirements. [Order PL-116, § 4-04-070, filed 12/14/71.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.	4-04-290	Fee for registration of PA partnership or PS. [Order PL-230, § 4-04-280, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-170	Professional service corporations designation. [Order PL-116, § 4-04-080, filed 12/14/71.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.	4-04-300	Annual license fee for public accountant partnerships or PS. [Order PL-230, § 4-04-290, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-180	Educational and experience requirements. [Order 234, § 4-04-170, filed 12/17/75; Order, § 4-04-170, filed 7/15/69.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.	4-04-310	Educational requirements. [Statutory Authority: RCW 18.04.070. 80-02-140 (Order PL-320), § 4-04-300, filed 2/4/80.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
4-04-190	Reexamination requirements. [Order PL-188, § 4-04-180, filed 5/8/75; Order, § 4-04-180, filed 7/15/69.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.		
4-04-200	Time of examination. [Statutory Authority: RCW 18.04.070. 80-05-033 (Order PL-341), § 4-04-190, filed 4/15/80; Order, § 4-04-190, filed 7/15/69.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.		
4-04-210	Fees for CPA examination. [Order PL-230, § 4-04-200, filed 11/17/75.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.		
4-04-220	Fees for permit to practice accounting. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-04-210, filed 5/15/79; Order PL-230, § 4-04-210, filed 11/17/75.] Repealed by 91-01-057,		

**Chapter 4-08**

**PRACTICE AND PROCEDURE**

4-08-010	Appearance and practice before agency—Who may appear. [Regulation 08.010, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.	4-08-030	Appearance and practice before agency—Solicitation of business unethical. [Regulation 08.030, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
4-08-040	Appearance and practice before agency—Standards of ethical conduct. [Regulation 08.040, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.	4-08-050	Appearance and practice before agency—Appearance by former employee of board or former member of attorney general's staff. [Regulation 08.050, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.

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- 4-08-060 Appearance and practice before agency—Former employee as expert witness. [Regulation 08.060, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-070 Computation of time. [Regulation 08.070, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-080 Notice and opportunity for hearing in contested cases. [Regulation 08.080, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-090 Service of process—By whom served. [Regulation 08.090, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-100 Service of process—Upon whom served. [Regulation 08.100, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-110 Service of process—Service upon parties. [Regulation 08.110, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-120 Service of process—Method of service. [Regulation 08.120, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-130 Service of process—When service complete. [Regulation 08.130, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-140 Service of process—Filing with agency. [Regulation 08.140, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-150 Subpoenas, where provided by law—Form. [Regulation 08.150, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-160 Subpoenas, where provided by law—Issuance to parties. [Regulation 08.160, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-170 Subpoenas, where provided by law—Service. [Regulation 08.170, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-180 Subpoenas, where provided by law—Fees. [Regulation 08.180, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-190 Subpoenas, where provided by law—Proof of service. [Regulation 08.190, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-200 Subpoenas, where provided by law—Quashing. [Regulation 08.200, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-210 Subpoenas, where provided by law—Enforcement. [Regulation 08.210, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-220 Subpoenas, where provided by law—Geographical scope. [Regulation 08.220, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-230 Depositions and interrogatories in contested cases—Right to take. [Regulation 08.230, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-240 Depositions and interrogatories in contested cases—Scope. [Regulation 08.240, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-250 Depositions and interrogatories in contested cases—Officer before whom taken. [Regulation 08.250, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-260 Depositions and interrogatories in contested cases—Authorization. [Regulation 08.260, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-270 Depositions and interrogatories in contested cases—Protection of parties and deponents. [Regulation 08.270, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-280 Depositions and interrogatories in contested cases—Oral examination and cross-examination. [Regulation 08.280, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-290 Depositions and interrogatories in contested cases—Recordation. [Regulation 08.290, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-300 Depositions and interrogatories in contested cases—Signing attestation and return. [Regulation 08.300, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-310 Depositions and interrogatories in contested cases—Use and effect. [Regulation 08.310, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-320 Depositions and interrogatories in contested cases—Fees of officers and deponents. [Regulation 08.320, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-330 Depositions upon interrogatories—Submission of interrogatories. [Regulation 08.330, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-340 Depositions upon interrogatories—Interrogation. [Regulation 08.340, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-350 Depositions upon interrogatories—Attestation and return. [Regulation 08.350, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-360 Depositions upon interrogatories—Provisions of the deposition rule. [Regulation 08.360, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-370 Official notice—Matters of law. [Regulation 08.370, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-380 Material facts. [Regulation 08.380, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-390 Presumptions. [Regulation 08.390, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-400 Stipulations and admissions of record. [Regulation 08.400, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-410 Form and content of decisions in contested cases. [Regulation 08.410, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-420 Definition of issues before hearing. [Regulation 08.420, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.

## Chapter 4-12

## QUALIFICATIONS AND EXAMINATION OF CANDIDATES FOR CERTIFIED PUBLIC ACCOUNTANT

- 4-08-430 Prehearing conferences—Authorized. [Regulation 08.430, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-440 Prehearing conferences—Record of conference action. [Regulation 08.440, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-450 Submission of documentary evidence in advance. [Regulation 08.450, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-460 Excerpts from documentary evidence. [Regulation 08.460, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-470 Expert or opinion testimony and testimony based on economic and statistical data—Number and qualifications of witnesses. [Regulation 08.470, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-480 Expert or opinion testimony and testimony based on economic and statistical data—Written sworn statements. [Regulation 08.480, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-490 Expert or opinion testimony and testimony based on economic and statistical data—Supporting data. [Regulation 08.490, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-500 Expert or opinion testimony and testimony based on economic and statistical data—Effect of noncompliance with WAC 4-08-470 or 4-08-480. [Regulation 08.500, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-510 Continuances. [Regulation 08.510, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-520 Rules of evidence—Admissibility criteria. [Regulation 08.520, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-530 Tentative admission—Exclusion—Discontinuing cumulative evidence—Objections. [Regulation 08.530, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-540 Petitions for rule making, amendment or repeal—Who may petition. [Regulation 08.540, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-550 Petitions for rule making, amendment or repeal—Requisites. [Regulation 08.550, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-560 Petitions for rule making, amendment or repeal—Agency must consider. [Regulation 08.560, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-570 Petitions for rule making, amendment or repeal—Notice of disposition. [Regulation 08.570, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-580 Declaratory rulings. [Regulation 08.580, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-08-590 Forms. [Regulation 08.590, effective 2/5/60.] Repealed by 88-22-056 (Order ACB-158), filed 11/1/88. Statutory Authority: RCW 18.04.055.
- 4-12-010 Examinations, times and places. [Regulation 04.050, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-020 Applications for examinations. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-12-020, filed 5/15/79; Order PL-116, § 4-12-020, filed 12/14/71; Regulation 04.060, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-030 Examination specified in RCW 18.04.120(5) means examination by the board. [Regulation 04.070, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-040 Construction of RCW 18.04.120 (6)(b) as to graduation from established resident school of business or accounting. [Regulation 04.140, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-050 Construction of RCW 18.04.120 (6)(c) as to equivalent education. [Regulation 04.080, effective 2/5/60.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.
- 4-12-060 Construction of RCW 18.04.120 as to graduate of college or university. [Regulation 04.100, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-070 Construction of RCW 18.04.170 as to college enrollment. [Regulation 04.120, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-080 Credit for parts of examination passed. [Regulation 04.150, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-090 Giving or receiving aid at examination. [Regulation 04.090, effective 2/5/60.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-100 Minimum accounting experience. [Order 9, § 4-12-100, filed 8/23/68, effective 9/1/69.] Amended by Order, filed 7/15/69 as § 4-12-160. See WAC 4-12-160.
- 4-12-110 Equivalent examination. [Statutory Authority: RCW 18.04.070. 80-02-140 (Order PL-320), § 4-12-110, filed 2/4/80.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-160 Minimum accounting experience. [Order, § 4-12-160, filed 7/15/69. Formerly: Order 9, § 4-12-100, filed 8/23/68, effective 9/1/69.] Repealed by 79-06-024 (Order PL 303), filed 5/15/79. Statutory Authority: RCW 18.04.070.
- 4-12-170 Applicants for initial permits to practice public accounting. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-12-170, filed 5/15/79.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-180 Renewal of permits to practice public accounting. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-12-180, filed 5/15/79.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-12-190 Applicants for permits to practice public accounting from other status. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-12-190, filed 5/15/79.] Repealed by 91-01-057, filed

12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.

**Chapter 4-16**

**RULES OF PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS AND PUBLIC ACCOUNTANTS**

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| 4-16-010 | Preamble. [Rule 04.500, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.   | 4-16-245 | Contingent fees—Rule 302. [Order PL 174, § 4-16-245, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.  |
| 4-16-015 | Integrity and dignity in the profession. [Rule 04.501, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                | 4-16-250 | Encroachment—Rule 401. [Order PL 174, § 4-16-250, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.   |
| 4-16-020 | Conformance to laws, rules, and regulations. [Rule 04.502, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.            | 4-16-255 | Offers of employment—Rule 402. [Order PL 174, § 4-16-255, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.   |
| 4-16-025 | Independence. [Rule 04.503, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.   | 4-16-260 | Acts discreditable—Rule 501. [Order PL 174, § 4-16-260, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.   |
| 4-16-030 | Confidential relationship. [Rule 04.504, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                              | 4-16-265 | Solicitation and advertising—Rule 502. [Order PL 174, § 4-16-265, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.   |
| 4-16-035 | Contingent fee. [Rule 04.505, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.   | 4-16-270 | Commissions—Rule 503. [Order PL 174, § 4-16-270, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.  |
| 4-16-050 | Expressing opinions. [Rule 04.601, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                                    | 4-16-275 | Incompatible occupations—Rule 504. [Order PL 174, § 4-16-275, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.   |
| 4-16-055 | Use of name with estimate of earnings. [Rule 04.602, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                  | 4-16-280 | Form or practice and name—Rule 505. [Order PL 174, § 4-16-280, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.  |
| 4-16-070 | Advertising. [Rule 04.701, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.  | 4-16-300 | Preamble. [Order PL-280, § 4-16-300, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                                 |
| 4-16-075 | Solicitation. [Rule 04.702, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.   | 4-16-310 | Definitions. [Order PL-280, § 4-16-310, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                              |
| 4-16-080 | Competitive bidding. [Rule 04.703, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                                    | 4-16-320 | Rule 101—Independence. [Order PL-280, § 4-16-320, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                    |
| 4-16-085 | Fee splitting and commissions. [Rule 04.704, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                          | 4-16-325 | Rule 102—Integrity and objectivity. [Order PL-280, § 4-16-325, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.       |
| 4-16-100 | Use of name by others. [Rule 04.801, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                                  | 4-16-330 | Rule 103—Commissions. [Order PL-280, § 4-16-330, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                     |
| 4-16-105 | Employees' services. [Rule 04.802, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                                    | 4-16-335 | Rule 104—Contingent fees. [Order PL-280, § 4-16-335, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                 |
| 4-16-110 | Incompatible occupation. [Rule 04.803, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                                | 4-16-340 | Rule 105—Incompatible occupations. [Order PL-280, § 4-16-340, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.        |
| 4-16-115 | Simultaneous practice of other occupations. [Rule 04.804, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.             | 4-16-345 | Rule 201—Competence. [Order PL-280, § 4-16-345, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                      |
| 4-16-125 | Encroachment. [Rule 04.901, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.   | 4-16-350 | Rule 202—Auditing standards. [Order PL-280, § 4-16-350, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.              |
| 4-16-130 | Engagements referred by another. [Rule 04.902, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                        | 4-16-355 | Rule 203—Accounting principles. [Order PL-280, § 4-16-355, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.           |
| 4-16-135 | Offers to another's employees. [Rule 04.903, filed 5/22/62.] Repealed by Order PL 174, filed 9/24/74.                          | 4-16-360 | Rule 204—Forecasts. [Order PL-280, § 4-16-360, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                       |
| 4-16-200 | Definitions. [Order PL 174, § 4-16-200, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.                              | 4-16-370 | Rule 301—Confidential client information. [Order PL-280, § 4-16-370, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055. |
| 4-16-205 | Applicability of rules. [Order PL 174, § 4-16-205, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.                   | 4-16-375 | Rule 302—Records. [Order PL-280, § 4-16-375, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.                         |
| 4-16-210 | Independence—Rule 101. [Order PL 174, § 4-16-210, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.                    |          |   |
| 4-16-215 | Integrity and objectivity—Rule 102. [Order PL 174, § 4-16-215, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.       |          |   |
| 4-16-220 | Competence—Rule 201. [Order PL 174, § 4-16-220, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.                      |          |   |
| 4-16-225 | Auditing standards—Rule 202. [Order PL 174, § 4-16-225, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.              |          |   |
| 4-16-230 | Accounting principles—Rule 203. [Order PL 174, § 4-16-230, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.           |          |   |
| 4-16-235 | Forecasts—Rule 204. [Order PL 174, § 4-16-235, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77.                       |          |   |
| 4-16-240 | Confidential client information—Rule 301. [Order PL 174, § 4-16-240, filed 9/24/74.] Repealed by Order PL-280, filed 12/29/77. |          |   |

- 4-16-380 Rule 401—Discreditable acts. [Order PL-280, § 4-16-380, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-385 Rule 402—Acting through others. [Order PL-280, § 4-16-385, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-390 Rule 403—Advertising. [Order PL-280, § 4-16-390, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-395 Rule 404—Solicitation. [Order PL-280, § 4-16-395, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-400 Rule 405—Form of practice. [Order PL-280, § 4-16-400, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-405 Rule 406—Firm names. [Order PL-280, § 4-16-405, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-16-410 Rule 407—Communications. [Order PL-280, § 4-16-410, filed 12/29/77.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.

#### Chapter 4-20

#### ACCOUNTANCY CONTINUING EDUCATION RULES

- 4-20-010 Citation of rules and purpose. [Order PL-148, § 4-20-010, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-020 Basic requirements—Amount. [Statutory Authority: RCW 18.04.070. 83-09-049 (Order PL 432), § 4-20-020, filed 4/20/83; 79-06-024 (Order PL 303), § 4-20-020, filed 5/15/79; Order PL-148, § 4-20-020, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-030 Basic requirements—Effective date of requirement. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-20-030, filed 5/15/79; Order 233, § 4-20-030, filed 12/17/75; Order PL-148, § 4-20-030, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-040 Basic requirements—Exceptions. [Order PL-148, § 4-20-040, filed 9/25/73.] Repealed by Order PL-175, filed 9/24/74. Later promulgation, see WAC 4-20-045.
- 4-20-045 Basic requirements—Exceptions. [Statutory Authority: RCW 18.04.070. 79-06-024 (Order PL 303), § 4-20-045, filed 5/15/79; Order PL-175, § 4-20-045, filed 9/24/74. Formerly Order PL-148, WAC 4-20-040, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-100 Qualification of program—Primary consideration. [Order PL-148, § 4-20-100, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-110 Qualification of program—Basic requirements. [Order PL-148, § 4-20-110, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-120 Qualification of program—Approved by board. [Order PL-148, § 4-20-120, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-130 Qualification of program—Individual study. [Order PL-148, § 4-20-130, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.

- 4-20-140 Instructor or discussion leader. [Statutory Authority: RCW 18.04.070. 80-05-033 (Order PL-341), § 4-20-140, filed 4/15/80; Order PL-175, § 4-20-140, filed 9/24/74; Order PL-148, § 4-20-140, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-150 Qualification of program—Published articles and books. [Statutory Authority: RCW 18.04.070 and 18.04.290(2). 82-14-052 (Order PL 401), § 4-20-150, filed 6/30/82; Order PL-148, § 4-20-150, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-20-200 Controls and reporting—Statement of completion. [Order PL-148, § 4-20-200, filed 9/25/73.] Repealed by 91-01-057, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.

#### Chapter 4-24 WAC

#### PUBLIC RECORDS--DISCLOSURE

#### WAC

- 4-24-010 Purpose.
- 4-24-020 Definitions.
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- 4-24-030 Description of central and field organization of the board.
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- 4-24-041 Operations and procedures.
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- 4-24-140 Address where requests to be directed.
- 4-24-150 Adoption of form—Appendix A.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 4-24-100 Exemptions. [Order 257, § 4-24-100, filed 11/16/76.] Repealed by 91-01-055, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.
- 4-24-130 Index of public records available. [Order 257, § 4-24-130, filed 11/16/76.] Repealed by 91-01-055, filed 12/13/90, effective 1/13/91. Statutory Authority: RCW 18.04.055.

**WAC 4-24-010 Purpose.** The purpose of this chapter shall be to ensure compliance by the Washington state board of accountancy with the provisions of RCW 42.17.250, also known as chapter 1, Laws of 1973 (Initiative 276), Disclosure—Campaign finances—Lobbying—Records; and in particular with RCW 42.17.250 through 42.17.320, dealing with public records.

[Order 257, § 4-24-010, filed 11/16/76.]

**WAC 4-24-020 Definitions.** (1) "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics.

(2) "Writing" means handwriting, typewriting, printing, photostating, photographing and every other means of recording any form of communication or representation, including letters, words, pictures, sounds, or symbols or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums and other documents.

(3) The "Washington state board of accountancy" is the board whose members are appointed by the governor, pursuant to RCW 18.04.020. The Washington state board of accountancy shall hereinafter be referred to as the "board." Where appropriate, the term "board" also refers to the staff and employees of the Washington state accountancy board.

[Order 257, § 4-24-020, filed 11/16/76.]

**WAC 4-24-021 Definitions.** (1) "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

(2) "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation, including letters, words, pictures, sounds, or symbols or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.

(3) The "Washington state board of accountancy" is the board whose members are appointed by the governor. The Washington state board of accountancy shall hereinafter be referred to as the "board." Where appropriate, the term "board" also refers to the staff and employees of the Washington state accountancy board.

[Statutory Authority: RCW 18.04.070. 83-22-033 (Order ACB 106), § 4-24-021, filed 10/26/83.]

**WAC 4-24-030 Description of central and field organization of the board.** The board is a professional licensing and disciplinary agency for public, licensed public and certified public accountants. The administrative office of the board and its staff are located at 210 East Union, Suite H, Olympia, Washington 98504.

[Order 257, § 4-24-030, filed 11/16/76.]

**WAC 4-24-040 Operations and procedures.** (1) The board of accountancy consists of five members, one of whom is designated as chairman. The CPA members are appointed by the governor for staggered three-year terms. The LPA members are appointed by the governor for staggered two-year terms.

(2) The board meets approximately once each month in various places throughout the state. The time and place of the meeting can be learned by writing or calling the administrative office of the board.

(3) The chief executive officer is the board's administrator. He is responsible for carrying out the board's directions and for directing the board's staff.

(4) It is the board's duty to administer the law in chapter 18.04 RCW:

(a) The board administers a certified public accountant's examination semiannually.

(b) The board receives applications for certificates of CPA's and permits to practice as public accountants and investigates the qualifications of applicants and instructs the director of the department of motor vehicles to issue licenses to those properly qualified.

(c) The board publishes an annual register of all persons holding permits to practice public accounting in this state.

(d) The board reviews licensees' compliance with its continuing education rules.

(e) The board receives complaints about licensees' professional conduct and revokes or suspends the license of persons found to have violated terms of the licensing law.

(5) Information concerning all licenses or registrations issued by the board may be obtained by writing or calling the administrative office of the board.

[Order 257, § 4-24-040, filed 11/16/76.]

**WAC 4-24-041 Operations and procedures.** (1) The board of accountancy consists of five members, one of whom is designated as chairman.

(2) The board meets approximately once each month in various places throughout the state. The time and place of the meeting can be learned by writing or calling the administrative office of the board.

(3) The chief executive officer is the board's administrator. He is responsible for carrying out the board's directions and for directing the board's staff.

(4) It is the board's duty to administer the accountancy law:

(a) The board administers a certified public accountant's examination semiannually.

(b) The board receives applications for certificates of CPA's and permits to practice as public accountants and investigates the qualifications of applicants and issues licenses to those properly qualified.

(c) The board prepares an annual report to the governor of its activities, which upon request shall be available to any person, office, partnership, or corporation within this act, or to any member of the public.

(d) The board reviews licensees' compliance with its continuing education rules.

(e) The board receives complaints about licensees' professional conduct and revokes or suspends the license of persons found to have violated terms of the licensing law.

(5) Information concerning all licenses or registrations issued by the board may be obtained by writing or calling the administrative office of the board.

[Statutory Authority: RCW 18.04.070. 83-22-033 (Order ACB 106), § 4-24-041, filed 10/26/83.]

**WAC 4-24-050 Public records available.** All public records of the board, as defined in WAC, are deemed to be available for public inspection and copying pursuant to these rules, except as otherwise provided by RCW

42.17.310, also known as chapter 1, Laws of 1973, and except as otherwise provided by WAC 4-04-100.

[Order 257, § 4-24-050, filed 11/16/76.]

**WAC 4-24-060 Public records officer.** The board's public records shall be in the charge of the public records officer designated by the board. The person so designated shall be located in the administrative office of the board. The public records officer shall be responsible for the following: The implementation of the board's rules and regulations regarding release of public records, coordinating the staff of the board in this regard, and generally insuring compliance by the staff with the public records disclosure requirements of chapter 42.17 RCW, known as chapter 1, Laws of 1973.

[Order 257, § 4-24-060, filed 11/16/76.]

**WAC 4-24-070 Office hours.** Public records shall be available for inspection and copying during the customary hours of the board. For the purposes of this chapter, the customary office hours shall be from 9:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m., Monday through Friday, excluding legal holidays.

[Order 257, § 4-24-070, filed 11/16/76.]

**WAC 4-24-080 Requests for public records.** In accordance with requirements of chapter 42.17 RCW, known as chapter 1, Laws of 1973, that agencies prevent unreasonable invasions of privacy, protect public records from damage or disorganization, and prevent excessive interference with essential functions of the agency, public records may be inspected or copied, or copies of such records may be obtained, by members of the public, upon compliance with the following procedures:

(1) A request shall be made in writing upon a form prescribed by the board which shall be available at its administrative office. The form shall be presented to the public records officer or to any member of the board's staff, if the public records officer is not available, at the administrative office of the board during customary office hours. This request shall include the following information:

- (a) The name of the person requesting the record;
- (b) The time of day and calendar date on which the request was made;
- (c) The nature of the request;
- (d) If the matter requested is referenced within the current index maintained by the records officer, a reference to the requested record as it is described in such current index;
- (e) If the requested matter is not identifiable by reference to the board's current index, an appropriate description of the record requested.

(2) In all cases in which a member of the public is making a request, it shall be the obligation of the public records officer or staff member to whom the request is made to assist the member of the public in appropriately identifying the public records requested.

[Order 257, § 4-24-080, filed 11/16/76.]

(1990 Ed.)

**WAC 4-24-090 Copying.** No fee shall be charged for the inspection of public records. The board shall charge a fee for providing copies of public records and for the use of the board's copy equipment. The charge shall be the amount necessary to reimburse the board for its actual costs incident to such copying. The copy machine will be operated by staff persons only.

[Order 257, § 4-24-090, filed 11/16/76.]

**WAC 4-24-101 Exemptions.** (1) The board reserves the right to determine that a public record requested in accordance with the procedures outlined is exempt from disclosure under the provisions of RCW 42.17.310, also known as section 31, chapter 1, Laws of 1973.

(2) In addition, pursuant to RCW 42.17.310(2), section 26, chapter 1, Laws of 1973, the board reserves the right to delete identifying details when it makes available or publishes any public record, in any cases when there is reason to believe that disclosure of such details would be an invasion of personal privacy protected by RCW 42.17.310, also known as chapter 1, Laws of 1973. The public records officer will fully justify such deletion in writing.

(3) All denials of requests for public records must be accompanied by a written statement specifying the reason for the denial, including a statement of the specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the record withheld.

[Statutory Authority: RCW 18.04.070, 83-22-033 (Order ACB 106), § 4-24-101, filed 10/26/83.]

**WAC 4-24-110 Review of denials of public requests.**

(1) Any person who objects to the denial of a request for a public record may petition for prompt review of such decision by tendering a written request for review. The written request shall specifically refer to the written statement by the public records officer or other staff member which constituted or accompanied the denial.

(2) Immediately after receiving a written request for review of a decision denying a public record, the public records officer or other staff member denying the request shall refer it to the chief executive officer of the board. The chief executive officer shall immediately consider the matter and either affirm or reverse such denial or call a special meeting of the board as soon as legally possible to review the denial. In any case, the request shall be returned with a final decision within two business days following the original denial.

(3) Administrative remedies shall not be considered exhausted until the board has returned the petition with a decision or until the close of the second business day following denial of inspection, whichever occurs first.

[Order 257, § 4-24-110, filed 11/16/76.]

**WAC 4-24-120 Protection of public records.** No record shall be removed from the board office except by written permission of the public records officer under such conditions as are required to protect the records from damage or disorganization. No record may be marked, folded or damaged in any way, nor may any





4-25-141	CPA exam—Application.
4-25-142	CPA exam—Policy on cheating.
4-25-185	Continuing professional education.
4-25-186	Program standards.
4-25-187	Reports.
4-25-188	Program sponsor agreements.
4-25-190	Experience.
4-25-191	Licenses to practice—Certificates—Individual.
4-25-220	Permits to practice—Firms.
4-25-260	Temporary permits.
4-25-270	Enforcement actions against licensees.
4-25-280	Quality assurance review program.
4-25-300	Enforcement procedures—Investigations.
4-25-320	Enforcement procedures—Hearings by the board.
4-25-360	Reinstatement.

#### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

4-25-180	Permits to practice—Individual. [Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-180, filed 10/26/83.] Repealed by 89-03-062 (Order ACB-165), filed 1/17/89.
4-25-181	Experience. [Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-181, filed 10/26/83.] Repealed by 88-06-021 (Order ACB-146), filed 2/25/88. Statutory Authority: RCW 18.04.215 (1)(a).
4-25-182	Continuing professional education. [Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-182, filed 10/26/83.] Repealed by 87-19-118 (Order ACB-136), filed 9/21/87. Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215.
4-25-183	Program standards. [Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-183, filed 10/26/83.] Repealed by 87-19-118 (Order ACB-136), filed 9/21/87. Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215.
4-25-184	Reports. [Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-184, filed 10/26/83.] Repealed by 87-19-118 (Order ACB-136), filed 9/21/87. Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215.

**WAC 4-25-010 Preamble.** These rules are adopted by the Washington state board of accountancy, pursuant to its authority under section 6, chapter 234, Laws of 1983, the Public Accounting Act of 1983. Their purpose is to promote and protect the public interest by implementing the provisions of that act, which provide for the licensing of certain practitioners of public accountancy and the regulation of the practice of public accountancy, all to the end of enhancing the reliability of information which is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-010, filed 10/10/83.]

**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.

(1990 Ed.)

(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) "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) "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.

[Statutory Authority: RCW 18.04.055. 84-06-021 (Order ACB 107), § 4-25-020, filed 2/29/84. Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-020, filed 10/26/83.]

**WAC 4-25-030 Unlawful acts.** A firm name is misleading within the meaning of section 16 (2) and (3),

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chapter 234, Laws of 1983 and is thus prohibited if, among other things:

(1) The firm name implies the existence of a corporation when the firm is not a corporation (as by the use of the abbreviations "P.C.," "P.S.," or "Inc. P.S.")

(2) The firm name implies existence of a partnership when there is not a partnership (as in "Smith & Jones, CPA's"); or

(3) The firm name includes the name of a person who is neither a present nor a past partner or shareholder of the firm.

A fictitious firm name (that is, one not consisting of the names of one or more present or former partners or shareholders) may not be used by a licensee in the practice of public accounting unless such name has been registered with and approved by the board as not being false or misleading.

No licensee may engage in the practice of public accountancy while representing himself or itself as having membership in any professional society, association, or organization, or membership in an association of firms, or a correspondent relationship with another certified public accountant or firm, if such representation:

- (a) Contains a misrepresentation of fact; or
- (b) Implies educational or professional attainments or licensing recognition not supported in fact; or
- (c) Contains other representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

Any person who is the holder of a valid certificate as a certified public accountant may use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, sign, card, or device to indicate that such person is a certified public accountant if such person holds a permit which provides for title usage, provided that this designation shall not be used in any connection with the practice of public accounting unless the person is the holder of a permit to practice granted by the board pursuant to section 11, chapter 234, Laws of 1983.

[Statutory Authority: RCW 18.04.070, 83-21-030 (Order ACB 104), § 4-25-030, filed 10/10/83.]

**WAC 4-25-040 Board meetings, officers, fees.** An annual meeting of the board shall be held each year, on a date following the annual meeting of the National Association of State Boards of Accountancy, and at least six other meetings shall be held each year, in the months of February, April, June, August, October, and December. Such regular board meetings will normally be on the last Friday of the month, with the exceptions of November and December meetings which shall normally be on the third Friday of the month. The chairman or a quorum of the board shall have the authority to call meetings of the board. The board shall follow and apply the rules of procedure, chapter 34.04 RCW, as regards to notice and conduct of meetings.

At the annual meeting the board shall elect from among its members the chairman, vice chairman, and

secretary. The officers shall assume the duties of their respective offices at the conclusion of the annual meeting at which they were elected. They shall serve a term of one year, but shall be eligible for reelection for an additional term.

The chairman or, in the event of his absence or inability to act, the vice chairman shall preside at all meetings of the board. Other duties of the officers shall be such as the board may from time to time determine.

(1) Fees. Fees charged by the board shall be as follows:

- (a) CPA examination applications:
  - (i) One or two parts . . . . . \$ 75
  - (ii) Three parts . . . . . \$ 100
  - (iii) Five parts . . . . . \$ 125
- (b) Transfer of grade credits from other jurisdictions, pursuant to RCW 18.04.105(3) . . . . . \$ 40
- (c) Administration of examination for out-of-state applicants, per part . . . . . \$ 10
- (d) Application for certificate by reciprocity from other jurisdictions . . . \$ 40
- (e) Biennial license to practice public accounting, includes certificate renewal fee . . . . . \$ 80
- (f) Biennial certificate renewal . . . . . \$ 10
- (g) Biennial firm license:
  - (i) Sole proprietorships (with one or more employees) . . . . . \$ 50
  - (ii) Partnerships . . . . . \$ 100
  - (iii) P.S. corporations . . . . . \$ 100
- (h) Amendments to firm registration, each filing . . . . . \$ 10
- (i) Temporary practice license, per individual who is to practice within this state . . . . . \$ 10
- (j) Copies of records, per page . . . . . \$ 0.10
- (k) Applications for reinstatement . . . . . \$ 25
- (l) Replacement CPA certificates . . . . . \$ 25

(m) Failure to file or complete an application to renew an individual certificate, individual license, or firm license by the due date of the application will result in a delinquency fee of twenty-five dollars per month (or any part thereof) from the due date of the application, not to exceed two hundred dollars total delinquency fee.

Note: The board may waive delinquency fees for good cause.

(2) Any applicant for a certificate or license who is aggrieved by an action taken by the board with respect to his application may request the board to reconsider such action. Any such request shall be filed within sixty days of the mailing of the board's letter, advising the following information:

- (a) The name and address of the applicant;
- (b) The date of the board's letter advising the applicant of the action of the board complained of; and
- (c) A statement of any facts or consideration to which the applicant believes the board failed to give due weight.

Each licensee shall notify the board in writing within thirty days of any change of address or, in the case of individual licensees, change of employment.

A licensee shall respond in writing to any communication from the board requesting a response, within twenty days of the mailing of such communications by registered or certified mail, to the last address furnished to the board by the licensee.

[Statutory Authority: RCW 18.04.065. 89-19-004 (Order ACB-192), § 4-25-040, filed 9/7/89, effective 10/8/89; 89-03-062 (Order ACB-165), § 4-25-040, filed 1/17/89; 87-19-117 (Order ACB-135), § 4-25-040, filed 9/21/87. Statutory Authority: RCW 18.04.055. 85-24-026 (Order ACB 115), § 4-25-040, filed 11/26/85. Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-040, filed 10/10/83.]

**WAC 4-25-060 Code of professional conduct.** This code of professional conduct is promulgated under the authority granted by the Public Accounting Act of 1983, which delegated to the Washington state board of accountancy the power and duty to prescribe rules of professional conduct directed to controlling the quality of the practice of public accountancy, and dealing among other things with independence, integrity, and objectivity; competence and technical standards; responsibilities to the public; and responsibilities to clients.

The rules of conduct set out below rest upon the premises that the reliance on the public in general and of the business community in particular on sound financial reporting, and on the implication of professional competence which inheres in the authorized use of a legally restricted title relating to the practice of public accountancy, imposes on persons engaged in such practice certain obligations both to their clients and to the public. These obligations, which the rules of conduct are intended to enforce where necessary, include the obligation to maintain independence of thought and action, to strive continuously to improve one's professional skills, to observe where applicable generally accepted accounting principles and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients in confidence, to uphold the standards of the public accountancy profession, and to maintain high standards of personal conduct in all matters affecting one's fitness to practice public accountancy.

Acceptance of licensure to engage in the practice of public accountancy, or to use titles which imply a particular competence so to engage, involves acceptance by the licensee of such obligations, and accordingly of a duty to abide by the rules of conduct.

The rules of conduct are intended to have application to all kinds of professional services performed in the practice of public accountancy, including auditing, accounting and review services, tax services and management advisory services; and to apply as well to all licensees, whether or not engaged in the practice of public accountancy, except where the wording of a rule clearly indicates that the applicability is more limited.

A licensee who is engaged in the practice of public accountancy outside the United States will not be subject to discipline by the board for departing, with respect

to such foreign practice, from any of the rules, so long as his conduct is in accordance with the standards of professional conduct applicable to the practice of public accountancy in the country in which he is practicing. However, even in such a case, if a licensee's name is associated with financial statements in such manner as to imply that he is acting as an independent public accountant and under circumstances that would entitle the reader to assume that United States practices are followed, he will be expected to comply with the rules herein concerning independence, integrity, and objectivity.

In the interpretation and enforcement of the rules of conduct, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by the board of other jurisdictions, and by appropriately authorized committees on ethics of professional organizations.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-060, filed 10/10/83.]

**WAC 4-25-080 Rules of conduct--Independence, integrity, and objectivity.** A licensee shall not express an opinion on financial statements of an enterprise in such a manner as to imply that he is acting as an independent public accountant with respect thereto unless he is independent with respect to such enterprise. Independence will be considered to be impaired if, for example:

(1) During the period of his professional engagement, or at the time of expressing his opinion, the licensee:

(a)(i) Had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

(ii) Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

(b) Had any joint closely-held business investment with the enterprise or any officer, director, or principal stockholder thereof which was material in relation to the net worth of either the licensee or the enterprise; or

(c) Had any loan to or from the enterprise or any officer, director, or principal stockholder thereof other than loans of the following kinds made by a financial institution under normal lending procedures, terms and requirements:

(i) Loans obtained by the licensee which are not material in relation to the net worth of the borrower;

(ii) Home mortgages; and

(iii) Other secured loans, except those secured solely by a guarantee of the licensee.

(2) During the period covered by the financial statements, during the period of the professional engagement or at the time of expressing an opinion, the licensee:

(a) Was connected with the enterprise as a promoter, underwriter, or voting trustee, a director or officer or in any capacity equivalent to that of a member of management or of an employee; or

(b) Was a trustee for any pension or profit-sharing trust of the enterprise.

The foregoing examples are not intended to be all inclusive.

A licensee shall not in the performance of professional services knowingly misrepresent facts, nor subordinate his judgment to others. In tax practice, however, a licensee may resolve doubt in favor of his client as long as there is reasonable support for his position.

A licensee shall not pay a commission to obtain a client, nor accept a commission for a referral to a client of products or services of others. This rule does not prohibit payments for the purchase of all, or a material part, of an accounting practice, or retirement payments to persons formerly engaged in the practice of public accountancy, or payments to the heirs or estates of such persons.

A licensee shall not offer or perform professional services for a fee which is contingent upon the findings or results of such services: *Provided however*, That this rule does not apply to professional services involving federal, state, or other taxes in which the findings are those of the tax authorities and not those of the licensee, nor does it apply to professional services for which the fees are to be fixed by courts or other public authorities, and which are therefore indeterminate in amount at the time the professional services are undertaken.

A licensee shall not concurrently engage in the practice of public accountancy and in any other business or occupation which impairs his independence or objectivity in rendering professional services.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-080, filed 10/10/83.]

**WAC 4-25-100 Competence and technical standards.** A licensee shall not undertake any engagement for the performance of professional services which he cannot reasonably expect to complete with due professional competence.

A licensee shall not permit his name to be associated with financial statements in such a manner as to imply that he is acting as an independent public accountant with respect to such financial statements unless he has complied with applicable generally accepted auditing standards. Statements on auditing standards issued by the American Institute of Certified Public Accountants, and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures therefrom must be justified by those who do not follow them.

A licensee shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement. For purposes of this rule generally accepted accounting principles are considered to be defined by pronouncements issued by

the financial accounting standards board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

A licensee, in the performance of management advisory services or accounting and review services shall conform to the professional standards applicable to such services. For purposes of this rule such professional standards are considered to be defined by statements on management advisory services and statements on standards for accounting and review services, respectively, in each instance issued by the American Institute of Certified Public Accountants, and by similar pronouncements by other entities having similar generally recognized authority.

A licensee shall not in the performance of professional services permit his name to be used in conjunction with any forecast of future transactions in a manner which may reasonably lead to the belief that the licensee vouches for the achievability of the forecast.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-100, filed 10/10/83.]

**WAC 4-25-120 Responsibilities to clients.** A licensee shall not without the consent of his client disclose any confidential information pertaining to his client obtained in the course of performing professional services.

This rule does not (1) affect in any way a licensee's obligation to comply with a validly issued subpoena or summons enforceable by order of a court, or (2) prohibit disclosures in the course of a quality review of a licensee's professional services, or (3) preclude a licensee from responding to any inquiry made by the board or any investigative or disciplinary body established by law or formally recognized by the board.

Members of the board and professional practice reviewers shall not disclose any confidential client information which comes to their attention from licensees in disciplinary proceedings or otherwise in carrying out their responsibilities, except that they may furnish such information to an investigative or disciplinary body of the kind referred to above.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-120, filed 10/10/83.]

**WAC 4-25-130 Other responsibilities and practices.** A licensee shall not commit any act that reflects adversely on his fitness to engage in the practice of public accountancy.

A licensee shall not permit others to carry out on his behalf, either with or without compensation, acts which, if carried out by the licensee, would place him in violation of the rules of conduct.

A licensee shall not use or participate in the use of any form of communication having reference to his professional services which contains a false, fraudulent, misleading, deceptive or unfair statement or claim. A false, fraudulent, misleading, deceptive or unfair statement or claim includes but is not limited to a statement or claim which:

- (1) Contains a misrepresentation of fact; or

(2) Is likely to mislead or deceive because it fails to make full disclosure of relevant facts; or

(3) Contains any testimonial, laudatory or other statement or implication that the licensee's professional services are of exceptional quality, if not supported by verifiable facts; or

(4) Is intended or likely to create false or unjustified expectations of favorable results; or

(5) Implies educational or professional attainments or licensing recognition not supported in fact; or

(6) States or implies that the licensee has received formal recognition as a specialist in any aspect of the practice of public accountancy, except in accordance with rules adopted by the board; or

(7) Represents that professional services can or will be competently performed for a stated fee when this is not the case, or make representations with respect to fees for professional services that do not disclose all variables that may reasonably be expected to affect the fees that will in fact be charged; or

(8) Contains other representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

A licensee shall not by any direct personal or public communication solicit an engagement to perform professional services (a) if the communication would violate any of these rules or (b) by the use of coercion, duress, compulsion, intimidation, threats, overreaching, or vexatious or harassing conduct.

A licensee may practice public accountancy only in a proprietorship, a partnership or a professional corporation meeting the requirements of the act.

[Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-130, filed 10/26/83.]

**WAC 4-25-140 CPA certificate--Education requirements.** Applicants for a CPA certificate shall have a baccalaureate degree conferred by a college or university recognized by the board. The degree program shall include an accounting concentration or its equivalent and related subjects the board deems appropriate. The board may, in its discretion, waive the educational requirements for any person if it is satisfied through review of documentation of successful completion of equivalency examination that the person's educational qualifications are an acceptable substitute for the requirements of this rule.

(1) As used in these rules, a "semester hour" means the conventional college semester hour. Quarter hours may be converted to semester hours by multiplying them by two-thirds.

(2) Accreditation standards. For purposes of this rule, the board will recognize colleges and universities which are accredited in accordance with (a) through (d) of this subsection.

(a) An accredited college or university is a four year degree-granting college or university accredited at the time applicant's degree was received by virtue of membership in one of the following regional accrediting agencies:

(i) Middle States Association of College and Secondary Schools;

(ii) New England Association of Schools and Colleges;

(iii) North Central Association of Colleges and Secondary Schools;

(iv) Northwest Association of Schools and Colleges;

(v) Southern Association of Colleges and Schools; and

(vi) Western Association of Schools and Colleges.

(b) A listing of accredited colleges and universities as recognized by the board is contained in *Accredited Institutions of Postsecondary Education* published by the U. S. Department of Education, National Center for Education Statistics.

(c) If an institution was not accredited at the time an applicant's degree was received but is so accredited at the time his application is filed with the board, the institution will be deemed to be accredited for the purpose of (b) of this subsection provided that it:

(i) Certifies that the applicant's total educational program would qualify him for graduation with a baccalaureate degree during the time the institution has been accredited; and

(ii) Furnishes the board satisfactory proof, including college catalogue course numbers and descriptions, that the preaccrediting courses used to qualify the applicant for a concentration in accounting are substantially equivalent to postaccrediting courses.

(d) If an applicant's degree was received at an accredited college or university as defined by (a) or (c) of this subsection, but the educational program which was used to qualify him for a concentration in accounting included courses taken at nonaccredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which applicant's degree was received, provided the accredited institution either:

(i) Has accepted such courses by including them in its official transcript; or

(ii) Certifies to the board that it will accept such courses for credit toward graduation.

(3) Alternative to accreditation. A graduate of a four-year-granting institution not accredited at the time the applicant's degree was received or at the time his application was filed will be deemed to be a graduate of a four-year accredited college or university if a credentials evaluation service approved by the board certifies that the applicant's degree is equivalent to a degree from an accredited college or university as defined in subsection (2) of this section.

(4) Accounting concentration. A concentration in accounting for holders of baccalaureate degrees, for purposes of this rule, shall consist of at least:

(a) Twenty-four semester hours or the equivalent, in accounting subjects including no more than ten semester hours of lower division elementary accounting courses; and

(b) Twenty-four semester hours or the equivalent, in business administration subjects which shall include business law, finance, economics, and data processing.

(c) A concentration in accounting for holders of graduate degrees for purposes of this rule shall consist of at least:

(i) Sixteen semester hours or the equivalent in graduate level accounting subjects. Undergraduate accounting courses may be substituted at two-thirds of the stated undergraduate credit; and

(ii) Sixteen semester hours or the equivalent in graduate level business administration subjects which shall include business law, finance, economics, and data processing. Undergraduate business courses may be substituted at two-thirds of the stated undergraduate credit.

(5) Transition rules for accounting concentration. Applicants for the certified public accountant examination whose original application is approved prior to September 1, 1986, shall not be required to comply with subsection (4)(a) and (b) of this section. Instead, they shall be required to meet the following requirements:

(a) Applicants who sat for an examination given before August 8, 1969, and received conditional credits from such examination, may continue to sit for the examination on or before the November 1992 sitting. Failure to pass said examination by November 1992 will cause the candidate to be subject to the accounting concentration requirements of subsection (4)(a) and (b) of this section for sitting after that date.

(b) Applicants who first sat for an examination given after August 8, 1969, but before November 15, 1986, may continue to sit for the examination. They must pass all parts of the examination on or before the November 1992 sitting. Failure to pass said examination by November 1992 will cause the candidate to be subject to the accounting concentration requirements of subsection (4)(a) and (b) of this section for sitting after that date. Candidates sitting under the provisions of this subsection must pass the examination within six additional consecutive sittings after receiving conditional credits.

[Statutory Authority: RCW 18.04.005(3) [18.04.055(3)]. 87-04-051 (Order ACB-126), § 4-25-140, filed 2/4/87. Statutory Authority: RCW 18.04.055. 85-11-013 (Order ACB 111), § 4-25-140, filed 5/8/85. Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-140, filed 10/26/83.]

**WAC 4-25-141 CPA exam--Application.** Applications to take the certified public accountant examination must be made on a form provided by the board and filed with the board on or before March 1 for the May examination and September 1 for the November examination.

An application will not be considered filed until the examination fee and required photographs have been received.

An applicant who fails to appear for examination or reexamination shall forfeit the fees charged for examination and reexamination.

Notice of the time and place of the examination shall be mailed at least ten days prior to the date set for the examination to each candidate whose application to sit for the examination has been approved by the board.

(1) Form of exam. The examination required by RCW 18.04.105 shall be the uniform CPA examination, including the following subjects:

- (a) Auditing
- (b) Business law
- (c) Theory of accounts, and
- (d) Accounting practices.

A passing grade for each subject shall be seventy-five. The board uses the Advisory Grading Services of the American Institute of Certified Public Accountants.

An applicant, at each sitting of the examination in which he takes any part of the examination, must take all parts not previously passed.

(2) Conditional credits. An applicant who at one sitting for the examination receives a passing grade in any two parts of the examination, or in the subject accounting practice I and II, and who receives a grade of at least fifty in each of the remaining parts, shall be granted credit for parts passed, on the condition that the applicant receives a passing grade in each of the remaining parts of reexamination at one or more of the next six consecutive examinations.

An applicant who at one sitting for the examination receives a passing grade in any three parts of the examination shall, regardless of the grade received on the remaining part, be granted credit for the parts passed, on the condition that the applicant receives a passing grade in the remaining part on reexamination at one of the next six consecutive examinations.

(3) Ethics exam. In addition to the uniform CPA examination, candidates shall be required to pass an examination, or alternatively to complete a course of study, prescribed by or acceptable to the board, in professional ethics.

(4) Proctoring CPA exam candidates. The board may agree to request the assistance of another accountancy board in proctoring Washington's applicants at out-of-state exam sites and may agree to proctor another accountancy board's applicants at a Washington exam site, both subject to space and staffing constraints. The board will not arrange for out-of-state proctoring for applicants domiciled out of state who wish to take the uniform CPA exam as Washington candidates. Such applicants must take the CPA exam in Washington on a space available basis.

(5) CPA exam--Completion of education requirement. A person who has met the education requirement of WAC 4-25-140, or who expects to meet it within one hundred twenty days following the examination, or with respect to whom it has been waived, is eligible to take the uniform CPA examination provided all other requisites have been satisfied. If a person is admitted to the examination on the expectation that he or she will complete the educational requirement within one hundred twenty days, no certificate may be issued, nor credit for the examination or any part of it be given, unless this requirement is in fact completed within that time or within such time as the board in its discretion may determine upon application.

[Statutory Authority: RCW 18.04.105. 87-15-072 (Order ACB 134), § 4-25-141, filed 7/17/87. Statutory Authority: RCW 18.04.070. 83-22-032 (Order ACB 105), § 4-25-141, filed 10/26/83.]

**WAC 4-25-142 CPA exam--Policy on cheating.**

(1) Purpose. The purpose of this cheating policy is to define cheating for purposes of the CPA examinations and the penalties the board may impose for cheating. Cheating includes, but is not limited to:

(a) Communication between candidates inside or outside of the examination room during the examination.

(b) Unauthorized communication with others outside of the examination room during the examination.

(c) Substitution by a candidate of another person to write one or more of the examination papers for him/her.

(d) Reference to crib sheets, text books, or other material inside or outside the examination room during the examination.

(e) Copying another candidate's answers.

(2) Policy. Cheating on the CPA examination is dishonesty related to the professional responsibilities of a CPA. The board may impose one or more of the following penalties:

(a) Enter a failing grade for any or all parts of the candidate's examination;

(b) Bar a candidate from writing future examinations;

(c) Expel a candidate from the examination room.

Board representatives may move a candidate suspected of cheating away from other candidates. Board representatives may request any candidate suspected of cheating or who may have observed cheating to remain for a reasonable period of time following an examination session for questioning. The board may schedule a hearing to determine the validity of the charge of cheating.

All candidates involved in cheating may be subject to penalties, although not necessarily of the same severity.

Other jurisdictions to which a candidate may apply for the examination may be notified of the board's conclusions and order.

[Statutory Authority: RCW 18.04.055(9). 88-05-015 (Order ACB-145), § 4-25-142, filed 2/11/88.]

**WAC 4-25-185 Continuing professional education.**

WHO MUST HAVE CPE. The following requirements of continuing professional education apply to the biennial renewal, or initial issue if by reciprocity, of certificates and licenses to practice public accounting pursuant to RCW 18.04.105(9) and 18.04.215(4). Renewal of a license to practice means simultaneous renewal of the license and the certificate. Certificates issued to persons born in even-numbered years are subject to renewal on July 1, 1988, and biennially thereafter. Certificates issued to persons born in odd-numbered years are subject to renewal on July 1, 1989, and biennially thereafter. Each certificate holder shall verify to the board that he has completed at least eighty hours of continuing professional education during the last two-year period unless he can demonstrate that the failure was due to reasonable cause. Persons who are retired, and persons who are certificate holders, but who do not make any

public, professional, commercial, or occupational use of the title certified public accountant shall be deemed to have met the reasonable cause exception provided by RCW 18.04.105(11) and 18.04.215(4). The board may, in particular cases, make exceptions to these requirements for reasons of individual hardship including health, military service, foreign residence, or other reasonable cause.

(1) HOURS REQUIRED.

(a) PUBLIC ACCOUNTING LICENSE. An applicant seeking regular biennial renewal of a license, which will include renewal of his certificate, shall show that he has completed the required hours of continuing professional education during the two calendar-year period preceding renewal, of which no less than thirty-two hours shall be accounting and/or auditing subjects. In a reporting period during which the licensee was not involved at any time in reporting on financial statements, no less than sixteen hours of the eighty-hour requirement shall be accounting and/or auditing subjects. Tax practitioners whose sole relationship to financial statements is the review of the federal income tax provision, related balance sheet accounts and notes are not considered to be involved in reporting on financial statements for purposes of this provision. Of the total requirement of eighty hours, no more than sixteen hours may be in continuing professional education course subjects deemed "nontechnical" by the board in WAC 4-25-186 (2)(b).

(b) CERTIFICATE ONLY. An applicant, who holds a certificate but whose activities do not require a license to practice public accounting, is required to show that he has completed not less than eighty hours of continuing professional education to renew his certificate under RCW 18.04.105(9) which contribute to his own professional competency, meet the criteria for courses set forth in WAC 4-25-186(1) and can be classified into one of the categories of WAC 4-25-186 (2)(a) or (b). The courses must include a minimum of eight hours of accounting and/or auditing subjects for each biennial reporting period.

(2) RENEWAL OF LAPSED CERTIFICATES OR LICENSES AND RECIPROCITY. An applicant who has previously held a license and certificate who has failed to renew timely, shall satisfy the requirements of subsection (1)(a) of this section. An applicant who held a license under the reciprocity provisions of RCW 18.04.180, shall, for the purposes of satisfying the continuing education requirements, make the same showing as prescribed in subsection (1)(a) of this section at the time of application. An applicant who holds a certificate and no license who has failed to renew timely, shall satisfy the requirements of subsection (1)(b) of this section.

(3) RENEWAL OF INITIAL CERTIFICATE OR LICENSE AND CERTIFICATE. An applicant seeking to renew an initial certificate or license and certificate issued less than two years but more than one year prior to the renewal must show that he has completed at least forty hours of such continuing professional education during the calendar year preceding the application. An applicant seeking to renew an initial certificate or license and certificate issued less than one year prior to the renewal will not be

required to demonstrate completion of any hours of continuing professional education for the first renewal, subject to the provisions of subsection (2) of this section as it pertains to certificates or licenses granted through reciprocity.

(4) **TRANSITION RULE.** Persons who held a certificate and no license and thereby became subject to continuing professional education requirements for the first time on July 1, 1986, pursuant to the requirements of RCW 18.04.105(9), shall make the following showing for purposes of satisfying the continuing professional education requirements:

(a) **EVEN-NUMBERED BIRTH YEAR - RENEWAL.** An individual who first becomes subject to continuing professional education requirements during the period July 1, 1986, through September 30, 1987, pursuant to RCW 18.04.105(9) and whose year of birth is even-numbered shall renew his certificate effective July 1 of each even-numbered year commencing with 1988. Such individual shall show completion of at least sixteen hours of continuing professional education (CPE) obtained during the two-year period ending December 31, 1987, as a condition of renewing his certificate in 1988. For renewal in 1990, such individuals must demonstrate completion of eighty hours of CPE during calendar years 1986 through 1989. For each subsequent renewal commencing with 1992, individuals must demonstrate eighty hours of CPE obtained in the two calendar-year period preceding the year of renewal.

(b) **ODD-NUMBERED BIRTH YEAR - RENEWAL.** An individual who first becomes subject to continuing professional education (CPE) requirements during the period July 1, 1986, through September 30, 1987, pursuant to RCW 18.04.105(9) and whose year of birth is odd-numbered shall renew his certificate effective July 1 of each odd-numbered year commencing with 1989. Such individual shall show completion of at least forty-eight hours of continuing professional education obtained during the three-year period ending December 31, 1988, as a condition of renewing his certificate in 1989. For renewal in 1991, such individuals must demonstrate completion of eighty hours of CPE during calendar years 1989 and 1990. For each subsequent renewal commencing with 1993, individuals must demonstrate eighty hours of CPE obtained in the two calendar-year period preceding the year of renewal.

(c) **CERTIFICATES ISSUED AFTER SEPTEMBER 30, 1987 - RENEWAL.** Certificates issued after September 30, 1987, shall be renewable on July 1 of each even-numbered year for individuals whose birth year is even-numbered and on July 1 of each odd-numbered year for individuals whose birth year is odd-numbered.

[Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215. 87-19-118 (Order ACB-136), § 4-25-185, filed 9/21/87.]

**WAC 4-25-186 Program standards.** (1) **QUALIFYING PROGRAMS.** A program qualifies as acceptable continuing professional education for purposes of RCW 18.04.215(4) if it is a formal program of learning which contributes to the growth in the professional knowledge and professional competence of an individual in the

practice of his profession, and meets the minimum standards of quality of development and presentation and of measurement and reporting of credits set forth in WAC 4-25-185, 4-25-186, 4-25-187, 4-25-188, and in the *Statement on Standards for Formal Continuing Education* published by the National Association of State Boards of Accountancy, or such other educational standards as may be established from time to time by the board. Undergraduate courses are presumed not to contribute to licensees' growth beyond the level of knowledge required for initial certification and are therefore not generally acceptable for continuing professional education.

(2) **SUBJECT AREAS.** Programs dealing with the following general subject areas (as defined in the AICPA continuing professional education division. "*National Curriculum—A Pathway to Excellence*" or its successive documents) are acceptable so long as they meet the standards in subsection (1) of this section:

(a) Technical subjects:

(i) Accounting and auditing;

(ii) Management advisory services;

(iii) Personal financial planning;

(iv) Taxation;

(v) Management information services;

(vi) Budgeting and cost analysis;

(vii) Asset management;

(viii) Professional ethics;

(ix) Specialized areas of industry;

(x) Human resource management;

(xi) Economics;

(xii) Business law;

(xiii) Mathematics, statistics, and quantitative applications in business;

(xiv) Business management and organization.

(b) Nontechnical subjects:

(i) Communication skills;

(ii) Interpersonal management skills;

(iii) Personal development skills;

(iv) Public relations;

(v) Practice development.

Subjects other than those listed above may be acceptable if the applicant can demonstrate that they contribute to his professional competence. The responsibility for demonstrating that a particular program is acceptable rests solely upon the applicant.

(3) **GROUP PROGRAMS.** Group programs such as the following are acceptable so long as they meet the standards specified in subsection (1) of this section and deal with subjects referred to in subsection (2) of this section:

(a) Professional education and development programs of national, state, and local accounting organizations;

(b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;

(c) University or college courses, both credit and noncredit;

(d) Formal in-firm education programs;

(e) Programs of other organizations (accounting, industrial, professional, etc.);

(f) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;



(g) Firm meetings for staff and/or management groups which are structured as formal education programs. Portions of such meetings devoted to the communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.

(4) CREDIT. Continuing professional education credit will be given for whole hours only, with a minimum of fifty minutes constituting one hour. As an example, one hundred minutes of continuous instructions would count as two hours; however, more than fifty minutes but less than one hundred minutes of continuous instruction would count only as one hour. For attendees, only time spent in instruction, and not preparation time, will be credited. For university or college courses, each semester hour of credit shall equal fifteen hours toward the requirement and a quarter hour of credit, shall equal ten hours.

(5) CORRESPONDENCE AND FORMAL INDIVIDUAL STUDY PROGRAMS. The amount of credit to be allowed for correspondence and formal individual study programs (including taped study programs) will be that which is recommended by the program sponsor on the basis of one-half the average completion time under appropriate "field tests." Applicants claiming credit for such correspondence or formal individual study courses are required to obtain evidence of satisfactory completion of the course from the program sponsor. Credit will be allowed in the renewal period in which the course is completed.

(6) INSTRUCTOR, DISCUSSION LEADER, OR SPEAKER. Applicants who have served as instructors, discussion leaders and speakers at programs coming under subsections (1), (2), and (3) of this section may claim continuing professional education credit for both preparation and presentation time. Credit may be claimed for actual preparation time up to two times the presentation hours. The maximum credit for such preparation and teaching is sixty percent of the applicable renewal period requirement.

(7) PUBLISHED ARTICLES, BOOKS. Credit toward the continuing professional education requirement may be claimed for published articles and books, provided they contribute to the professional competence of the certificate holder. Credit for preparation of such publications may be claimed on a self-declaration basis for up to twenty-five percent of the renewal period requirement. In exceptional circumstances a licensee may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances which justify a greater credit. The amount of credit awarded for a given publication will be determined by the board.

[Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215. 87-19-118 (Order ACB-136), § 4-25-186, filed 9/21/87.]

**WAC 4-25-187 Reports.** Applicants for renewal of certificates and/or licenses to practice pursuant to RCW 18.04.105(9) or 18.04.215(4) shall file with their applications therefore a signed statement of the continuing

professional education programs for which they claim credit, showing:

- Sponsoring organization;
- Title of program or description of content;
- Dates attended;
- Hours claimed; and

For certificate only reporters, a general description of each course's contribution to the CPA's professional competence.

Responsibility for documenting the entitlement to credits rests with the applicant. Such documentation should be retained for a period of five years after the completion of the program. Such documentation may consist of the following:

- (1) Course completion certificate provided by program sponsor;
- (2) Confirmation letter from sponsor stating program title, location, and dates and hours of attendance;
- (3) Copy of the course outline prepared by the course sponsor;
- (4) For courses taken for scholastic credit in accredited universities and colleges, evidence of satisfactory completion of the course will be sufficient; for noncredit courses taken, a statement of the hours of attendance, signed by the instructor, is required;
- (5) For formal individual study programs written evidence of completion.

The board or its designees may verify on a test basis, information submitted by applicants for license or certificate renewal. In cases where the board determines that the requirement is not met, the board may grant an additional period of time in which the deficiencies can be cured.

[Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215. 87-19-118 (Order ACB-136), § 4-25-187, filed 9/21/87.]

**WAC 4-25-188 Program sponsor agreements.** Persons or organizations may not state that the board endorses or approves any continuing education program or course. All persons or organizations intending to sponsor programs or courses qualifying for continuing professional education shall enter into a program sponsor agreement for continuing education with the board, or at the board's option, with the National Association of State Boards of Accountancy and, accordingly, may state in promotional or program materials that the sponsor has agreed to abide by board rules. The sponsor agreement must indicate the type of organization and the subject areas in which the sponsor plans to present courses. Further, the agreement shall specify that the sponsor will comply with the requirements of WAC 4-25-186 and will retain for a period of five years the required records of program date, location, names of instructors, a verified listing of certificate holders attending, and outlines of the program presentation. The agreement shall further specify that the program sponsor agrees that a representative of the board may, upon due notice and without cost to the board, attend any course to perform field observation and review of the sponsor's procedures and course quality.

[Statutory Authority: RCW 18.04.105 (9)-(11) and 18.04.215. 87-19-118 (Order ACB-136), § 4-25-188, filed 9/21/87.]

**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.

[Statutory Authority: RCW 18.04.215 (1)(a), 88-06-021 (Order ACB-146), § 4-25-190, filed 2/25/88.]

**WAC 4-25-191 Licenses to practice--Certificates--Individual.** (1) Application for initial license to practice public accounting and for renewal of license pursuant to RCW 18.04.215 shall be made on a form provided by the board. Application for renewal of licenses and/or certificates shall be filed no later than March 31 of the year of expiration. Renewal of the license to practice public accounting is deemed to be renewal of the associated certificate.

(2) Application for renewal of license or certificate shall be accompanied by evidence satisfactory to the board that the applicant has complied with continuing professional education requirements pursuant to RCW 18.04.105(10).

(3) An application shall not be deemed to be completed until the applicable fees have been received and continuing education requirements have been met.

(4) Certificates and licenses expire on June 30 of every other year and have a duration of two years.

(5) Failure to file or complete an application for certificate or license renewal within the time required by board rule will result in delinquency fees as listed in WAC 4-25-040.

(6) In those instances where the applicant for certificate or license renewal fails to file a complete application by June 30 of the year of expiration, the board may enter into an agreement with the applicant to renew the license or certificate under the following condition: The applicant agrees to stipulate that his certificate and license will be suspended effective September 30 of the year of renewal unless the applicant files a complete application with the board prior to that date.

[Statutory Authority: RCW 18.04.215, 89-03-062 (Order ACB-165), § 4-25-191, filed 1/17/89.]

**WAC 4-25-220 Permits to practice--Firms.** (1) Applications by firms for initial registration to practice and for renewal of registration pursuant to section 9, chapter 234, Laws of 1983 shall be made on a form provided by the board and, in the case of applications for renewal, shall be filed no later than sixty days prior to the expiration date of the firm's current registration.

Applications will not be considered filed until the applicable fee is received. If an application for registration renewal is filed late, it shall also be accompanied by the applicable delinquency fee.

(2) A sole proprietor applying for a firm registration, whether initial or renewal, may join such application with his application for an individual registration, on a form provided for that purpose by the board, together with the applicable renewal fee for the firm registration.

(3) Applications shall include the firm name, addresses and telephone numbers of the main office and any branch offices of the firm, the name of the manager of each branch office, the names and state in which licensed, the partners or, in the case of corporations, shareholders, directors, and officers, and in the case of corporations a certified copy of the articles of incorporation and the bylaws.

(4) Biennial registration expires on June 30 of every other year.

(5) Firms which are in corporate form shall submit, together with their application for a registration, evidence that they are in compliance with this rule with respect to financial responsibility for liability that may be incurred to clients or others.

(6) A corporation engaged in the practice of public accountancy shall maintain in force liability insurance, or alternatively a written agreement of its shareholders providing a joint and several guarantee of payment, covering liability of the corporation for damages resulting from claims against it by its clients or others arising out of the rendering of or failure to render professional services by the corporation, in an amount for each claim of at least \$50,000 multiplied by the number of employed persons rendering professional services and an aggregate maximum limit of liability per calendar year of at least \$100,000 multiplied by the number of such employees, provided that the maximum amount guaranteed is not required to exceed \$1,000,000 for each claim and \$2,000,000 for all claims during any one calendar year.

(7) A firm registered pursuant to section 9, chapter 234, Laws of 1983 shall file with the board a written notification of any of the following events within thirty days after its occurrence:

- (a) Formation of a new partnership or corporation;
- (b) Admission of a partner or shareholder;
- (c) Retirement or death of a partner or shareholder;
- (d) Any change in the name of the firm;
- (e) Termination of the partnership or corporation;
- (f) Change in the management of any branch office;
- (g) Establishment of a new branch office or the closing or change of address of a branch office; and

(h) The occurrence of any event or events which would cause such partnership or professional corporation not to be in conformity with the provisions of the act or these rules.

In the event of any change in legal form of a firm, as between a proprietorship, a partnership or a professional corporation, such new firm shall within thirty days of the change file an application for an initial registration in accordance with these rules and pay the applicable fee.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-220, filed 10/10/83.]

**WAC 4-25-260 Temporary permits.** (1) Applications for temporary permits to practice pursuant to section 17(2), chapter 234, Laws of 1983 shall be made on a form provided by the board, and accompanied by the applicable fee.

(2) Each application shall be accompanied by a statement of the applicant, or if it is a partnership or corporation, by a partner or shareholder of the applicant:

(a) Showing that the applicant is duly licensed to practice as a certified public accountant or a firm or certified public accountants in another state;

(b) Identifying the specific professional engagement to be performed in this state pursuant to the temporary permit; and

(c) Stating the name and office address of each person who will be engaged in the performance of the engagement in this state.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-260, filed 10/10/83.]

**WAC 4-25-270 Enforcement actions against licensees.** The grounds for revocation and suspension of certificates and permits, and other disciplinary action against licensees, are set out in section 12, chapter 234, Laws of 1983 in both specific and general terms. The general terms of that provision of the act include the following particular grounds for such disciplinary action:

(1) Fraud or deceit in obtaining a certificate or permit, within the meaning of section 12(1), chapter 234, Laws of 1983, includes the knowing submission to the board of any false or forged evidence in, or in support of, an application for a certificate or permit.

(2) Dishonesty, fraud, or gross negligence in the practice of public accountancy, within the meaning of section 12(2), chapter 234, Laws of 1983, includes making misleading, deceptive or untrue representations in the practice of public accountancy.

(3) Violations of the act or of rules promulgated under the act, within the meaning of section 12 (3) through (7), chapter 234, Laws of 1983, include:

(a) Knowingly practicing public accounting in this state prior to obtaining a permit to practice;

(b) Knowingly using or attempting to use a certificate or permit which has been suspended or revoked;

(c) The making of any false or misleading statement in support of an application for a certificate or a permit filed by another; or

(d) Failure of a licensee to provide any explanation requested by the board regarding evidence submitted by the licensee in support of an application filed by another, or regarding a failure or refusal to submit such evidence; and failure by a licensee to furnish for inspection upon request by the board or its representative documentation relating to any evidence submitted by the licensee in support of such an application.

(4) Conduct reflecting adversely upon the licensee's fitness to engage in the practice of public accountancy,

within the meaning of section 12(8), chapter 234, Laws of 1983, includes:

(a) Adjudication as mentally incompetent;

(b) Fiscal dishonesty of any kind;

(c) Knowingly presenting as one's own a certificate or permit issued to another;

(d) Knowing concealment of information regarding violations by other licensees of the act or the rules thereunder; and

(e) Wilfully failing to file a report or record required by state or federal law; wilfully impeding or obstructing the filing of such a report or record, or inducing another person to impede or obstruct such filing by another; and the making or filing of such a report or record which one knows to be false.

Any licensee whose certificate or permit issued by the board is subsequently suspended or revoked shall promptly return such certificate or permit to the board.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-270, filed 10/10/83.]

**WAC 4-25-280 Quality assurance review program.**

(1) **Purpose.** The Washington state board of accountancy is charged with protection of the public interest as it relates to the licensure of certified public accountants. The purpose of the quality assurance review program (hereinafter referred to as program) is to monitor licensees' compliance with professional standards.

(2) **Structure and implementation.**

(a) The board will annually appoint a quality review committee (hereinafter referred to as committee) of five members to perform the following functions:

(i) Review of financial statements and the reports of licensees thereon to assess their compliance with applicable professional standards;

(ii) Improvement of reporting practices of licensees through education and rehabilitative measures;

(iii) Referral of cases requiring further investigation to the board or its designees; and

(iv) Such other functions as the board may assign to the committee.

(b) With respect to a firm required to renew a biennial license for a period beginning on or after July 1, 1987, such firm shall submit, for each of its offices, the following reports which have been issued by that office during the twelve months preceding the date of application if any report of such type was issued during the period:

(i) A compilation report;

(ii) A review report; and

(iii) An audit report.

(If reports issued by all offices of a firm are reviewed and issued in a controlled, centralized process, only one of each of the reports specified above shall be submitted by the firm as a whole.)

(c) The board may exempt from the requirement of subsection (b) of this section any firm which within the three years immediately preceding the application has been subjected to a peer review and submits with its application a copy of an unmodified report from a reviewing organization acceptable to the board. Firms which

received modified peer review reports shall submit copies of such reports and related correspondence, at the discretion of the board, for consideration on an individual basis.

(d) Any documents submitted in accordance with subsection (b) of this section may have the name of the client, the client's address, and other identifying factors omitted, provided that the omission does not render the type or nature of the enterprise undeterminable. Dates may not be omitted.

(e) The committee may also solicit for review financial statements and related reports of licensees from clients, public agencies, banks, and other users of financial statements.

(f) In gathering information about the professional work of licensees, the committee may make use of investigators, either paid or unpaid, who are not themselves members of the committee.

(g) The identities of the sources of financial statements and reports received by the board or the committee from other than the licensees who issued the reports shall be preserved in confidence. Reports submitted to the committee pursuant to subsection (b) of this section and comments of reviewers, the committee and the board on such reports or workpapers relating thereto, shall also be preserved in confidence except to the extent that they are communicated by the board to the licensees who issued the reports or disclosure is required under administrative procedure rules or by direction of a court of law.

(h) The committee's review of financial statements and reports of the licensees thereon shall be directed toward the following:

(i) Presentation of financial statements in conformity with generally accepted accounting principles;

(ii) Compliance by licensees with generally accepted auditing standards;

(iii) Compliance by licensees with other professional standards; and

(iv) Compliance by licensees with the rules of the board and other regulations relating to the practice of public accounting.

(i) If the board determines that a report referred to the board by the committee is substandard or seriously questionable with respect to applicable professional standards, the board may take any one or more of the following actions:

(i) The board may submit to the licensee firm a letter of comment detailing the perceived deficiencies and require the licensee to develop quality control procedures to insure that similar occurrences will not occur in the future;

(ii) The board may require any individual licensee who had responsibility for issuance of a report, or who substantially participated in preparation of the report and/or related workpapers, to successfully complete specific courses or types of continuing education as specified by the board;

(iii) The board may require that the office responsible for a substandard report submit all or specified categories of its reports to a preissuance review in a manner and for a duration prescribed by the board;

(iv) The board may require the office or the licensee firm responsible for a substandard report to submit to a peer review conducted in accordance with standards acceptable to the board;

(v) The board may require the licensee firm responsible for substandard work to submit to on-site review or other investigative procedures of work product and practices by board representatives in order to assess the degree or pervasiveness of substandard work. The board may assess the costs of such procedures to the firm if the results of such investigative efforts substantiate the existence of substandard work product;

(vi) If it appears that the professional conduct reflected in a substandard report is so serious as to warrant consideration of possible disciplinary action, the board may initiate an investigation pursuant to RCW 18.04.320.

[Statutory Authority: RCW 18.04.055(7), 87-03-040 (Order ACB-128), § 4-25-280, filed 1/16/87.]

**WAC 4-25-300 Enforcement procedures--Investigations.** (1) The board will annually appoint a standards review committee of three members, to perform the following functions:

(a) Review of financial statements and the reports of licensees thereon, to assess their compliance with applicable professional standards;

(b) Improvement of reporting practices of licensees through educational and rehabilitative measures;

(c) Referrals to the board of cases requiring further investigation; and

(d) Such other functions as the board may assign to the committee.

The committee may solicit financial statements and the related reports of licensees from clients, public agencies, banks, and other users of financial statements. The identities of sources, of licensees, and of clients to whom the financial statements pertain shall be kept in confidence and shall not be disclosed to any person not a member or agent of the committee or the board, unless the review necessitates referral to an industry specialist or results in a referral to the board for investigation.

(2) The committee's review of financial statements and reports of licensees thereon shall be directed toward the following:

(a) Presentation of financial statements in conformity with generally accepted accounting principles;

(b) Compliance by licensees with generally accepted auditing standards;

(c) Compliance by licensees with other professional standards; and

(d) Compliance by licensees with the rules of the board and other regulations relating to the practice of public accountancy.

In gathering information about the professional work of licensees, the committee may make use of investigators, either paid or unpaid, who are not themselves members of the committee.

In any instance where the committee finds a deficiency in the professional work of a licensee, it shall advise the licensee in writing of the deficiency. The committee may offer to meet with the licensee to discuss deficiencies.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-300, filed 10/10/83.]

**WAC 4-25-320 Enforcement procedures--Hearings by the board.** (1) A complaint issued by the board pursuant to section 14, chapter 234, Laws of 1983 will include:

(a) A short and plain statement of matters asserted or charged; and

(b) References to any particular sections of the act or of the rules which are asserted to have been involved in the conduct complained of.

(2) When the complaint and notice of hearing are served pursuant to section 14, chapter 234, Laws of 1983, they will be accompanied by:

(a) A copy of the board's applicable rule(s);

(b) A copy of the act;

(c) A copy of any particular sections of the act of any rule asserted to have been violated; and

(d) A brief statement calling attention to the rights of the licensee, under the act and the rules, to examine reports and evidence in advance of the hearing; to appear by counsel at the hearing to present evidence, and to appeal an adverse decision.

Under section 14, chapter 234, Laws of 1983 a licensee respondent has the right in advance of the hearing to examine and copy any report of investigation and documentary or testimonial evidence and summaries in the board's possession relating to the subject matter of the complaint. The right of examination may be exercised by the respondent or his attorney or agent at the board's office where the records in question are kept, during regular business hours, on three days' advance notice in writing. Copies will be promptly furnished of any documents designated for copying, but the board may charge a fee for such copying.

A hearing under section 14, chapter 234, Laws of 1983 shall be conducted by and shall be under the control of a presiding officer appointed by the board.

(3) The order of proceedings shall be as follows:

(a) Statement and presentation of evidence supporting the complaint, by the investigating officer, if any, by a board member designated for that purpose, or by counsel;

(b) Statement and presentation of evidence of the respondent licensee, in person (or in the case of a firm through a partner, officer, director, or shareholder) and by counsel;

(c) Rebuttal evidence in support of the complaint;

(d) Surrebuttal evidence of the respondent licensee;

(e) Closing statements; and

(f) Board decision.

The presiding officer, board members, the respondent, and the person presenting the complaint shall have the right to question or examine or cross-examine any witness.

The burden of presenting evidence to support a fact or position rests on the proponent of the fact or position.

The hearing may be continued with recesses as determined by the presiding officer.

The presiding officer may set reasonable time limits for oral presentation.

Exhibits shall be marked, and preserved along with the stenographic transcript as part of the record of the hearing.

The board is not bound by technical rules of evidence, and any evidence of a kind commonly relied upon by reasonably prudent persons in the conduct of their affairs shall be admissible.

All such evidence that is offered and not objected to will be received by the presiding officer unless he determines that it is irrelevant, immaterial, or unduly repetitious.

Evidence may be received provisionally, subject to later ruling by the presiding officer as to its admissibility; but any such ruling must be made before closing statements are heard.

Decisions by the board following hearings under section 14, chapter 234, Laws of 1983 will, if they sustain any charge, be made in public. Decisions that do not sustain a charge will not be made public, unless the respondent licensee requests that this be done or the board determines that the pendency of the charges had itself been the subject of substantial publicity.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-320, filed 10/10/83.]

**WAC 4-25-360 Reinstatement.** A person or firm whose certificates or permit to practice has been revoked or suspended pursuant to section 14, chapter 234, Laws of 1983, may apply to the board for modification of the suspension, revocation, or probation at any time after one year has elapsed from the effective date of the board's decision imposing it; except that if any previous application has been made with respect to the same penalty, no additional application will be entertained before the lapse of an additional year following the board's decision on the last such previous application.

The application shall be in writing; shall set out and, as appropriate, substantiate the reasons constituting good cause for the relief sought, and shall be accompanied by at least two supporting recommendations, under oath, from licensees who have personal knowledge of the activities of the applicant since the suspension or revocation was imposed.

An application will ordinarily be disposed of by the board upon the basis of the materials submitted in support thereof, supplemented by such additional inquiries as the board may think fit. At the board's discretion a hearing may be held on such an application, following such procedures as the board may deem suitable for the particular case.

The board may impose, as a condition for reinstatement of a certificate or permit or modification of a suspension or probation, such terms and conditions as it deems suitable.

In considering an application, the board may consider all activities of the applicant since the disciplinary penalty from which relief is sought was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the certificate or permit was in good standing, the applicant's rehabilitative efforts, restitution to damaged parties in the matter for which the penalty was imposed, and the applicant's general reputation for truth and professional probity.

No application for reinstatement will be considered while the applicant is under sentence for any criminal offense, including any period during which the applicant is on court-imposed probation or parole.

[Statutory Authority: RCW 18.04.070. 83-21-030 (Order ACB 104), § 4-25-360, filed 10/10/83.]