

# Board of Accountancy

## WASHINGTON STATE

Winter Edition 2018



## The Arrow of Time

Time is relentless in its ever increased acceleration. No sooner than a year begins, it ends with ever shorter interval, or so it seems. It is important for us to take a breath as one year ends and another begins, and note the year's accomplishments and events.

This year marked a shift in the Board's membership. Three of our long term Board members concluded their service in 2018. My sincere thanks to Emily Rollins, Jim Ladd and Favian Valencia, all of whom helped us immensely as we navigated forward and implemented changes that enhanced public protection and served our constituent licensees.

Jackie Meucci and Brain Thomas, both CPAs, joined our Board having been appointed by Governor Inslee earlier in June. Their willingness to serve is greatly appreciated.

As of this writing we are actively recruiting a Public Board member to follow behind Favian Valencia in January 2019. By the time this goes to print a selection will likely have been made.

I am always impressed by the quality of individuals who step up to make themselves available for Board service. I impress on each of our potential Board members that merely making the effort to submit an application for the Board is in and of itself, an act of service to the people of Washington State and our profession.

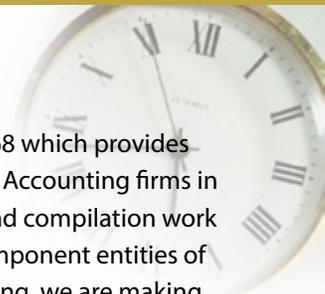
Caitlin Upshall also joined our staff as a communications specialist.

Early 2018 also saw the adoption of HB 2468 which provides the opportunity for Chartered Professional Accounting firms in British Columbia (BC) to complete attest and compilation work for Washington businesses that are the component entities of business located in Canada. As of this writing, we are making arrangements to meet with BC regulators to assist them in implementing reciprocal legislation.

Lastly 2018 was a hot bed of innovative thought by Board Members and staff regarding re-evaluation of business processes and regulations governing CPE and licensing requirements.

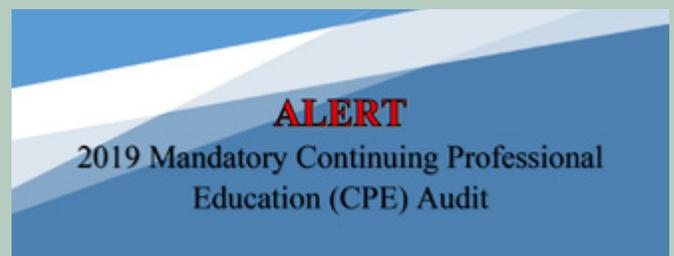
I am very excited to see what blooms in 2019.

Charles Satterlund, CPA  
Executive Director



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## During Your 2016 Renewal Did You Miss Your CPE Deadline?

If you did, as part of the process to get your credential back into compliance, Board staff automatically added you to the 2019 CPE Audit.

The Board mailed letters on December 5, 2018, to notify those individuals included in this group. The CPE audit will coincide with your 2019 renewal application. You will follow the instructions on the letter you received.

If you need to know, if you are included in this group, please email us at [CPE@acb.wa.gov](mailto:CPE@acb.wa.gov).



## WA STATE BOARD OF ACCOUNTANCY BOARD MEMBERS

### Officers:

Mark Hugh, CPA – Chair  
Thomas G. Neill, CPA – Vice Chair  
Joel Cambern, Public Member –  
Secretary

### CPA Members:

Elizabeth D. Masnari, CPA  
Jacqueline Meucci, CPA  
Karen R. Saunders, CPA  
Brian R. Thomas, CPA

### Public Members:

Rajib Doogar  
Vacant position

## WA STATE BOARD OF ACCOUNTANCY BOARD STAFF:

Charles Satterlund, CPA  
Executive Director

Jennifer Sciba  
Deputy Director

Lori Mickelson  
Chief Administration Officer

Michelle Tuscher  
Chief Information Officer

Tia Landry  
Data and Systems Administrator

Kelly Wulfekuhle  
Enforcement Administrator

Taylor Shahon, CPA  
Lead Investigator

Kirsten Donovan  
Confidential Records Manager

Anthony Manfre  
Licensing Specialist

Caitlin Upshall  
Communication Specialist

## HELP US, HELP YOU, ANY SUGGESTIONS?

Please send your suggestions to  
[customerservice@acb.wa.gov](mailto:customerservice@acb.wa.gov).

# A MESSAGE FROM THE BOARD CHAIR

## Year in Reflection



It is amazing how quickly a year can pass, and as the outgoing Board Chair I look back on all the Board accomplished in 2018.

After the passage earlier last year of House Bill 2468, which we refer to as the Canadian initiative, we continue our dialog with our neighbors to the north in British Columbia. In addition, we continue to focus on improving the peer review process, and we are considering changes to the CPE requirements.

We said goodbye to three outstanding Board Members. Emily Rollins and Jim Ladd have concluded their service with the Board. This will also be the last year of service for Favian Valencia, who will leave our Board on January 1, 2019. I thank all of them for their professionalism and contribution of time and energy to the people of Washington State.

Two new Board members, Jacqueline (Jackie) Meucci and Brian Thomas, joined our Board in June and bring fresh perspectives. I appreciate their willingness to serve going forward.

Board staff continues to implement new service capacity. We have kept things humming along with new initiatives in records management and detailed business analysis for a new licensing system.

I want to extend my thanks to all of the Board Members and staff who made this a memorable and productive year.

Karen Saunders, CPA  
Board Chair

## BOARD MEMBER RECRUITMENT

We are looking to fill two vacancies on the Board of Accountancy that will occur in June of 2019. These positions need to be filled by Certified Public Accountants (CPA). In order to be eligible to serve on the Board, you must be a resident of Washington and have been licensed continuously in this state for the previous ten years.

The mission of the Board is to promote the dependability of information that is used for guidance in financial transactions. Service on the Board is service to the people of the State of Washington and to our profession. If appointed, you would be expected to participate at Board meetings, which are held on a quarterly basis at various locations throughout the state. Board members provide input on changes to the laws and regulations that affect the practice of public accounting in our state, and are expected to act in an adjudicative capacity in disciplinary actions when individual CPAs or firms have violated the Public Accountancy Act, RCW 18.04, or related Rules WAC 4-30.

While in service to the Board, you will be governed by the Ethics in Public Service Act, RCW 42.52. If selected, you will receive an orientation and training on your role as a Board member. Travel costs are reimbursed for Board meetings or other events in which you may be expected to participate.

If you are interested in serving on the Board, you may contact Charles Satterlund, Executive Director, at (360) 586-0785 or [charles.satterlund@acb.wa.gov](mailto:charles.satterlund@acb.wa.gov). You may also submit an application directly to the Governor's Office.

# CONTINUING PROFESSIONAL EDUCATION (CPE) RULES UNDER REVIEW

The Board is currently reviewing the CPE rules, WAC\_ 4-30-132, 4-30-134, 4-30-136, and 4-30-138, for possible updates. The changes, if adopted into Board rule, will affect all licensees.

The considered revisions:

- Incorporate aspects of the recently revised Uniform Accountancy Act (UAA) CPE model rules into the rules.
- Reorganize the CPE requirements between the various CPE rule sections for clarity.
- Simplify the rule language.
- Rename the rules.

The rule revisions and a potential new rule are still a work in progress, and the Board has not submitted any filings with the Office of the Code Reviser to date. Once the rule drafts are filed, the Board will schedule a Rules Hearing. You are welcome to provide public comment either in person at the Rules Hearing or by email, as instructed in the Proposed Rule Making, (CR)-102, filing.



To follow along with the revision progress you can:

- Watch our website's [Board Rule Making](#) page for updates.
- Visit the [Office of the Code Reviser](#) for Board of Accountancy filings.
- Check our recent [Board Meeting Agendas & Minutes](#) for information.
- View the [News section](#) of our website homepage for a Rules Hearing posting.

## READY, SET, RENEW!



Beginning January 1, 2019, you can renew online using the following steps.

Step 1) Go to [Secure Access Washington \(SAW\)](#)

Step 2) Log in using your user name and password. If you have forgotten your user name or password, select the appropriate link on the login screen and follow the instructions.

Step 3) Select your Board of Accountancy service. This will bring you to your welcome screen.

Step 4) Click on the "Renew" link and follow the instructions on the application.

Step 5) At the end of the application, you can pay the renewal fee by ACH from your bank account, Visa, MasterCard, or American Express.

Step 6) Print your renewed license, and you are done!

If you have any problems using the online service, you can contact the Board office at: [customerservice@acb.wa.gov](mailto:customerservice@acb.wa.gov) or (360) 753-2586.



## DISCIPLINARY ACTIONS

In accordance with ACB Policy 2017-2, the Board makes available the following disciplinary actions. Additional details are accessible through the licensee search found at <https://acb.wa.gov/>

### **Rahuldev Gandhi (Gandhi)**

July 19, 2018

The Board entered into a Consent Agreement with Gandhi. The Board found sufficient evidence that Gandhi was disciplined by the SEC, and engaged in dishonesty, fraud, or negligence.

### **Larry W. Harmon (Harmon)**

July 19, 2018

The Board entered a Findings of Fact, Conclusions of Law, and Default Order against Harmon. The Board found sufficient evidence to deny Harmon's application to reinstate his CPA license.

### **Joseph L. Schmitz and Joseph L. Schmitz, PS (Schmitz)**

August 27, 2018

The Board entered a Findings of Fact, Conclusions of Law, and Default Order against Schmitz. The Board found sufficient evidence that Schmitz failed to comply with an order of the Board and failed to respond to Board inquiries. The Board suspended Schmitz's individual CPA license and administratively dissolved Schmitz's CPA firm license.

### **Peter Gehrett (Gehrett)**

October 3, 2018

The Board entered into a Consent Agreement with Gehrett. The Board found sufficient evidence that Gehrett

failed to comply with the AICPA Code of Professional Conduct.

### **Edward Richardson, Jr. (Richardson)**

October 3, 2018

The Board entered into Consent Agreement with Richardson. The Board found sufficient evidence that Richardson was disciplined by the PCAOB and engaged in dishonesty, fraud, or negligence. The Board suspended Richardson's license.

### **Jeffrey Cole (Cole)**

October 19, 2018

The Board entered into a Consent Agreement with Cole. The Board found sufficient evidence that Cole failed to notify the Board of disciplinary action and stated in an application to the Board that no disciplinary action was imposed.

### **Elizabeth A. Fiattarone (Fiattarone)**

October 19, 2018

The Board entered into a Consent Agreement with Fiattarone. The Board found sufficient evidence that Fiattarone performed or offered to perform attest services without a CPA license.

### **Scott A. Adams (Adams)**

November 8, 2018

The Board entered a Findings of Fact, Conclusions of Law, and Default Order against Adams. The Board found sufficient evidence that Adams held out as a CPA with a lapsed CPA license and failed to respond to Board inquiries. The Board revoked Adams's CPA license.

# CPA Exam Performance Summary: 2018 Q-3

## Washington

### Overall Performance

Unique Candidates	1,047
New Candidates	261
Total Sections	1,386
Passing 4th Section	166
Sections / Candidates	1.32
Pass Rate	57.22%
Average Score	73.47

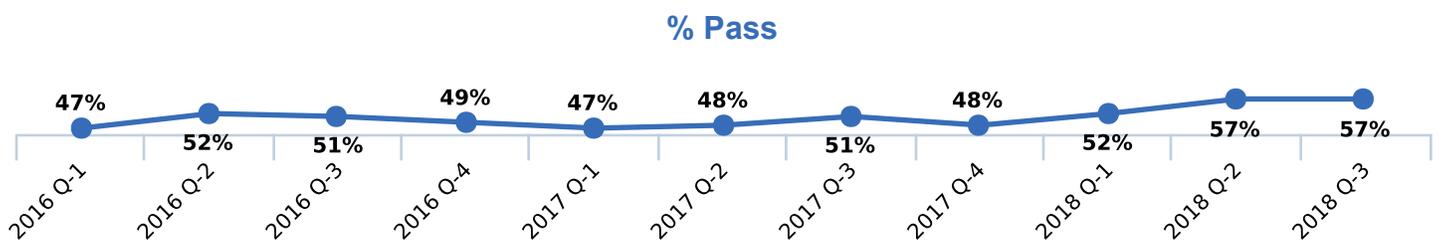
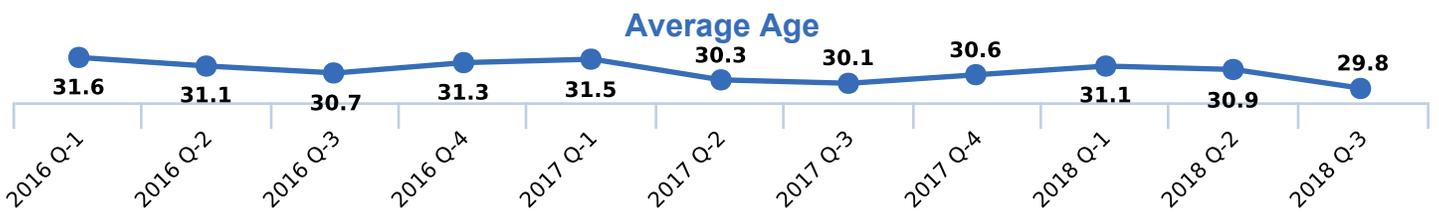
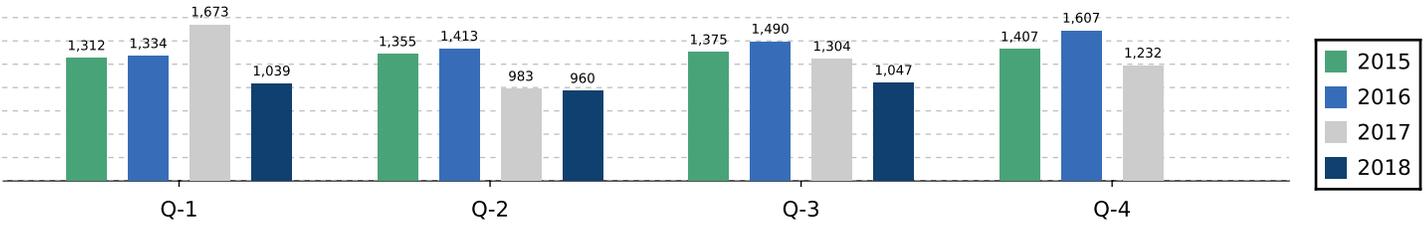
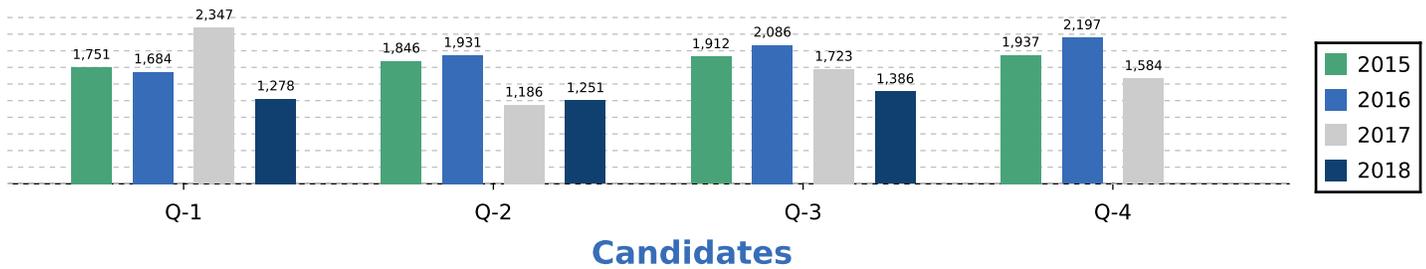
### Section Performance

	Sections	Score	% Pass
First-Time	392	73.85	61.48%
Re-Exam	991	73.33	55.6%
AUD	336	72.30	53.27%
BEC	254	77.82	64.96%
FAR	393	70.33	49.36%
REG	403	74.79	63.28%

### Jurisdiction Ranking

Candidates	13	Sections	13
Pass Rate	17	Avg Score	19

**Sections**



# CPA Exam Performance Summary: 2018 Q-3

## Washington

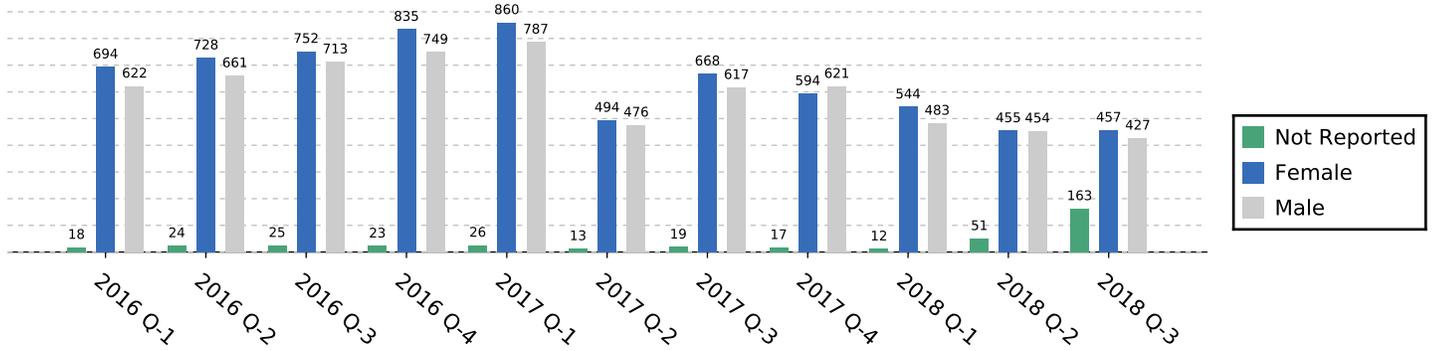
### Degree Type

Bachelor's Degree	747	71.3%
Advanced Degree	212	20.2%
Enrolled / Other	88	8.4%

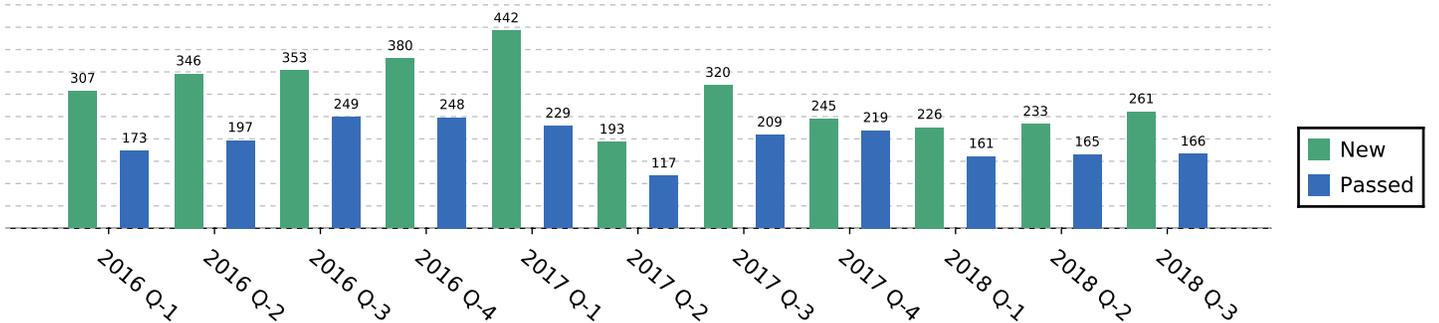
### Residency

In-State Address	613	58.55%
Out-of-State Address	168	16.05%
Foreign Address	266	25.41%

### Gender



### New Candidates vs Candidates Passing 4th Section



**Notes:**

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
  2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
  3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
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