

TRANSITION BRIEFING -- SMALL AGENCY CABINET

Washington State Board of Accountancy:

P.O. Box 9131, Olympia, WA 98507-9131

Executive Director: Dana M. McInturff, CPA (Certified Public Accountant), CFE (Certified Fraud Examiner)

Contact Information: <mailto:danam@cpaboard.wa.gov>; 360.586.0163

Agency Website: <http://www.cpaboard.wa.gov/>

Primary Activities and Responsibilities of the Board of Accountancy:

- Regulate Certified Public Accountants (CPA) to ensure integrity of financial information and protection of public - *Approximately 10,000 CPAs, 3,000 CPA-Inactive Certificateholders, 2,000 CPA Firms and 12 Non-CPA Owners of CPA Firms*
- Inspect Audit and Other Attest Work -- *Approximately 700 Firms Inspected Annually*
- Investigate Audit Failures, Substandard Technical Practices and Misconduct -- *Approximately 100 Investigations Annually*
- Conduct Administrative Hearings -- *Approximately 6 Administrative Hearings Annually*
- Enforcement and Discipline -- *Approximately 65 Board Orders Annually*
- Audit Compliance with Continuing Education Requirements -- *Approximately 250 Audits Performed Annually*
- Establish Entrance and Renewal Requirements, Test and Inspect Qualifications for Licensure, Issue and Renew Licenses, Ensure Continuing Competency -- *Approximately 600 new Individual Licensees and 100 new Firm Licensees issued Annually*
- Rule Making to Implement RCW 18.04 (Public Accountancy Act) -- *Approximately 1 Rule Hearing Annually*
- Publish Public Advisories and Alerts and Consumer Protection Information

Organization Chart and Budget [See next page for agency org chart]:

- Biennial Budget: Approximately \$1,900,000
- Revenue Source: License Fees -- No General Fund Dollars
- FTEs: 9 -- 8 Staff and 1 FTE absorbed by 9 Part Time Board Members
- Executive Director: Dana M. McInturff, CPA, CFE
- Deputy Director: Sandra Shoemaker, CPA
- Director of Investigation: Melody Curtiss, Esq.
- 9 Part Time Volunteer Board Members
 - 6 of the 9 are required to have held a Washington CPA license for 10 years; 3 of the 9 are to represent the interests of the public and 1 of these 3 must be qualified to represent the interests of clients
 - Serve 3 year terms - Limited to 3 terms
 - Board meets at a minimum 5 times a year
 - Board rules: WAC 4-25 Chapter

Most Pressing Issues or Challenges:

In the wake of the recent audit and accounting scandals (Enron, Arthur Anderson, Worldcom, etc.) the Board strengthened the dependability of financial information through legislation and regulation changes. At this point in time the Board does not have outstanding issues of a pressing or urgent nature. However, we present the following issues to describe and support an understanding of the Board's continuing regulatory challenges. The contact for each issue is: Dana M. McInturff, CPA, CFE, Executive Director, danam@cpaboard.wa.gov, 360.586.0163

Issue: ***Dependability of Financial Information*** - Ensure the integrity of financial information through (1) inspections of professional work and (2) investigations of audit failures, substandard technical practices, and/or licensee misconduct.

Key Stakeholders: Investors, General Public, CPAs, Washington Society of CPAs, Washington Accounting Association, Independent Business Association

Issue: *Sound Regulations/Regulatory Reform* -- Continuously review the Board's rules and policies to ensure regulations are effective, minimized and easy to understand.

Key Stakeholders: CPAs, CPA-Inactive Certificateholders, CPA Firms & Owners, Holders of Practice Privileges (Temporary Out-of-State License), Washington Society of CPAs, Washington Accounting Association, Independent Business Association

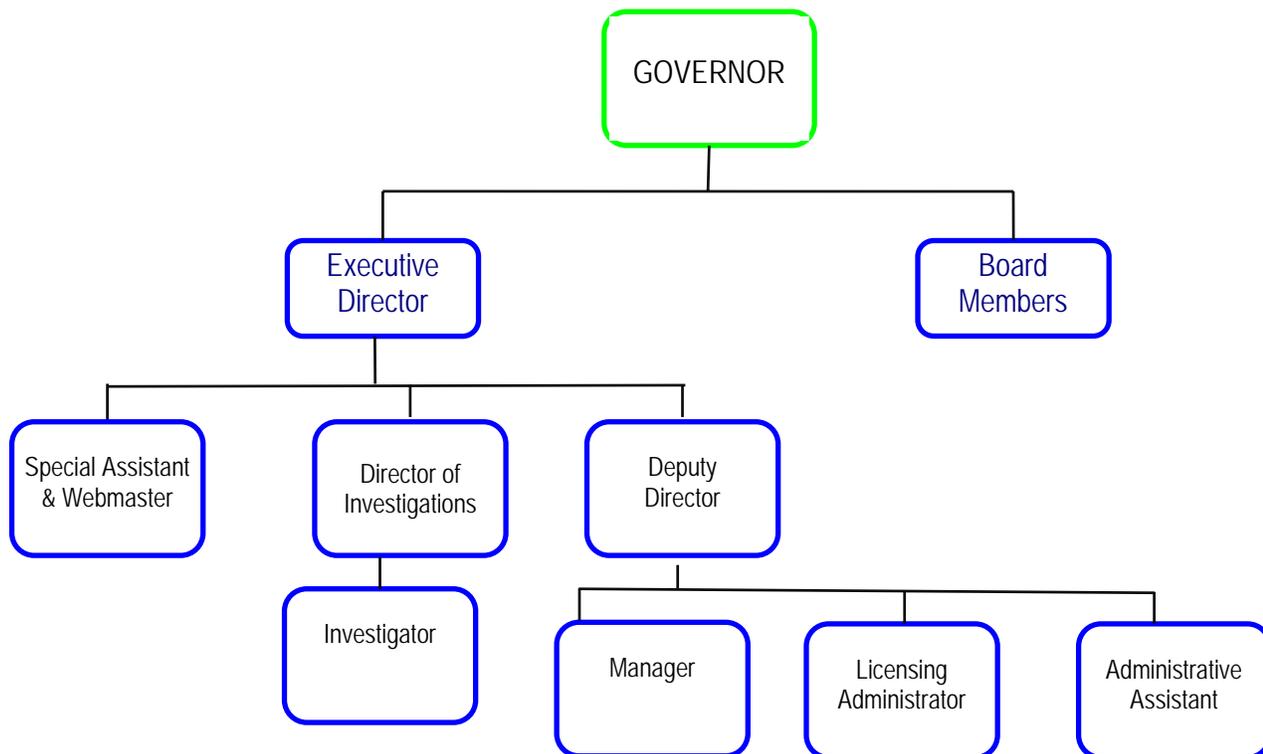
Issue: *Full Stakeholder Representation and Participation* - Ensure all regulated individuals and organizations are represented and participate in rule and policy making. CPAs work in public practice, industry, government, non-profit, academia, etc. The Board regulates CPAs regardless of their field of employment.

Key Stakeholders: CPA Firms -- Small, Local, Regional and Large (Big-4) firms, CPAs, CPA-Inactive Certificateholders, Washington Society of CPA, Washington Accounting Association, Washington Society of Enrolled Agents, Independent Business Association

Issue: *Automate the National CPA Exam* -- Ensure the national and state level transition from the 70+ year old paper and pencil exam to an automated CPA exam is seamless, stakeholders are informed, the exam tests minimum entry requirement, the exam is secure, and customer service is a continuous focus by all national and local parties involved in administering and delivering the exam to Washington's applicants.

Key Stakeholders: Applicants, Accounting Students and Educators, Educational Institutions, Washington Society of CPAs, National Assoc. of Boards of Accountancy, American Institute of CPAs

Board of Accountancy - Organization Chart



Board Member Listing by Board Position

ACCOUNTANCY, BOARD OF (GS005)

Agency 165 - State Board of Accountancy	Senate Conf. N	Positions: Maximum 009
Authority Governor	Public Disc. N	Minimum 000
Authoriztn. RCW 18.04.035	Term Length 036	Actual 009
Rem. Auth. GC	Meetings/Yr. 17	

Pos. #	Name and Address	Status	Race	Appointed	Expires
001	Aamot, Astrid 9440 Samish Island Road Bow, WA 98232	A	C	06/10/2004	06/09/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public		

Pos. #	Name and Address	Status	Race	Appointed	Expires
002	Foltz, Zoe Ann PO Box 2163 Spokane, WA 99201	A	C	05/10/2002	06/09/2005
		Terms Served	02		
		Position	a member		
		Comments	Licensed CPA		

Pos. #	Name and Address	Status	Race	Appointed	Expires
003	O'Donnell, Sharron 1000 Second Avenue 34th Floor Seattle, WA 98104-1022	A	C	05/10/2002	06/09/2005
		Terms Served	01		
		Position	a member		
		Comments	Licensed CPA		

Pos. #	Name and Address	Status	Race	Appointed	Expires
004	Caley, James 2102 East McLoughlin Blvd. Vancouver, WA 98666	A	C	06/10/2004	06/09/2007
		Terms Served	03		
		Position	a member		
		Comments	Licensed CPA		

Pos. #	Name and Address	Status	Race	Appointed	Expires
005	Tai, Mien "Julia" 13209 SE 72nd Pl., #A207 Newcastle, WA 98059	A	AP	11/19/2003	06/09/2006
		Terms Served	01		
		Position	a member		
		Comments	Licensed CPA		

Pos. #	Name and Address	Status	Race	Appointed	Expires
006	Moraleja, Rufino R. 18607 Blue Ridge Drive Lynnwood, WA 98037	A	AP	03/17/2004	06/09/2006
		Terms Served	02		
		Position	a member		
		Comments	Licensed CPA		

Board Member Listing by Board Position

ACCOUNTANCY, BOARD OF (GS005)

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
007	Sabado, Ronald D. 27826 48th Avenue South Auburn, WA 98001	A	AP	06/10/2004	06/09/2007
		Terms Served	01		
		Position	a member		
		Comments	Licensed CPA		

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
008	Adams, Barbara 35 West Main Avenue, Suite 300 Spokane, WA 99201	A	C	06/10/2004	06/09/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public		

<u>Pos. #</u>	<u>Name and Address</u>	<u>Status</u>	<u>Race</u>	<u>Appointed</u>	<u>Expires</u>
009	Clark, Robin 19917 7th Avenue NE Poulsbo, WA 98370	A	C	06/10/2004	06/09/2007
		Terms Served	01		
		Position	a member		
		Comments	General Public		