

## Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: 2005-07 Carry Forward Level

**Agency:** 165 - State Board of Accountancy

### Investigation of Public Accountants

As required by RCW 18.04, the Board of Accountancy issues licenses to Certified Public Accountants (CPAs), CPA firms, and firm owners to ensure public protection and the reliability of financial information. The board establishes and audits compliance with education, examination, good character, ethics, and experience requirements prior to licensure. The board administers and grades the CPA examination of each Washington State applicant. To ensure CPAs continue to meet established standards of performance and ethics requirements, the board reviews the Washington's CPAs, reviews and monitors charges against Washington's CPAs and firms by other states, and audits compliance with continuing professional education requirements. The board provides general and specific consumer protection information and is funded by license fees paid by CPAs, firms, and firm owners.

**Statewide Result Area:** Improve the economic vitality of businesses and individuals

**Category:** Provide consumer protection

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$865,000	\$0	\$865,000	7.6	\$758,000	\$0	\$758,000	7.6

#### Expected Results:

To undertake on-site field review of 60 percent of firms receiving an unacceptable review grade. To reach 60 percent of Washington's population with consumer awareness information.

### Regulation of Public Accountants

As required by RCW 18.04, the Board of Accountancy investigates Certified Public Accountants (CPAs), CPA firms, and firm owners in response to complaints regarding their compliance with technical and ethical standards established by: the Financial Accounting Standards Board, the Federal Accounting Standards Board, the Governmental Accounting Standards Board, the Cost Accounting Standards Board, the Federal Accounting Standards Advisory Board, the U.S. General Accounting Office, the Federal Office of Management and Budget, the Securities and Exchange Commission, the Internal Revenue Service, the American Institute of Certified Public Accountants, other federal and state agencies, the Public Accountancy Act, and board rules. The board also investigates and takes action against individuals illegally posing as CPAs. The board's investigations provide legal evidence for board enforcement action against CPAs, CPA firms, firm owners and non-CPAs who violate the above-listed technical and ethical standards, and federal and state laws, regulations, and rules. The investigations are funded by license fees paid by CPAs, CPA firms, and firm owners.

**Statewide Result Area:** Improve the economic vitality of businesses and individuals

**Category:** Maintain a healthy business climate

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$188,000	\$0	\$188,000	1.7	\$183,000	\$0	\$183,000	1.7

#### Expected Results:

To maintain an average case load of 25 investigations.