

WAC 4-30-053 Client record requests. (1) For the purpose of this rule:

(a) "Client" includes current and former clients.

(b) "Client-provided records" are accounting or other records, including hard copy and electronic reproductions of such records, belonging to the client that were provided to a licensee by, or on behalf of, the client.

(c) "Licensee-prepared records" are accounting or other records that a licensee was not specifically engaged to prepare and that are not in the client's books and records or are otherwise not available to the client, thus rendering the client's financial information incomplete. Examples include adjusting, closing, combining, or consolidating journal entries (including computations supporting such entries) and supporting schedules and documents that a licensee proposed or prepared as part of an engagement (for example, an audit).

(d) "Licensee's work products" are deliverables set forth in the terms of the engagement, such as tax returns.

(e) "Working papers" are all other items prepared solely for purposes of the engagement and include items prepared by a licensee, such as audit programs, analytical review schedules, and statistical sampling results and analyses, or items prepared by the client at the request of a licensee and reflecting testing or other work done by a licensee.

(f) "Make records available" means to provide the records in any format that is usable and accessible, whether electronic or otherwise, regardless of the format in which they were received.

(2) When an initial request for client-provided records is received, a licensee should make those records in a licensee's custody or control available. A licensee may charge a reasonable fee for the time and expense incurred to retrieve, copy, and ship such records; however, the client-provided records may not be withheld for nonpayment of such fees.

(3) A licensee and the client may agree to terms other than those stated in this rule. When this occurs, a licensee should respond in accordance with such agreement. Otherwise, a licensee should respond to a request for licensee-prepared records or a licensee's work products that are in a licensee's custody or control and that have not previously been made available to the client as follows:

(a) A licensee should make available licensee-prepared records relating to a completed and issued work product; however, such records may be withheld if fees are due to a licensee for that specific work product.

(b) Licensee's work products should be made available; however, such work products may be withheld if fees are due to a licensee for the specific work product; the work product is incomplete; for purposes of complying with professional standards (for example, withholding an audit report with outstanding audit issues); or threatened or outstanding litigation exists concerning the engagement or a licensee's work.

(4) Once a licensee has complied with this rule, a licensee is under no obligation to:

(a) Comply with any subsequent requests to again make records or copies of records available. However, if after complying with a request, a loss of records due to a natural disaster or an act of war is experienced, a licensee should, when practicable, comply with an additional request to make such records available.

(b) Retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service performed.

(c) Make the records available to any other associated party, such as the general partner, majority shareholder, or spouse.

(5) Working papers are a licensee's property, and a licensee is not required to make such information available.

(6) In fulfilling a request for a licensee's copy of client-provided records that was previously made available to the client, licensee-prepared records, or a licensee's work products, a licensee may:

(a) Charge a reasonable fee for the time and expense incurred to retrieve, copy, and ship such records and require payment before a licensee makes the records available.

(b) Make the requested records available in any usable and accessible format. However, a licensee is not required to convert records that are not in electronic format to electronic format. If the records are requested in a specific format and the records are available in such format within a licensee's custody and control, the request should be honored. In addition, a licensee is not required to make formulas available, unless a licensee was engaged to make such formulas available as part of a completed work product or the formulas were used to create licensee-prepared records without which the client's financial information would be incomplete.

(c) Make and retain copies of any records that a licensee already made available.

(7) When a licensee is required to return or make records available, a licensee should comply as soon as practicable but, absent extenuating circumstances, no later than 45 days after the request is made.

(8) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(1), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 24-21-115, s 4-30-053, filed 10/21/24, effective 11/21/24.]