



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
CERTIFIED PUBLIC ACCOUNTANT QUALIFICATIONS COMMITTEE (QC)**

**QC Meeting
Notice & Agenda**

**Wednesday, April 23, 2014
10:30 a.m. – 5:00 p.m.**

California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832
Telephone: (916) 263-3680
Facsimile: (916) 263-3675

Roll Call and Call to Order (**Maurice Eckley, Chair**).

- I. Chairperson's Report (**Maurice Eckley**).
 - A. Approval of the October 23, 2013, Minutes.
 - B. Approval of the January 22, 2014, Minutes.
- II. Report of the CBA Liaison (**Louise Kirkbride, CBA Member**).
 - A. Report on the January 23-24 and March 20-21, 2014, CBA Meetings.
- III. Overview of the Newly Developed Committee Member Resource Guide (March 2014) (**Dominic Franzella, Licensing Chief**).
- IV. Report on Activities for the Initial Licensing Unit (**Veronica Daniel, Licensing Manager**).
- V. Public Comment for Items Not on the Agenda.
- VI. Review Files on Individual Applicants [The QC will meet in closed session to review and deliberate on applicant files as authorized by Government Code section 11126(c)(2), and Business and Professions Code (BPC) sections 5022 and 5023.]

Break.
- VII. Conduct Closed Hearings [The QC will meet in closed session as authorized by Government Code sections 11126(c)(2) and (f)(3), and BPC section 5023 to conduct closed hearings to interview individual applicants for CPA licensure.]

Adjournment.

Please note: Action may be taken on any item on the agenda. All times are approximate. In accordance with the Bagley-Keene Open Meeting Act, all meetings of the QC are open to the public. Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the QC prior to the QC taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the QC, but the QC Chair may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the QC to discuss items not on the agenda; however, the QC can neither discuss nor take official action on these items at the time of the same meeting. (Government Code secs. 11125, 11125.7(a).)

The time and order of agenda items are subject to change at the discretion of the QC Chair and may be taken out of order.

The meeting is accessible to individuals with physical disabilities. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Kathryn Kay at (916) 561-1742, or by email at kathryn.kay@cba.ca.gov, or send a written request to the CBA office at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.

For further information regarding this meeting, please contact:

Kathryn Kay, Licensing Coordinator
(916) 561-1742 or kathryn.kay@cba.ca.gov
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815

An electronic copy of this agenda can be found at <http://www.dca.ca.gov/cba/calendar.shtml>.

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**QC Item I.A.**

April 23, 2014

**DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)****MINUTES OF THE
OCTOBER 23, 2013
QUALIFICATIONS COMMITTEE (QC) MEETING**

California Board of Accountancy
Oakland Marriott City Center
1001 Broadway
Oakland, CA 94607
Telephone: (501) 451-4000
Fax: (501) 835-3466

The regularly scheduled meeting of the QC was called to order at approximately 12:13 p.m. on October 23, 2013, by QC Chair, Maurice Eckley, Jr.

QC Members

Maurice Eckley, Jr., Chair
Kristina Mapes, Vice Chair
Carlos Aguila – Absent
Jenny Bolsky
Gary Bong
Brian Cates – Absent
Lewis Fisher
Michael Haas
Chuck Hester
Fausto Hinojosa
Casandra Moore Hudnall
Alan Lee
Robert Ruehl
Erin Sacco Pineda
Jeremy Smith
James Woyce – Absent

Staff Present

Veronica Daniel, Licensing Manager

Dominic Franzella, Chief, Licensing Division
Kathryn Kay, Licensing Coordinator

I. Chairperson's Report.

A. Approval of the July 31, 2013 QC Meeting Minutes.

It was moved by Ms. Bolsky, seconded by Mr. Lee and unanimously carried by those present to adopt the minutes of the July 31, 2013 QC meeting.

B. Report on September 26-27, 2013, CBA Meeting.

Mr. Eckley reported CBA President Leslie LaManna attended a hearing regarding the repayment of loans from special-funded state agencies. He noted that the Department of Finance plans for the CBA to be repaid its \$31 million in outstanding loans to the General Fund in Fiscal Years 2014-2015 and 2015-2016. He added the plan for repayment will not be finalized until the budget bill passes.

Mr. Eckley reported that the CBA Fiscal Year 2013-2014 budget is set at \$11,573,000, which is an increase of approximately \$435,000 from Fiscal Year 2012-2013. The increase is due to the elimination of the personal leave program, increase in payroll costs, retirement, and health benefits. Mr. Eckley added that the CBA was presented with the Annual Report, which includes an overview of the CBA Strategic Plan, budget information, statistics on processing timeframes within the Licensing and Enforcement Divisions, and results from its online Customer Satisfaction Survey. Mr. Eckley noted that a copy of the full report may be viewed on the CBA website.

Mr. Eckley reported that on July 1, 2013, the new practice privilege provisions took effect. He stated that to aid in the implementation of the new provisions, the CBA adopted a set of emergency regulations, and that the CBA conducted a regulation hearing and adopted finalized regulations to make the previously adopted emergency regulations permanent. Mr. Eckley added as part of the adoption, the CBA included general staff-suggested modifications that were minor and non-technical in nature.

Mr. Eckley provided information regarding the Uniform Accountancy Act (UAA) Exposure Draft which proposes a revision to the definition of the word "attest." He added the CBA currently maintains a neutral position on the exposure draft and submitted a "no comment" letter to the National Association of State Boards of Accountancy (NASBA) UAA Committee.

Mr. Eckley provided an update regarding legislation that the CBA has taken a position on. He reported that Senate Bill 823, was signed and chaptered on

October 1, 2013, and that this bill allows a CPA applicant to obtain licensure under the existing requirements through December 31, 2015, if they pass the CPA Exam on or before December 31, 2013. It also allows an applicant enrolled in a degree program to take the CPA Exam upon completing the baccalaureate degree requirements.

C. Report on the September 26, 2013, Taskforce to Examine Experience for CPA Licensure (Taskforce) Meeting.

Ms. Mapes reported the Taskforce held an approximately two-and-a-half hour discussion in September involving how consumer information could be improved on the CBA website, the acceptance of academia experience, and possible modifications to the present general accounting and attest experience requirements.

Ms. Mapes stated the Taskforce discussed a series of staff-proposed changes to various consumer information available on the CBA website to mitigate consumer confusion related to definitions of CPA licensure obtained via general accounting and attest experience. She added that the Taskforce moved to accept staff proposed changes with some additional Taskforce-requested text recommendations, and allow the staff to work with legal counsel on technical changes.

Ms. Mapes stated the Taskforce also discussed the possibility of allowing academia to be accepted for qualifying general accounting experience toward CPA licensure. She reported that the Taskforce recommended that the CBA explore the possibility of allowing academia to qualify as experience for CPA licensure. She added that as part of its exploration, the Taskforce recommended that the amount of academia experience exceed a one-to-one ratio and that various issues should be addressed such as who could sign off on academia experience, whether teaching experience should be available to academics at both two- and four-year institutions and the institution's accreditation.

Ms. Mapes reported the Taskforce recommended that the CBA maintain the status quo regarding the general accounting experience requirement.

Ms. Mapes provided information regarding the Taskforce's discussion centered around the present 500-hour requirement, the CBA's consumer protection mandate, entry-level requirements for practitioners, and what it means to be a CPA, both in California and nationally. She reported members discussed various post-licensure requirements, including peer review, continuing education, and professional standards and the effectiveness of these systems in assuring consumer protection related to the attest function. She reported that after extensive deliberations on this topic, the Taskforce

recommended that the CBA eliminate the attest experience requirement by a 5-4 vote.

Mr. Franzella reported the CBA accepted the Taskforce's recommendation to explore the possibility of allowing academia experience to qualify for CPA licensure in California. He reported that they did not accept the Taskforce's recommendation to eliminate the attest experience requirement. Mr. Franzella stated the CBA directed staff to gather additional research data of California licensees regarding the 500 attest hours, work with NASBA or others to obtain out-of-state data and analyze enforcement data points.

Ms. Moore Hudnall stated that CPAs should be given the discretion to or not to sign off on general accounting experience if they feel the work performed was poor.

Ms. Mapes stated that the Taskforce discussed the option of modifying the general experience requirement to include a supervisor's opinion, but the Taskforce recommended to maintain status quo.

Mr. Haas expressed concern regarding the potential impact of modifications to the present experience requirements.

Mr. Hester inquired if the Taskforce will continue discussions regarding the present experience requirements for licensure.

Mr. Franzella stated that the topic of academia will be discussed further by the Committee on Professional Conduct (CPC).

II. Report on the Activities in the Initial Licensing Unit.

Ms. Daniel provided an overview of this item. She highlighted that a new section has been added to the Initial Licensing Unit (ILU) Report to provide members with statistics regarding customer service-related activities in the unit.

Ms. Daniel reported that ILU staff is continuing to prepare for implementation of new regulations regarding CE requirements for stale-dated experience and license reissuance, which will take effect January 1, 2014. She added that an article regarding the new requirements will be included in the fall edition of UPDATE. Ms. Daniel added that ILU and Examination Unit staff continue to participate in training sessions in preparation of the new educational requirements set to take effect January 1, 2014.

III. Proposed 2014 QC Meeting Dates.

It was moved by Ms. Mapes, seconded by Mr. Hester and unanimously carried by those present to adopt the proposed 2014 QC meeting dates.

IV. Travel Reimbursement Rates Effective September 1, 2013 (Written Report Only)

V. Public Comment for Items Not on the Agenda.

None.

VI. CONDUCT CLOSED HEARINGS [Closed session in accordance with Government Code Section 11126(c)(2) and (f)(3), and Business and Professions Code Section 5023 to conduct closed hearings to interview individual applicants for CPA licensure.]

C13-029 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 67 months of experience, with a 24-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

C13-030 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 85 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

C13-031 – The applicant appeared due to experience obtained outside the United States and presented work papers from his public accounting experience. He has 39.25 months of experience, with a 12-month experience requirement. He is currently licensed with general experience.

The work reviewed was complete and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C13-032 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 48.5 months of experience, with a 24-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

C13-033 – The applicant appeared due to experience obtained in private industry and presented work papers from his public accounting experience. He has 36 months of experience, with a 24-month experience requirement. He is currently licensed with general experience.

Recommendation: Defer. The content of the work papers provided did not include sufficient documentation of full disclosure financial statements and did not meet auditing standards. In order to satisfy the experience requirement for authorization to sign attest reports, the applicant must obtain, at a minimum 500 hours of qualifying experience that will enable him to demonstrate an understanding of the requirements of planning and conducting a financial statement audit resulting in an opinion on full disclosure financial statements. Any new experience must be obtained under the supervision of a licensee authorized to sign attest reports on attest engagements and an affirmative CAE must be submitted. A determination will then be made as to whether or not he will be required to reappear with work papers for the QC's review.

C13-034 – The applicant and his employer appeared and presented work papers from his public accounting experience. The applicant disputed the CAE submitted on his behalf. He has 12.75 months of experience, with a 12-month experience requirement. He is currently licensed with general experience.

The Certificate of Attest Experience was not affirmatively completed in its entirety. However, the work performed by the applicant was reviewed and the work papers provided supported the employer's opinion.

Recommendation: Defer attest licensure. In order to satisfy the experience requirement for authorization to sign attest reports, the applicant must obtain additional experience in the planning of the audit, including the selection of the procedures to be performed and reporting on full disclosure financial

statements. Any new experience must be obtained under the supervision of a licensee authorized to sign attest reports on attest engagements and an affirmative CAE must be submitted. A determination will then be made as to whether or not she will be required to reappear with work papers for the QC's review. The firm is placed on reappearance.

C13-036 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 65.5 months of experience, with a 24-month experience requirement. He is currently licensed with general experience.

The employer's understanding of the CAE was adequate. The work reviewed was complete and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

The following Section 69 reviews took place on October 9, 2013, and are made a part of these minutes.

C13-035 – The applicant and her employer appeared and presented work papers from her public accounting experience. She has 38.5 months of experience, with a 24-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

Adjournment.

There being no further business to be conducted, the meeting was adjourned at approximately 3:30 P.M. on October 23, 2013. The next meeting of the QC will be held on January 22, 2014.

Maurice Eckley, Jr., Chair

Prepared by: Kathryn Kay, Licensing Coordinator

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**QC Item I.B.**

April 23, 2014

**DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)****MINUTES OF THE
JANUARY 22, 2014
QUALIFICATIONS COMMITTEE (QC) MEETING**

Irvine Marriott
18000 Von Karman Avenue
Irvine, CA 92612
Telephone: (949) 553-0100
Fax: (949) 261-7059

The regularly scheduled meeting of the QC was called to order at approximately 11:32 a.m. on January 22, 2014, by QC Chair, Maurice Eckley, Jr.

QC Members

Maurice Eckley, Jr., Chair
Robert Ruehl, Vice Chair
Jenny Bolsky
Brian Cates
Lewis Fisher – Absent
Chuck Hester
Fausto Hinojosa – Absent
Kristina Mapes
Casandra Moore Hudnall – Absent
Alan Lee
Erin Sacco Pineda
Jeremy Smith – Absent

CBA Members

Michael M. Savoy, CPA, CBA President

CBA Staff

Patti Bowers, Executive Officer
Veronica Daniel, Licensing Manager

Dominic Franzella, Chief, Licensing Division
Kathryn Kay, Licensing Coordinator
Deanne Pearce, Assistant Executive Officer

I. Chairperson's Report.

A. Approval of the October 23, 2013 QC Meeting Minutes.

This item was deferred to the April 23, 2014 QC Meeting.

Mr. Eckley recognized and thanked Ms. Mapes for her service as Vice Chair in 2013. He welcomed and congratulated Bob Ruehl on his appointment to serve as the new Vice Chair for the upcoming year. Mr. Eckley noted that over the past year the CBA had stressed the importance of succession planning. He noted that Michael Haas, Gary Bong, and James Woyce were rotated off the QC to stagger appointment dates. Mr. Eckley also added the CBA accepted Mr. Aguila's retirement from the committee.

CBA President Savoy stated that it is a pleasure to be a part of the new leadership team of the CBA. He highlighted that one item the CBA will be addressing is the important role of its committee liaisons. He added that at the November 2013 CBA meeting, staff reported it will be developing an orientation program that will provide liaisons with information regarding their roles and responsibilities. Mr. Savoy added the CBA will also begin providing training for its incoming committee chairs and vice chairs on their roles and expectations and training will cover various topics, including how to conduct meetings in accordance with the Bagley-Keen Open Meeting Act. He reported the first training will be held on January 23, 2014.

Mr. Savoy thanked Mr. Eckley for volunteering to serve as the QC chair for a second year during his final year on the committee and acknowledged his assistance in mentoring future leadership for the committee. Mr. Savoy added that on behalf of the CBA, he would like to thank every member for volunteering their time and efforts to the QC and for their commitment to the CBA's mission to protect California consumers.

II. Report of the CBA Liaison

A. Report on the November 21-22, 2013 CBA Meeting.

Mr. Franzella provided an overview of two informational presentations the CBA received at the November meeting.

Mr. Franzella reported that the CBA reappointed Mr. Eckley as the QC Chair, appointed Mr. Ruehl as the QC Vice Chair, and reappointed Ms. Bolsky as a QC member.

Mr. Franzella reported that the CBA reviewed the first quarter financial statement for fiscal year 2013-2014. He added the current fiscal year budget is set at \$11,574,000, an increase of four percent from fiscal year 2012-2013. He reported that revenue during the first quarter was approximately \$3,000,000.

Mr. Franzella reported that the CBA took action to establish a Mobility Stakeholder Group (MSG) to consider whether the new practice privilege provisions are consistent with the CBA's duty to protect the public. He added the group will be comprised of two CBA members, two representatives of the accounting profession, two consumer representatives, and one enforcement staff member.

Mr. Franzella also reported the CBA appointed two members comprised of CBA President Savoy and Vice President Campos to a taskforce for the purpose of reviewing an exposure draft on firm mobility, which was presented by NASBA Chief Executive Officer, Ken Bishop. He added that the CBA would be considering a comment letter for the exposure draft at the January 23-24, 2014 CBA Meeting.

III. Report on the Activities of the Initial Licensing Unit

Ms. Daniel provided an overview of this item. She reported that Initial Licensing Unit (ILU) staff continues to prepare for reviewing applications for the new educational requirements, which took effect January 1, 2014. She added that it is anticipated that the CBA will start seeing applications submitted under the new requirements beginning February 2014. Ms. Daniel highlighted that the intake of applications for CPA licensure has increased. Ms. Daniel added the ILU is presently recruiting to fill an Office Technician position.

Ms. Sacco Pineda inquired if the increased intake of applications was due to the new educational requirements.

Ms. Daniel responded that there appears to be a correlation based on the substantial increase in the amount of applications received in December 2013, prior to the new educational requirements taking effect on January 1, 2014.

IV. Public Comment for Items Not on the Agenda.

Ms. Bowers provided an overview of the various CBA committees, their roles and responsibilities, and encouraged members to continue to promote participation among their colleagues. She also encouraged members to

provide feedback regarding how the CBA can make participation in its various committees more convenient and efficient.

- V. CONDUCT CLOSED HEARINGS [Closed session in accordance with Government Code section 11126(c)(2) and (f)(3), and Business and Professions Code section 5023 to conduct closed hearings to interview individual applicants for CPA licensure.]

C14-008 – The applicant and five employers appeared and presented work papers from her public accounting experience. She has 83.25 months of experience, with a 12-month experience requirement.

Three employers had adequate understanding of the CAE. Two did not have adequate understanding of the CAE and were placed on reappearance status. The work performed by the applicant was reviewed and no deficiencies were noted. The work in aggregate was adequate to support licensure.

Recommendation: Approve.

C14-009 – The applicant and her employer appeared with work papers from her public accounting experience. She has 92 months of experience, with a 12-month experience requirement. She is currently licensed with general experience.

Recommendation: Defer. The employer's understanding of the CAE was inadequate. The content of the work papers provided did not include audit engagements. In order to satisfy the experience requirement for authorization to sign attest reports, the applicant must obtain, at a minimum 500 hours of qualifying experience that will enable her to demonstrate an understanding of the requirements of planning and conducting a financial statement audit resulting in an opinion on full disclosure financial statements. Any new experience must be obtained under the supervision of a licensee authorized to sign attest reports on attest engagements and an affirmative CAE must be submitted. A determination will then be made as to whether or not she will be required to reappear with work papers for the QC's review. The firm is placed on reappearance.

C14-011– The applicant and her employer appeared with work papers from her public accounting experience. She has 157.75 months of experience, with a 12-month experience requirement. She is currently licensed with general experience.

Recommendation: Defer. The employer's understanding of the CAE was inadequate. The content of the work papers were reviewed and although no deficiencies were noted, the amount of attest hours provided did not meet the

minimum 500-hour attest experience requirement. In order to satisfy the experience requirement for authorization to sign attest reports, the applicant must obtain, at a minimum, an additional 213 hours of qualifying experience that will enable her to demonstrate an understanding of the requirements of planning and conducting a financial statement audit resulting in an opinion on full disclosure financial statements. Any new experience must be obtained under the supervision of a licensee authorized to sign attest reports on attest engagements and an affirmative CAE must be submitted. A determination will then be made as to whether or not she will be required to reappear with work papers for the QC's review. The firm is placed on reappearance.

C14-012 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 29.5 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

C14-013 – The applicant and her employer appeared and presented work papers from her public accounting experience. She has 79 months of experience, with a 12-month experience requirement. She is currently licensed with general experience.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-014 – The applicant appeared due to government experience and presented work papers. She has 21.25 months of experience, with a 12-month experience requirement. She is currently licensed with general experience.

The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-015 – The applicant and his employer appeared and presented work papers from his private industry experience. He has 27.75 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-016 – The applicant and her employer appeared with work papers from her public accounting experience. She has 152 months of experience, with a 24-month experience requirement.

Recommendation: Defer. The employer's understanding of the CAE was inadequate. The content of the work papers provided did not include audit engagements. In order to satisfy the experience requirement for authorization to sign attest reports, the applicant must obtain, at a minimum 500 hours of qualifying experience that will enable her to demonstrate an understanding of the requirements of planning and conducting a financial statement audit resulting in an opinion on full disclosure financial statements. Any new experience must be obtained under the supervision of a licensee authorized to sign attest reports on attest engagements and an affirmative CAE must be submitted. A determination will then be made as to whether or not he will be required to reappear with work papers for the QC's review. The firm is placed on reappearance.

The following Section 69 reviews took place on January 15, 2014, and are made a part of these minutes.

C14-001 – The applicant and his employer appeared and presented work papers from his public accounting experience. He has 50.75 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-002 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 43.75 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work reviewed was complete and no deficiencies were noted. The work was adequate to support licensure. There was no conflict of interest.

Recommendation: Approve.

C14-003 – The applicant and his employer appeared and presented work papers from his public accounting experience. He has 43.5 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-004 – The applicant and his employer appeared and presented work papers from his public accounting experience. He has 34 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-005 – The applicant and her employer appeared and presented work papers from her public accounting experience. She has 35.75 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-006 – The applicant and her employer appeared and presented work papers from her government experience. She has 35.5 months of experience, with a 24-month experience requirement. She is currently licensed with general experience.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C14-007 – The applicant and his employer appeared and presented work papers from her government experience. She has 25.5 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

Adjournment.

There being no further business to be conducted, the meeting was adjourned at approximately 11:58 A.M. on January 22, 2014. The next meeting of the QC will be held on April 23, 2014.

Maurice Eckley, Jr., Chair

Prepared by: Kathryn Kay, Licensing Coordinator



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2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



QC Item III.
April 23, 2014

Overview of the Newly Developed Committee Member Resource Guide (March 2014)

Presented by: Dominic Franzella, Chief, Licensing Division

Date: April 2, 2014

Purpose of the Item

The purpose of this agenda item is to provide the Qualifications Committee (QC) with an overview of the Committee Member Resource Guide (March 2014) (**Attachment**).

Action(s) Needed

None.

Background

Last year, California Board of Accountancy (CBA) members explored areas of the CBA's various statutorily established advisory committees, including succession planning and the role of Committee Leadership and CBA member appointed liaisons. One of the results from this project was the creation of a document titled the California Board of Accountancy Committee Member Resource Guide.

Comments

The purpose of Committee Member Resource Guide is to provide new and existing committee members with important information regarding: each committee's scope of work, general committee business procedures, expectations of committee members, and various statutes and regulations governing the conduct of committee business. Staff would like to note that this guide does not cover all areas of each committee's work, and each committee may also maintain a separate handbook or manual that provides greater detail on the specifics of each committee.

Fiscal/Economic Impact Considerations

None.

Recommendation

None.

Attachment

Committee Member Resource Guide (March 2014) (without attachments)

California Board of Accountancy

COMMITTEE MEMBER

RESOURCE GUIDE

CALIFORNIA BOARD OF
ACCOUNTANCY

March 2014



Purpose: The purpose of the Committee Member Resource Guide is to provide new and existing committee members with important information regarding: each committee's scope of work, general committee business procedures, expectations of committee members, and various statutes and regulations governing the conduct of committee business.

This guide does not cover all areas of each committee's work. Each committee may also maintain a separate handbook or manual that provides greater detail on the specifics of each committee.

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SECTION I.

THE CALIFORNIA BOARD OF ACCOUNTANCY

Created in 1901, The California Board of Accountancy (CBA) licenses and regulates over 88,000 licensees and 5,000 firms, the largest group of accounting professionals in the nation.

By authority of the California Accountancy Act, the CBA:

- Ensures that only candidates who meet certain qualifications are allowed to take the national Uniform Certified Public Accountant (CPA) Examination.
- Certifies, licenses and renews licenses of individual CPAs and Public Accountants (PAs).
- Registers accountancy partnerships and accountancy corporations.
- Takes disciplinary action against licensees for violation of CBA statutes and regulations.
- Monitors compliance with continuing education and peer review requirements.
- Reviews work products of CPAs, PAs and accountancy firms to ensure adherence to professional standards.

The CBA establishes and maintains entry-level standards of qualification and conduct within the accounting profession, primarily through its authority to license.

Through its Examination and Initial Licensure Programs, the CBA qualifies California candidates for the national Uniform CPA Examination, certifies and licenses individual CPAs, and registers accountancy firms. The CBA's License Renewal and Continuing Competency Program focuses on license renewal and ensures that licensees maintain a currency of professional knowledge to competently practice public accountancy.

Through its Practice Privilege program, the CBA oversees a no notice, no fee, no escape authority for out-of-state licensed CPAs who meet specific conditions to practice public accountancy in California. The CBA registers out-of-state accounting firms and for certain individuals who do not meet the criteria to practice with no notice or obtains a disqualifying condition while practicing, the CBA reviews pre-notification and cessation notifications from licensees to determine whether they can be granted continued practice rights. Just like a California license, a practice privilege may be revoked, suspended, or otherwise disciplined. In addition, a practice privilege may be administratively suspended pending an investigation by the CBA. To ensure that the consumers of California are protected under this new program, the CBA maintains a website with any public information in its possession about individuals exercising a practice privilege in California. In addition, it contains a search mechanism by which consumers can find current license status information on out-of-state licensees.

The objective of the CBA Enforcement Program is to protect consumers, minimize substandard practice, and rehabilitate and discipline licensees, as warranted. The CBA has the authority to discipline not only individuals, but firms as well. Enforcement activities include investigating complaints against persons practicing public accountancy without a license and taking disciplinary actions against licensees for violations of statutes and regulations. The CBA's Enforcement Program receives complaints from consumers, licensees, professional societies, law enforcement agencies, other government agencies, and internal referrals. While historically consumers and internal referrals have been the main origin of complaints, licensees also have been a significant source, most often reporting unlicensed activity. CBA members and staff also regularly monitor the news media for information regarding licensees that may suggest violations of the Accountancy Act.

In addition, the program monitors compliance with continuing education and peer review requirements, and it actively reviews the work products of CPAs, PAs and accountancy firms to ensure compliance with appropriate professional standards.

A. MISSION AND VISION OF THE CBA.

The Mission of the California Board of Accountancy is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

The Vision of the California Board of Accountancy is that all consumers are well informed and receive quality accounting services from licensees they can trust.

B. COMPOSITION (Ref. Business & Professions Code §§ 5000 & 5001(b)).

The CBA consists of 15 members, seven of whom must be certified public accountants, and eight of whom must be public members who are not licensees of the CBA.

The Governor appoints four of the public members and all of the licensee members with at least two licensees representing a small public accounting firm and one licensee may be an educator in a program that emphasizes the study of accounting within a college, university, or four-year educational institution. The Senate Rules Committee and the Speaker of the Assembly each appoints two public members.

SECTION II.

CBA COMMITTEES

The California Legislature has created, by writing into the Accountancy Act, three standing CBA committees – Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee. Each committee serves in an advisory capacity to the CBA.

A. ENFORCEMENT ADVISORY COMMITTEE (EAC) (Ref. Business & Professions Code § 5020).

1. Purpose.

To assist the CBA in an advisory nature with its enforcement activities by:

- Serving in a technical advisory capacity to the Executive Officer and the Enforcement Program. The EAC members may participate in investigative hearings along with staff investigators; counsel from the Attorney General's Office and where appropriate, outside counsel.
- In an appropriate manner, consistent with the Administrative Procedure Act, reporting its findings from any investigation or hearing to the CBA, or upon direction of the CBA, to the Executive Officer.
- Reviewing open investigations upon request by Enforcement staff and providing technical assistance.
- Reviewing closed investigations and reporting its findings and recommendations to the CBA or upon direction of the CBA, to the Executive Officer.
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized by the CBA to consider.

2. Membership.

The EAC is comprised of up to 13 licensees.

B. PEER REVIEW OVERSIGHT COMMITTEE (PROC) (Ref. Business & Professions Code § 5076.1).

1. Purpose.

To act as an advisory committee and assist the CBA in its oversight of the Peer Review Program by:

- Holding meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.
- Ensuring that Board-recognized peer review program providers (Provider) administer peer reviews in accordance with the standards set forth in Title 16, California Code of Regulations Section 48:

- Conduct an annual administrative site visit.
 - Attend peer review board meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
 - Attend peer review committee meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
 - Attend meetings conducted for the purposes of accepting peer review reports, as necessary but sufficient to evaluate and assess the effectiveness of the program.
 - Conduct reviews of peer review reports on a sample basis.
 - Attend, on a regular basis, peer reviewer training courses.
- Evaluating any *Application to Become A Board-recognized Peer Review Provider* and recommending approval or denial to the CBA.
 - Referring to the CBA any Provider that fails to respond to any request.
 - Collecting and analyzing statistical monitoring and reporting data from each Provider on an annual basis.
 - Preparing an Annual Report to the CBA regarding the results of its oversight.

2. Membership.

The PROC is comprised of seven licensees.

C. QUALIFICATIONS COMMITTEE (PROC) (Ref. Business & Professions Code § 5023).

1. Purpose.

To act as an advisory committee and assist the CBA in its licensure activities by:

- Conducting work paper reviews of experience of applicants appearing before the committee.
- Interviewing employers that appear before the committee under the provision of Section 69, of the Accountancy Regulations.
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized to act.

2. Membership.

The QC is comprised of 16 licensees.

SECTION III.

MEETINGS

A. BAGLEY-KEENE OPEN MEETING ACT (Ref. Government Code § 11120-11132).

All meetings of the three standing advisory committees are subject to the Bagley-Keene Open Meeting Act. The Bagley-Keene Open Meeting Act is summarized in a document developed by the Department of Consumer Affairs (DCA) (**Appendix 1**). All meetings are to occur in an open setting, with limited exceptions available to both the EAC and QC, which may conduct specific portions of their business in closed session.

B. FREQUENCY.

1. EAC.

The EAC meets approximately five times annually, generally for one day each meeting.

2. PROC.

The PROC meets approximately four times annually, generally for one day each meeting. In addition, as part of its administrative functions, PROC members attend various California Society of CPAs Peer Review Administrative Committee and Report Acceptance Body meetings, which occur regularly throughout the year.

3. QC.

The QC meets approximately four times annually, generally for one day each meeting. QC members may conduct additional personal appearance reviews approximately one month prior to each committee meeting for those individuals not in the geographic area of the upcoming QC meeting.

C. LOCATIONS.

All meeting locations are ADA compliant, easily accessible to the public, and generally alternate between northern and southern California locales.

D. AGENDA.

For each meeting, in consultation with the committee Chairperson, staff prepares an agenda and public meeting notice. The agenda and public meeting notice for each meeting must be posted to the CBA website no less than 10 days prior to the meeting date.

E. MINUTES.

Staff prepares preliminary draft minutes and distributes to the Chairperson prior to the subsequent meeting. The minutes are provided to all committee members as part of their respective meeting materials.

After adoption of the committee minutes, they are forwarded to the next CBA meeting for consideration and adoption. Upon CBA adoption, the committee Chairperson signs the minutes, which staff retains in the CBA office as a public record of the committee activities.

F. ROLL CALL AND QUORUM.

At the beginning of each meeting, the Chairperson shall take a roll call, the purpose of which is to establish a quorum of the committee. Before any action the committee may take on agenda items, a quorum must be established.

For purposes of the committees, a quorum is based on the majority of members appointed to the committee; vacant positions do not count toward the establishment of a quorum.

G. VOTING.

Upon establishment of a quorum, on any matter for which the committee will act, the Chairperson shall call for a vote. This may only occur after the Chairperson first inquires if any members of the public wish to comment on the proposed motion.

A motion passes based on the majority votes of the established quorum.

1. Recording.

For each motion, the following information will be recorded into the minutes: the name of the person making the motion, seconding the motion, opposing, abstaining, and absent, respectively. Those absent are recorded after every motion unless the member is shown as absent from the entire meeting.

Excerpts from minutes showing a vote must be accompanied by the first two pages of the same minutes that list those in attendance.

2. Abstentions.

A committee member will abstain from voting on an issue if for any reason a conflict of interest is or may be perceived to be present.

Abstentions do not prevent a motion from carrying. For example, if five members vote in favor of a motion, four members vote against a motion, and three abstain, the motion would carry.

H. CLOSED SESSION.

1. EAC.

The EAC is authorized to conduct portions of its business in closed session for the following reasons:

- To review and deliberate on enforcement files (Ref. Government Code § 11126(c)(2) and Business and Professions Code § 5020).
- To interview and consider disciplinary action against an individual licensee or applicant prior to the filing of an accusation or statement of issues (Ref.

Government Code § 11126(c)(2) and (f)(3) and Business and Professions Code § 5020).

2. QC.

The QC is authorized to conduct portions of its business in closed session to conduct closed hearings to interview individual applicants and employers for the purpose of CPA licensure (Ref. Government Code § 11126(c)(2) and (f)(3) and Business and Professions Code § 5023).

SECTION IV.

MEMBERS RESPONSIBILITIES & DUTIES

Committee members are responsible for carrying out the statutory requirements prescribed by the Legislature and any additional activities and expectations as communicated and prescribed by the CBA. Additionally, members must adhere to any and all statutory and regulatory requirements, as well as all policies and procedures contained in this California Board of Accountancy Committee Member Resource Guide.

A. RESPONSIBILITIES.

1. Attendance.

In accepting appointment to one or more of the committees, committee members made a commitment to dedicate the time necessary to attend the meeting and participate fully in the committee's business. Therefore, committee members are expected to attend all regularly scheduled meetings, in addition to actively volunteering for other committee business. Staff takes attendance at each meeting and provides an ongoing summary of members' attendance to the committee Chairperson, Vice-Chairperson, and CBA Executive Officer. Members that are absent for two meetings will be subject to review by the Chairperson and Vice-Chairperson. Upon recommendation by the Chairperson or CBA Executive Officer, members may be removed from the committee by action of the CBA.

2. Mentoring.

Committee Leadership and more experienced members are encouraged to act as mentors to new committee members, making themselves available to answer procedural and historical questions that may arise.

B. TENURE.

Committee members are appointed to a two-year term and may serve up to four consecutive terms. Committee members not maintaining satisfactory attendance or found not to be actively participating in committee business may be removed from the committee by action of the CBA.

C. COMMITTEE LEADERSHIP.

Annually, the CBA appoints a Chairperson and Vice-Chairperson to each committee. The appointments are made at the November CBA meeting, with the individuals assuming the appointments effective January 1 of the following year. The Chairperson and Vice-Chairperson are entrusted with leadership of the committee and are responsible for ensuring the committee meets the charges as directed by statute and the expectations as communicated by the CBA.

1. Chairperson.

The appointment tenure for Chairperson is a one-year term. The Chairperson can serve multiple one-year terms; however, in general, a committee member will not be appointed to serve as Chairperson during his/her final year on the committee. This will allow for the

Chairperson to serve in the capacity of immediate-past Chairperson and assist the new Chairperson in the role.

Duties.

- Preside over the committee meetings
- Approve agenda
- Perform evaluations of committee members
- Attend CBA meetings to provide a report on committee activities to the CBA
- Review candidate interest letters, performs candidate interviews, and makes recommendations to the CBA Vice-President and Executive Officer regarding initial appointments to the committee
- Make recommendations to the CBA Vice-President and Executive Officer regarding reappointments to the committee
- Monitor attendance, proactively addressing any attendance issues with members and reports any attendance issues to the CBA Vice-President and Executive Officer
- Mentor Vice-President

2. Vice-Chairperson.

The appointment tenure for Vice-Chairperson is a one-year term. In general, a committee member will not serve more than one year as a committee Vice-Chairperson. This allows for multiple committee members to cycle through the Vice-Chairperson position and allows the CBA a pool of candidates to select from when considering a new committee Chairperson.

Duties.

- Act in the absence of the Chairperson
- Attend CBA meeting to provide a report of committee activities when Chairperson is unable to attend
- Actively participates in the recommendation process for committee appointments and reappointments
- Assist the Chairperson in ensuring satisfactory attendance of committee members

SECTION V.

LIAISONS

In an effort to ensure the committees meet their respective charges, the committees are assigned liaisons. All committees are assigned a staff liaison, while the EAC and QC also are assigned two CBA member liaisons.

A. STAFF LIAISONS.

The staff liaison provides numerous support activities for the committee. From an administrative aspect, the staff liaison will assist members with travel arrangements and expense reimbursement. The staff liaison, working in conjunction with the Chairperson, prepares the meeting agenda, meeting materials, and minutes.

The staff liaisons for each committee are as follows:

EAC

Allison Nightingale

(916) 561-1723

Allison.Nightingale@cba.ca.gov

PROC

April Freeman

(916) 561-1720

April.Freeman@cba.ca.gov

QC

Kathryn Kay

(916) 561-1742

Kathryn.Kay@cba.ca.gov

B. CBA-APPOINTED LIAISONS.

For the EAC and QC, the CBA President appoints two CBA member liaisons, one northern and one southern. The CBA-appointed liaisons are responsible for keeping the CBA informed regarding emerging issues and recommendations made at the committee meetings. In addition, the CBA-appointed liaisons are to keep the committee informed of the CBA policies and assignments, and to make recommendations to the CBA regarding Chairperson and Vice-Chairperson appointments. Additionally, the northern and southern California liaisons are to communicate between meetings to ensure they are kept abreast of any committee issues. This process is facilitated by the staff liaison to the committee.

The CBA-appointed liaisons are responsible for evaluating committee Chairpersons, Vice-Chairpersons, and committee members for whom they have specific knowledge of their performance, and report those evaluations to the CBA Vice-President and Executive Officer, as required. The CBA-appointed liaisons perform these evaluations by completing the CBA-Appointed Liaison Committee Meeting Survey (**Appendix 2**).

SECTION VI.

APPOINTMENT/REAPPOINTMENT PROCESS

In order to ensure appropriate staffing of its committees, the CBA continually recruits new committee members and evaluates those presently serving on the committees. The CBA works to ensure that a broad cross-section of knowledge, skills, and abilities, covering public practice, private industry, and government are represented to ensure the committees can perform their respective charges. Additionally, the CBA works to ensure proper succession planning for its committees, thus, when necessary committee members may be cycled off to ensure that committee members have varying term expiration dates.

A. RECRUITMENT.

The CBA maintains a permanent page on its website focused to volunteering and serving on a CBA advisory committee. Further, as necessary, staff will coordinate recruitment efforts to ensure committees are properly staffed. Staff will use all avenues necessary to facilitate recruitment to include running articles in the CBA publication UPDATE, use of social media outlets (*i.e.* Facebook, Twitter, LinkedIn), and various professional trade associations (*i.e.* the California Society of CPAs).

Additionally, the CBA encourages present committee members to encourage qualified colleagues to consider service on one of the CBA's standing advisory committees.

B. APPLICATION.

An individual interested in serving on one or more of the CBA's standing advisory committees should submit a letter of interest, along with a resume, curriculum vitae (CV), or both to the CBA Executive Officer at the contact information below. Please include your CPA license number with any letter of interest.

Patti Bowers
Executive Officer
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832

C. INITIAL APPOINTMENT EVALUATION PROCESS.

1. Prospective Committee Member Compliance Evaluation.

Upon receipt of a letter of interest, staff will perform a prospective committee member compliance evaluation to ensure that potential appointees adhere to California's various statutory and regulatory requirements.

2. Committee Appointment Conflict Statement.

Concurrent with the compliance evaluation, a potential appointee will receive the Committee Appointment Conflict Statement (**Appendix 3**). The completed form must be returned to the CBA office prior to further consideration.

3. Interview Process.

The Chairperson will evaluate the qualifications of a potential appointee, paying attention to the Committee Skills Matrix (**Appendix 4**) that identifies the areas of need for the committee and the various expertise of the present members.

After review by the committee Chairperson, a potential appointee may be scheduled for an interview with the committee Chairperson, Vice-Chairperson, and appropriate CBA Program Chief (EAC and PROC – Enforcement Chief, QC – Licensing Chief). The interviews generally are done face-to-face, possibly in conjunction with one of the committee's regularly scheduled meetings. In those instances where a face-to-face interview cannot occur, the interview may occur telephonically.

4. Recommendations for Appointment.

After the interview process, the Chairperson shall evaluate the potential appointee with the Vice-Chairperson and CBA Program Chief to determine if a recommendation to the committee should be made. If a recommendation is warranted, the Chairperson will provide the recommendation to the CBA Vice-President and Executive Officer.

If the CBA Vice-President concurs with the recommended appointment, s/he will bring the appointment before the full CBA for consideration and possible adoption.

D. REAPPOINTMENT PROCESS.

1. Annual Evaluations.

The Chairperson is responsible for completing bi-annual evaluations of the committee members. The Chairperson shall complete the Committee Member Evaluation (**Appendix 5**). The Chairperson shall assess the committee members' interpersonal skills, communication, leadership, attendance, preparedness, technical skills, and participation.

The Chairperson shall complete the evaluations three months prior to the term expiration for a particular committee member. For example, if a committee member is set to expire on March 31, 2016, the evaluation is due no later than December 31, 2015. The Chairperson shall forward the completed evaluations to the CBA Executive Officer.

2. Committee Member Interest Survey.

Approximately three months prior to the expiration of a committee member's term, the committee member will receive the California Board of Accountancy Committee Interest Survey (**Appendix 6**) and a new Committee Appointment Conflict Statement. The committee member is responsible for submitting the completed interest survey to the CBA office no later than three months prior to the committee member's term expiration. If the committee member is seeking reappointment, s/he must submit an updated Committee Appointment Conflict Statement and updated resume, CV, or both.

3. Recommendations for Reappointment.

Upon receipt of a completed California Board of Accountancy Committee Interest Survey, in which the committee affirmatively states s/he is seeking reappointment, the committee

Chairperson, Vice-Chairperson, and appropriate CBA Program Chief will evaluate the committee member for reappointment. The Chairperson shall provide his/her recommendation, whether for reappointment or non-reappointment, to the CBA Vice-President and Executive Officer.

On those appointments with which the CBA Vice-President concurs, the CBA Vice-President will bring the appointments before the full CBA for consideration and possible adoption.

E. LEADERSHIP APPOINTMENT/REAPPOINTMENT PROCESS.

1. Committee Member Interest Survey.

Present committee members interested in serving in a Leadership capacity on the committee are requested to indicate such an intent on the Committee Member Interest Survey. As noted previously, these surveys are circulated to committee members approximately three months prior to the expiration of the present appointment term.

For those already serving in a Leadership role, they must complete the Committee Member Interest Survey annually to identify whether they wish to continue to serve in a Leadership capacity.

2. Committee Chairperson/Vice-Chairperson Evaluations.

For those individuals that have expressed interest in a committee Leadership position, the Committee Chairperson/Vice-Chairperson Evaluation (**Appendix 7**) will be circulated to all present committee members. Committee members are expected to complete the evaluation taking into consideration the following areas: interpersonal skills, communication, leadership, attendance, preparedness, technical skills, and participation. Once completed, committee members must return them to the CBA office.

3. Consideration.

Annually, the CBA Vice-President and Executive Officer will review the interest surveys and discuss appointments for committee Leadership. For Vice-Chairperson appointments, the Chairperson will participate in the evaluation process. Additionally, for a Chairperson cycling off Chairperson appointment, s/he will participate in the evaluation process.

4. Recommendations.

The CBA Vice-President will bring the committee Leadership appointments before the full CBA for consideration and possible adoption at the November CBA meeting.

SECTION VII.

APPOINTMENT/REAPPOINTMENT PROCESS

After initial appointment and during their tenure on the committee, members must complete certain training and forms to ensure members are aware of, and adhere to, the applicable laws surrounding conflict of interest and ethics.

A. PAPERWORK TO COMPLETE UPON APPOINTMENT.

Upon CBA appointment, committee members will receive a package of materials, including a congratulatory letter and several documents that must be completed and returned to the CBA. These documents are included in **Appendix 8** and are referenced below. New committee members must submit all documents to the CBA prior to participating in committee business.

- Designation of Person Authorized to Receive Warrants (two originals are required)
- Oath of Office (must be notarized)
- Employee Action Request
- State Employee Race/Ethnicity Questionnaire
- Board and Committee Member Information
- Authorization to use Privately Owned Vehicle on State Business
- Employment Eligibility Verification (I-9) (include copies of supporting documents)
- Incompatible Work Activity Security Agreement (Acknowledgment Form on page 10 must be signed and returned)
- PST Retirement Plan Information

B. CONFLICT OF INTEREST – GENERAL GUIDELINES.

The Political Reform Act of 1974 (Proposition 9), as it governs conflicts of interest, was primarily designed to prevent persons from financially benefiting by virtue of their official position.

This act requires state agencies to adopt a Conflict of Interest Code that outlines the specific responsibilities of CBA members and employees in that agency. There are two major aspects of the Political Reform Act included in the Conflict of Interest Code: one refers to disqualification, the other to financial disclosure. Committee members have responsibilities under each of these aspects which are separately discussed.

DCA also has an on-line resource center for board members where information regarding conflict of interest can found at:
http://www.dcaboardmembers.ca.gov/member_info/conflict_interest.shtml

1. Disqualification.

Government Code section 87100 sets forth the general prohibition: "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

Any committee member who has a financial interest must disqualify himself/herself from making or attempting to use his/her official position to influence the decision. The question of whether a committee member has a financial interest that would present a legal conflict of interest is a complex one and must be decided on a case-by-case review of the particular facts involved. For more information on disqualifying yourself due to a possible conflict of interest, please refer to the Fair Political Practice Committee's manual, located on their website. <http://www.fppc.ca.gov/index.php?id=37>.

Additionally, committee members should be disassociated from any involvement with an applicant and/or licensee file with whom the committee member may have a conflict of interest.

2. Financial Disclosure.

The Conflict of Interest Code also requires all committee members to file annual financial disclosure statements. This is accomplished by submitting a Form 700 – Statement of Economic Interest (**Appendix 9**). New committee members are required to file a disclosure statement within 30 days after assuming office. Annual financial statements must be filed not later than April 1 of each year.

A "leaving office statement" must also be filed within 30 days after an affected CBA member or other official leaves office.

Committee members are not required to disclose all their financial interests. Government Code section 87302(b) indicates when an item is reportable:

An investment, interest in real property, or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.

To determine what investments, interests in property or income must be reported by a CBA member, reference should be made to the DCA's Conflict of Interest Code. Questions concerning particular financial situations and related requirements should be directed to the DCA's Legal Office. More information is also available on DCA's website, http://www.dca.ca.gov/publications/coi_regs.pdf.

3. DCA's Policy: Incompatible Activities (Ref. Government Code § 19990).

The following is a summary of the employment, activities, or enterprises, which might result in, or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of a state office or employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using confidential information acquired by virtue of state employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee.
- Performance of an act in other than his or her capacity as a state officer or employee knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such officer or employee or the agency by which he or she is employed.
- Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it reasonably could be inferred that the gift was intended to influence him or her in his or her official duties or was intended as a reward for any official action on his or her part.
- The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of section 19990 of the Government Code. DCA's Incompatible Work Activities Policy and Procedure OHR 10-01 is included in **Appendix ?**. This policy acknowledgement is required when a member is initially appointed.

C. ETHICS TRAINING REQUIREMENT

With the passage of Assembly Bill 2179 (Statutes of 1998, Chapter 364), state appointees and employees in exempt positions are required to receive an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive you may either complete the interactive training on the website of the Office of the Attorney General or view an interactive video available upon request. Ethics training information may be found at:
http://www.dcaboardmembers.ca.gov/training/ethics_orientation.shtml.

SECTION VIII.

EXPENSE REIMBURSEMENT

A. PER DIEM AND TRAVEL.

1. Committee Member Travel

Staff are always available to assist members with any committee member-related travel arrangements, including flight or rental car needs. If a committee member chooses to coordinate his/her own flight arrangements, they should use www.SWABIZ.com to book their flight. Travelers not currently using SWABIZ will need to establish a traveler account. The steps for creating a traveler account are included in **Appendix 10**. (Corporate ID: 99039695, IRN: 57448).

Occasionally a committee member may need to rent a car. The State of California has a contract with Enterprise Rental Company for all car rental needs. Committee members may contact staff, or use the DCA-established web link when reserving vehicles:

http://www.enterprise.com/car_rental/deeplinkmap.do?bid=002&cust=DBCA181
(A justification may be necessary in the event car rental is needed, which staff will prepare).

Committee members are also encouraged to use the most economic source of transportation available. For example, if there is a shuttle from the airport to the hotel available, it is not fiscally responsible to rent a car or take a taxi.

2. Lodging for Committee Meeting.

Approximately four weeks before a committee meeting, the designated staff liaison will send out a memorandum detailing the name and address of the chosen hotel. Whenever possible, members are encouraged to secure same-day travel for the committee meetings. When same-day travel is not feasible, each member must contact the hotel directly to secure a room reservation. Staff are available to assist committee members in making travel reservations, or members are free to coordinate them on their own.

3. Reimbursement for Travel and Per Diem expenses.

All new committee members are provided with an electronic copy of the Per Diem and Travel Expense Worksheet when they are appointed (**Appendix 11**). A paper copy is also available at all meetings. Committee members must complete the worksheet, and return it to the CBA office as soon as possible following the committee meeting. Staff cannot process your Per Diem and travel expense claim without it. A few key notes regarding the completion of the form:

- The form is actually two forms in one. The top section authorizes the payment of Per Diem of \$100 per day; the bottom section is where members claim expenses for reimbursement.
- Please make sure to complete the time section of the Travel Expense Claim. Breakfast, lunch, dinner, and incidental payments all correspond to the time the traveler left and arrived at travel headquarters.

- In order to complete your travel expense claim, you must submit the original copy of all receipts, with the exception of meals. This includes a copy of your airline itinerary and hotel receipt. Please make sure that the hotel receipt you submit has a zero balance. DCA will NOT pay any receipts that show a balance due.
- When requesting reimbursement for personal vehicle mileage, you must include where the trip originated from, where it ended, and the license plate number of the vehicle. For example, enter From: Home, 123 Green Street, Sacramento, CA 95815 To: CBA Office, 2000 Evergreen St., Sacramento, CA 95815.

Travel expenses are reimbursed in accordance with the policies found within the California Code of Regulations, Title 2 (Personnel Administration), Division 1 (Administrative Personnel), Chapter 3 (Department of Personnel Administration), Subchapter 1 (General Civil Service Rules), Article 2 (Travel Expenses), and employee Memoranda of Understanding (MOU).

The DCA has compiled a guide to assist in interpreting the various policies, which is what staff use when processing travel expense claims. The DCA Travel Guide is provided as **Appendix 12**.

SECTION IX.

LIST OF APPENDICES

APPENDIX 1	DCA Guide to the Bagley-Keene Open Meeting Act
APPENDIX 2	CBA-Appointed Liaison Committee Meeting Survey
APPENDIX 3	Committee Appointment Conflict Statement
APPENDIX 4	Committee Skills Matrix (EAC version provided for example purposes)
APPENDIX 5	Committee Member Evaluation
APPENDIX 6	Committee Member Interest Survey
APPENDIX 7	Committee Chairperson/Vice-Chairperson Evaluation
APPENDIX 8	Paperwork to Complete Upon Appointment (multiple documents)
APPENDIX 9	Form 700 – Statement of Economic Interests
APPENDIX 10	SWABIZ Traveler Accountant Setup Information
APPENDIX 11	Per Diem and Travel Expense Worksheet with Travel Reimbursement Guidelines (Attachment)
APPENDIX 12	DCA Travel Guide (Attachment)

**California Board of Accountancy
Report on the Activities for the Initial Licensing Unit
As of March 31, 2014**

Initial Licensing Unit (ILU) Statistics

Individual License Applications	FY 2011/12	FY 2012/13	FY 2013/14
CPA Licensure Applications Received by Type¹			
Type A	2,969	3,036	3,365
Type B	151	206	182
Type C	392	329	369
Type D	68	54	49
Type E	14	29	33
Total Received	3,594	3,654	3,998
Total Processed	3,241	3,474	3,982
Average Days to Process	15	25	26
Method of Licensure			
Pathway 0 ²	12	4	0
Pathway 1 – attest	405	416	423
Pathway 1 – general	499	543	684
Pathway 2 – with attest	795	756	766
Pathway 2 – without attest	1,530	1,755	2,108
New Requirements – attest	--	--	0
New Requirements – general	--	--	1

Firm License Applications	FY 2011/12	FY 2012/13	FY 2013/14
Corporation			
Total Received	257	221	167
Total Processed	223	174	155

¹ Application Type

² Although uncommon, the CBA does have occasion to issue licenses under Pathway 0 due to the reissuance process.

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Average Days to Process	8	14	12
Partnership			
Total Received	125	89	76
Total Processed	106	70	74
Average Days to Process	8	14	12
Fictitious Name Permit			
Total Received	178	169	149
Total Processed	156	105	116
Average Days to Process	8	14	12

Customer Service	FY 2011/12	FY 2012/13	FY 2013/14
Telephone Calls Received	19,399	24,006	19,857
Emails Received	7,913	9,670	10,992
Certifications			
Total Received	1,237	1,073	794
Total Processed	1,237	1,073	742
Average Days to Process	20	20	12

ILU Activities

- The Initial Licensing Unit (ILU) has started to see a decrease in the total number of applications received for initial CPA licensure. While for January 2014 the total number of applications was still above average (428 received), it is down considerably from December 2013 (748 received).
- In February 2014, ILU received its first batch of initial applications for CPA licensure from individuals applying under the new educational requirements.
- On February 4, 2014, the Licensing Chief spoke at the California Society of CPAs Sacramento Chapter Student Luncheon. The engagement took place at California State University, Sacramento and was titled "2014 Education Requirements for CPA Licensure."
- The ILU is presently recruiting to fill an Office Technician position.