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DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
May 19, 2016
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

Hilton Los Angeles Airport
 5711 West Century Boulevard
 Los Angeles, CA 90045
 Telephone: (310) 410-4000

CALL TO ORDER

Jose Campos, CPA, Chair, called the meeting of the MSG to order at 2:02 p.m. on Thursday, May 19, 2016 at the Hilton Los Angeles Airport. Mr. Campos requested that the roll be called.

MSG Members

Jose A. Campos, CPA, Chair	Present
Joe Petito, Vice Chair	Present
Donald Driftmier, CPA	Present
Dominic Franzella	Present
Ed Howard, Esq.	Absent
Michael M. Savoy, CPA	Present
Stuart Waldman	Present

CBA Members Observing

Katrina L. Salazar, CPA, President
 Alicia Berhow,
 Herschel Elkins, Esq.
 Karriann Farrel Hinds, Esq.
 Laurence (Larry) Kaplan
 Kay Ko
 Leslie LaManna, CPA
 Xochitl León
 Jian Ou-Yang, CPA
 Deidre Robinson
 Mark Silverman, Esq.
 Kathleen Wright, Esq., CPA

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Rebecca Reed, Board Relations Analyst
Corey Faiello-Riordan, Board Relations Analyst
Nooshin Movassaghi, Legislative Analyst
Dorothy Osgood, Enforcement Supervising ICPA
Gina Sanchez, Chief, Licensing Division
Kristy Schieldge, Legal Counsel, DCA
Carl Sonne, Deputy Attorney General, Department of Justice
Matthew Stanley, Information and Planning Officer

Other Participants

Maria Caldwell, National Association of State Boards of Accountancy (NASBA)
(by telephone)
Jason Fox, California Society of Certified Public Accountants
Stacey Grooms, NASBA (by telephone)
Shelly Jones, DCA Representative
Pilar Oñate-Quintana, The Onate Group
Jon Ross, KP Public Affairs

- I. Approve Minutes of the March 17, 2016 MSG Meeting.

It was moved by Mr. Driftmier; seconded by Mr. Savoy to approve the minutes of the March 17, 2016 MSG Meeting.

Yes: Mr. Campos, Mr. Petito, Mr. Driftmier, Mr. Franzella, and Mr. Savoy

No: None

Abstain: None

The motion passed.

- II. The Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

Mr. Campos indicated this item is a written report only.

- III. Timeline for Activities Regarding Determination to be Made Pursuant to Business and Professions Code Section 5096.21.

Mr. Stanley provided a summary of where the CBA is in the timeline.

He concluded that staff do not have any recommendations on this item.

No action was taken on this item.

IV. Discussion Regarding the Assessment of the National Association of State Boards of Accountancy's Process for Evaluating and Information Gathered Regarding Washington's and Arizona's Accountancy Board Operations.

Mr. Stanley presented the preliminary assessment of NASBA's information regarding Arizona and Washington's enforcement practices to the MSG. He stated that on Wednesday, April 6, 2016, staff met with NASBA at the CBA's office to conduct the preliminary assessment. NASBA provided staff an overview of its substantial equivalency evaluation process, including the specific questions sent via surveys to each state board of accountancy and the follow-up communications requesting a timely response. NASBA explained circumstances specific to each state that led to the substantial equivalency findings, and NASBA's use of its Objectives of Substantial Equivalency Evaluation.

Mr. Stanley explained that in order to encourage candor and open discussions, the specifics of NASBA's information collected from the two states were not recorded. However, staff were able to view the raw information for the two states during this assessment. Staff inquired about the process NASBA used to collect the data and was informed that NASBA conducted two extensive surveys, several follow-up communications with each board, and website research.

As previously directed by the CBA, NASBA provided staff a summary of the specific enforcement practices for the two selected jurisdictions. Staff asked one random question from each section of the Guiding Principles of Enforcement to ensure that NASBA considered all the questions as important rather than putting emphasis on one or two questions that may be considered more important than the others. This approach ensured that NASBA was seeking answers to all of the questions.

NASBA's responses were based on a complete analysis of all of the provided data rather than simply a Yes/No check box on a form. Staff stated that the response to the one random question provided a greater context as well as the source of the answer. If staff was not satisfied with the response, staff had the opportunity to pursue additional questions.

Mr. Stanley concluded that based on the results of the assessment and the verification of disciplinary information on states' websites, staff was satisfied with NASBA's identification of Arizona and Washington being substantially equivalent.

This was an informational item and no action was taken by the MSG.

V. Discussion and Possible Action Regarding the Findings of the National Association of State Boards of Accountancy Related to Business and Professions Code Section 5096.21(c).

Mr. Stanley reported that NASBA now identifies 32 jurisdictions as substantially equivalent to the Guiding Principles of Enforcement. Staff reviewed CPAVerify and state websites to determine which states made the disciplinary history of their licensees publicly available through the Internet and verified that all were correctly noted by NASBA's Listing of Substantially Equivalent States.

After the preliminary assessment of Arizona and Washington, staff recommend an assessment of six more states based on geography, licensee population and number practice privilege holders under the prior program, totaling 15 percent of all jurisdictions. However, after discussion between MSG members, it was determined that 15 percent of 43 jurisdictions deemed substantially equivalent according to NASBA, or seven states, would be more appropriate for the final assessment.

The MSG requested that staff prepare an item for July discussing the next steps that will be taken in the determination process.

It was moved by Mr. Campos, seconded by Mr. Savoy that the CBA direct staff to assess seven states, (Arizona, Colorado, Illinois, New York, Oregon, Texas, Washington) equaling 15 percent of the 43 states which have been identified by NASBA as substantially equivalent, using the same procedures that were used for the preliminary assessment of Arizona and Washington and report results at the July 2016 meeting, and continue to monitor the undetermined states.

Yes: Mr. Campos, Mr. Petito, Mr. Driftmier, Mr. Franzella, Mr. Savoy, and Mr. Waldman.

No: None.

Abstain: None.

The motion passed.

VI. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Mr. Stanley stated that NASBA's Eastern Regional Meeting will be held on June 7-9, 2016 in Asheville, North Carolina. Its Western Regional Meeting will be held on June 22-24, 2016 in Denver, Colorado.

No action was taken on this item.

VII. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

The MSG stated that the topics for the next meeting would be to further discuss the progress made in comparing states to NASBA's Guiding Principles of Enforcement.

In addition, Mr. Driftmier suggested that staff consult with NASBA to determine whether any other jurisdictions are questioning California's substantial equivalency status.

There being no further business, the meeting adjourned at 2:47 p.m.