

**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.dca.ca.gov/cba>



**CALIFORNIA BOARD OF ACCOUNTANCY PUBLIC MEETING NOTICE  
 FOR THE ETHICS EDUCATION AND LICENSING FREQUENCY (EELF)  
 TASK FORCE, COMMITTEE ON PROFESSIONAL CONDUCT (CPC),  
 LEGISLATIVE COMMITTEE, AND BOARD MEETINGS**

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<b>DATE:</b>	July 24, 2008	<b>EELF</b>	<b>TIME:</b>	9:00 a.m. to 12:00 p.m.
		<b>CPC</b>	<b>TIME:</b>	1:00 p.m. to 3:30 p.m.
		<b>LEGISLATIVE</b>	<b>TIME:</b>	3:30 p.m. to 4:30 p.m.
<b>DATE:</b>	July 25, 2008	<b>BOARD</b>	<b>TIME:</b>	8:30 a.m. to 12:30 p.m.
		<b>BOARD</b>	<b>TIME:</b>	1:30 p.m. to 3:15 p.m.

**PLACE:** Sheraton Pasadena Hotel  
 303 East Cordova Street  
 Pasadena, CA 91101  
 Telephone: (626) 449-4000

Enclosed for your information are copies of the agendas for the EELF, CPC, Legislative, and Board meetings on July 24 – 25, 2008. For further information regarding these meetings, please contact:

Marisa Becerra-Garcia, Executive Analyst  
 (916) 561-1719 or [mbgarcia@cba.ca.gov](mailto:mbgarcia@cba.ca.gov)  
 California Board of Accountancy  
 2000 Evergreen St., Suite 250  
 Sacramento, CA 95815

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

**The next Board meeting is scheduled for September 18–19, 2008, in San Diego, California.**

The meeting is accessible to the physically disabled. If you need disability-related accommodations or modifications in order to participate in the meeting, please make a request no later than five (5) working days before the meeting to the Board by contacting Paula Bruning at (916) 561-1712 or sending a written request to that person at the Board Office at 2000 Evergreen St., Ste. 250, Sacramento, CA 95815. Requests for further information should also be directed to Marisa Becerra-Garcia at (916) 561-1719 or the same address noted above.

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**AGENDA****ETHICS EDUCATION AND  
LICENSING FREQUENCY TASK FORCE**

July 24, 2008  
9:00 a.m. – 12:00 p.m.

Sheraton Pasadena Hotel  
303 East Cordova Street  
Pasadena, California 91101  
(626) 449-4000

(Board members who are not members of this  
Task Force may be attending the meeting.)

- I. Consider Proposed Meeting Dates for the Ethics Education and Licensing Frequency Task Force **(Pearce) (Action)**.
- II. Review Goals and Consider Proposed Meeting Timeline for the Ethics Education and Licensing Frequency Task Force **(Pearce) (Action)**.
- III. Overview of the License Renewal Requirements and Renewal and Continuing Competency Unit Functions **(Pearce) (Action)**.
- IV. Staff Report on Pre-Selection of Continuing Education Audits and Non-Compliance Penalties for Continuing Education **(Pearce) (Action)**.
- V. Consideration of Proposed Changes to the Current Two-Year License Renewal Requirements **(Bowers) (Action)**.
- VI. Consideration of Proposed Changes to the Current Ethics Education Requirements for License Renewal **(Bowers) (Action)**.
- VII. Comments from Members of the Public.
- VIII. Agenda Items for Next Meeting.

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## AGENDA

## COMMITTEE ON PROFESSIONAL CONDUCT

July 24, 2008  
1:00 p.m. – 3:30 p.m.  
(Revised 7/18/2008)

Sheraton Pasadena Hotel  
303 East Cordova Street  
Pasadena, CA 91101  
Telephone: (626) 584-1390

(Board members who are not members of this  
Committee may be attending the meeting.)

- I. Minutes of the ~~March 20, 2008~~ May 8, 2008, CPC Meeting  
**(Manuel Ramirez, Chair) (Action).**
- II. Reconsideration of the Draft Peer Review Report to the Legislature **(Rich)**  
**(Action).**
- III. Further Discussion of Enforcement Staffing Needs and Costs Analysis  
Related to Peer Review **(Knapp) (Action).**
- IV. Consideration of Additional Peer Review Exemption for OCBOA Services  
**(Knapp) (Action).**
- V. Further Discussion of Revised Statutory Language Related to Peer  
Review **(Franzella) (Action).**
- VI. Further Discussion of Revised Regulatory Language Related to Peer  
Review **(Franzella) (Action).**
- VII. Consideration of the Elimination of the Option for Obtaining CPA  
Licensure with General Experience **(Bowers) (Action).**
- VIII. Comments from Members of the Public.
- IX. Agenda Items for Next Meeting.

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**AGENDA****LEGISLATIVE COMMITTEE**

July 24, 2008  
3:30 p.m. – 4:30 p.m.

Sheraton Pasadena Hotel  
303 East Cordova Street  
Pasadena, California 91101  
Telephone: (626) 449-4000

(Board members who are not members of this  
Committee may be attending the meeting.)

- I. Minutes of the May 8, 2008, Legislative Committee Meeting  
**(Lorraine Hariton, Chair) (Action).**
- II. Update on Legislation.
  - A. AB 865 (Davis) – State Agencies: Live Customer Service Agents  
**(Action).**
  - B. AB 1185 (Hayashi and Ma) – Accountants: Peer Review Program.
  - C. AB 1925 (Eng) – Franchise Tax Board: Occupational Licenses  
**(Action).**
  - D. AB 2473 (Niello and Ma) – Accountancy: Licensure.
  - E. SB 721 (Ashburn and Perata) – State Agencies: Succession Plans.
  - F. SB 797 (Ridley-Thomas) – Professions and Vocations.
  - G. SB 963 (Ridley-Thomas) – Regulatory Boards: Operations **(Action).**
  - H. SB 1689 (Lowenthal and Negrete-McLeod) – Local Agencies:  
Redevelopment **(Action).**
- III. Report of Options By Which the Board Can Work More Effectively in the  
Legislative Environment **(Dan Rich).**
- IV. Comments from Members of the Public.
- V. Agenda Items for Next Meeting.

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**DEPARTMENT OF CONSUMER AFFAIRS  
CALIFORNIA BOARD OF ACCOUNTANCY****BOARD MEETING  
AGENDA**

**July 25, 2008  
8:30 a.m. to 3:15 p.m.**

Sheraton Pasadena Hotel  
303 East Cordova Street  
Pasadena, California 91101  
Telephone: (626) 449-4000  
Facsimile: (626) 584-1390

- I. Call to Order (**Donald Driftmier**).
- II. Board Minutes.
  - A. Draft Board Minutes of the May 9, 2008, Board Meeting\*.
- III. Report of the President (**Donald Driftmier**).
  - A. Nomination for NASBA Director-at-Large (**Action**).
  - B. Delegation of Authority: Responsibilities, Duties and Functions of Executive Officer (**Action**).
- IV. Report of the Vice-President (**Robert Petersen**).
  - A. Report on the PCAOB Forum on Auditing in the Small Business Environment.
  - B. Special Recruitment Committee for Executive Officer (**Action**).
- V. Report of the Secretary-Treasurer (**Rudy Bermúdez**).

No report.

- VI. Report of the Executive Officer (Acting) **(Dan Rich)**.
  - A. Update on Board Staffing.
  - B. Public Relations Campaign on Peer Review **(Lauren Hersh)**.
  - C. Process for Regularly Issuing Press Releases **(Lauren Hersh)**.
  - D. Proposed Responses to the AICPA *Proposed Content and Skill Specifications for the Uniform CPA Examination* Exposure Draft **(Patti Bowers) (Action)**.
  - E. Report on Licensing and Exam **(Patti Bowers)**.
- VII. Report of the Enforcement Chief **(Larry Knapp)**.
  - A. Report on Status of Enforcement Matters:
    - 1. Activity and Status Reports.
    - 2. Major Case Summary.
    - 3. Report on Citations and Fines.
    - 4. Reportable Conditions Data.
  - B. Request for Change to Disciplinary Information on the Board's Web Site for Deceased Licensee **(Action)**.
- VIII. Regulations.
  - A. Update on Regulations **(Written Report Only)**.
- IX. Committee and Task Force Reports.
  - A. Administrative Committee (AC) **(Harish Khanna, Chair)**.
    - No Report.
  - B. CPA Qualifications Committee (QC) **(Tracy Garone, Chair)**.
    - 1. Minutes of the April 23, 2008, QC Meeting\*.
    - 2. Report on the July 9, 2008, QC Meeting.
    - 3. Proposed 2009 QC Meeting Dates **(Action)**.

C. Committee on Professional Conduct (CPC) **(Manuel Ramirez, Chair)**.

1. Minutes of the May 8, 2008, CPC Meeting\*.
2. Report on the July 24, 2008, CPC Meeting.
3. Reconsideration of the Draft Peer Review Report to the Legislature **(Rich) (Action)**.
4. Further Discussion of Enforcement Staffing Needs and Costs Analysis Related to Peer Review **(Knapp) (Action)**.
5. Consideration of Additional Peer Review Exemption for OCBOA Services **(Knapp) (Action)**.
6. Further Discussion of Revised Statutory Language Related to Peer Review **(Franzella) (Action)**.
7. Further Discussion of Revised Regulatory Language Related to Peer Review **(Franzella) (Action)**.
8. Consideration of the Elimination of the Option for Obtaining CPA Licensure with General Experience **(Bowers) (Action)**.

D. Legislative Committee **(Lorraine Hariton, Chair)**.

1. Minutes of the May 8, 2008, Legislative Committee Meeting\*.
2. Report on the July 24, 2008, Legislative Committee Meeting.
3. Update on Legislation.
  - a. AB 865 (Davis) – State Agencies: Live Customer Service Agents **(Action)**.
  - b. AB 1185 (Hayashi and Ma) – Accountants: Peer Review Program.
  - c. AB 1925 (Eng) – Franchise Tax Board: Occupational Licenses **(Action)**.
  - d. AB 2473 (Niello and Ma) – Accountancy: Licensure.
  - e. SB 721 (Ashburn and Perata) – State Agencies: Succession Plans.
  - f. SB 797 (Ridley-Thomas) – Professions and Vocations.

- g. SB 963 (Ridley-Thomas) – Regulatory Boards: Operations **(Action)**.
    - h. SB 1689 (Lowenthal and Negrete McLeod) – Local Agencies: Redevelopment **(Action)**.
  - 4. Report of Options By Which the Board Can Work More Effectively in the Legislative Environment **(Dan Rich)**.
- E. Enforcement Program Oversight Committee (EPOC) **(Robert Petersen, Chair)**.
 

No report.
- F. Ethics Education and Licensing Frequency Task Force (EELF) **(Sally Anderson, Chair)**.
  - 1. Report on the July 24, 2008, EELF Task Force Meeting.
  - 2. Consider Proposed Meeting Dates for the Ethics Education and Licensing Frequency Task Force **(Pearce) (Action)**.
  - 3. Review Goals and Consider Proposed Meeting Timeline for the Ethics Education and Licensing Frequency Task Force **(Pearce) (Action)**.
  - 4. Overview of the License Renewal Requirements and Renewal and Continuing Competency Unit Functions **(Pearce) (Action)**.
  - 5. Staff Report on Pre-Selection of Continuing Education Audits and Non-Compliance Penalties for Continuing Education **(Pearce) (Action)**.
  - 6. Consideration of Proposed Changes to the Current Two-Year License Renewal Requirements **(Bowers) (Action)**.
  - 7. Consideration of Proposed Changes to the Current Ethics Education Requirements for License Renewal **(Bowers) (Action)**.
- X. Appeals – Personal / Written.
  - 1. Personal Appeals – None.
- XI. Recommendations of CPA Qualifications Committee.
  - A. Personal / Written Appeals – None.

XII. Petitions, Stipulations, and Proposed Decisions [Closed Session Government Code Section 11126(c)(3)] \*Petition Hearings are Public Before the Board with a Subsequent Closed Session **(Action)**.

A. Daniel Banuelos – Petition to Reinstate Revoked Certificate.

B. Eli Buchalter – Petition to Reinstate Revoked Certificate.

C. James Fazio – Stipulated Settlement.

D. Sandra Kardos – Proposed Decision.

E. Mitchell Q. Dang – Stipulated Settlement.

F. Raymond Leroy Mathiasen – Stipulated Revocation.

XIII. Other Business.

A. American Institute of Certified Public Accountants (AICPA).

1. Update on AICPA State Board Committee **(Donald Driftmier)**.

B. National Association of State Boards of Accountancy (NASBA).

1. Update on NASBA Committees.

a. Compliance Assurance Committee **(Robert Petersen)**.

b. Peer Review Committee **(Robert Petersen)**.

c. Communications Committee **(Lorraine Hariton)**.

d. Accountancy Licensee Database Task Force **(Patti Bowers)**.

e. Legislative Support Committee **(Marshal Oldman)**.

2. Report on NASBA's Western Regional Meeting **(Donald Driftmier / Sally Anderson / Rudy Bermúdez / Richard Charney / Lorraine Hariton / Louise Kirkbride / Leslie LaManna / Robert Petersen / Manuel Ramirez / David Swartz / Dan Rich / Patti Bowers)**.

C. Consent Agenda (Attached) **(Action)**.

D. Board Member Comments.

E. Comments from CalCPA Representative.

F. Comments from SCA Representative.

G. Public Comments.

H. Agenda Items for Future Board Meetings.

XIV. Adjournment.

- ❖ The agenda items noted with an asterisk (\*) are on a separate “Consent Agenda” (attached). These items will be taken up on the full agenda as Item XIII.C. “Consent Agenda,” and all items will be approved with one vote. If a Board member wishes to remove an item(s) from the Consent Agenda for discussion, he/she must notify the Board President prior to action on the Consent Agenda.

Please note: The order and timing of scheduled business are subject to change.

AGENDA ITEM XIII.C.

CALIFORNIA BOARD OF ACCOUNTANCY

BOARD MEETING

July 25, 2008

**CONSENT AGENDA**

<u>AGENDA ITEM</u>	<u>SUBJECT</u>
II.A.	Draft Board Minutes of the May 9, 2008, Board Meeting.
IX.B.1.	Minutes of the April 23, 2008, QC Meeting.
IX.C.1.	Minutes of the May 8, 2008, CPC Meeting.
IX.D.1.	Minutes of the May 8, 2008, Legislative Committee Meeting.


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**TIME SCHEDULE  
 BOARD MEETING**
**FRIDAY, JULY 25, 2008**

8:30 – 8:35	I.	Call to Order ( <b>Donald Driftmier</b> ).
8:35 – 10:35 <b>TIME CERTAIN</b>	XII.A. – F.	Petitions, Stipulations and Proposed Decisions [Closed Session – Government Code Section 11126(c)(3)] *Petition Hearings are Public Before the Board with a Subsequent Closed Session.
10:35 – 10:40	III.	Report of the President ( <b>Donald Driftmier</b> ).
10:40 – 10:50	IV.	Report of the Vice-President ( <b>Robert Petersen</b> ).
10:50 – 11:15	VI.	Report of the Executive Officer ( <b>Dan Rich</b> ).
11:15 – 11:30	VII.	Report of the Enforcement Chief ( <b>Larry Knapp</b> ).
11:30 – 11:40	IX.B.	CPA Qualifications Committee ( <b>Tracy Garone</b> )
11:40 – 12:30	IX.C.	Committee on Professional Conduct ( <b>Manuel Ramirez</b> ).
12:30 – 1:30		<b>LUNCH</b>
1:30 – 1:50	IX.D.	Legislative Committee ( <b>Lorraine Hariton</b> ).
1:50 – 2:20	IX.F.	Ethics Education and Licensing Frequency Task Force ( <b>Sally Anderson</b> ).
2:20 – 2:25	XIII.A.1.	Update on AICPA State Board Committee ( <b>Donald Driftmier</b> ).
2:25 – 2:45	XIII.B.	National Association of State Boards of Accountancy (NASBA) ( <b>Board Members and Staff</b> ).
2:45 – 2:50	XIII.C.	Consent Agenda ( <b>Donald Driftmier</b> ).
2:50 – 2:55	XIII.D.	Board Member Comments.
2:55 – 3:00	XIII.E.	California Society of Certified Public Accountants (CalCPA).
3:00 – 3:05	XIII.F.	Society of California Accountants (SCA).
3:05 – 3:10	XIII.G.	Public Comments.
3:10 – 3:15	XIII.H.	Agenda Items for Future Board Meetings.

Please Note: The order and time of scheduled business is subject to change.  
 Contact: Marisa Becerra-Garcia, Executive Analyst @ (916) 561-1719.