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AVAILABILITY OF DOCUMENT ADDED TO THE RULEMAKING FILE

NOTICE IS HEREBY GIVEN that the following document is being added to the rulemaking record for the regulatory proceeding, Office of Administrative Law notice file number Z2015-0922-12, concerning section 42 in Title 16 California Code of Regulations:

Addendum to the Initial Statement of Reasons

The Addendum may be found on the CBA website at the following:
http://www.dca.ca.gov/cba/laws_and_rules/pubpart.shtml.

Any person who wishes to comment on the document added to the file may do so by submitting written comments on or before December 19, 2015, to the following:

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DATED: December 4, 2015

Patti Bowers, Executive Officer
California Board of Accountancy

CALIFORNIA BOARD OF ACCOUNTANCY

ADDENDUM TO THE INITIAL STATEMENT OF REASONS

Hearing Date: November 19, 2015

Subject Matter of Proposed Regulations: Peer Review Exclusions

Sections Affected: Title 16, Sections 42.

Updated Information:

In addition to the reasons provided in the Initial Statement of Reasons, the California Board of Accounting (CBA) is presenting additional justification for this rulemaking.

Section 42

The CBA is providing additional clarification so that the record is clear.

Statement on Standards for Accounting and Review Services (SSARS) 21 eliminates the service referred to in the existing section 42 as “compilations where no report is issued,” and creates a new service called a preparation engagement. This was done to clarify accountants’ responsibilities when an accountant is associated with financial statements on which the accountant has not performed an audit, review, or compilation.

In effect, the preparation engagement has replaced the previous compilations where no report is issued. Because of this, there should be no effect on competition for those who continue performing this same level of service.