



California Board of Accountancy
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

phone: (916) 263-3680 fax: (916) 263-3675 web: www.cba.ca.gov



OFFICIAL NOTICE AND MEETING AGENDA OF THE CALIFORNIA BOARD OF ACCOUNTANCY

Consideration of the CPA Experience Requirements Taskforce Wednesday, March 30, 2022, 9:30 a.m. until Adjournment

The Consideration of the CPA Experience Requirements Taskforce will hold a public meeting via a teleconference platform. Pursuant to the provisions of Governor Gavin Newsom's Executive Order extending Government Code section 11133, [N-1-22](#), dated January 5, 2022 a physical meeting location is not being provided.

The meeting will commence at 9:30 a.m. The order, start times, or both, of the Consideration of the CPA Experience Requirements Taskforce meeting are subject to change without notice.

INSTRUCTIONS FOR PARTICIPATION:

To access the Webex event, attendees will need to click the following link and enter their first name, last name, email, and the event password listed below:

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=mb3ce94ae0ffb2d59d96443b8db731c09>

If joining using the link above

Webinar number: 2497 064 5133

Webinar password: CBA03302022

If joining by phone

+1-415-655-0001 US Toll

Access code: 249 706 45133

Passcode: 22203302

Instructions on how to observe and participate in the meeting using the WebEx platform can be found on the California Board of Accountancy's [website](#).

Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier, such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make a public comment. Participants who choose not to

Consideration of the CPA Experience Requirements Taskforce

March 30, 2022

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provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

Public comments will be limited to five minutes per person unless, in the discretion of the Consideration of the CPA Experiences Requirements Chair, circumstances require a shorter period. Members of the public will not be permitted to "yield" their allotted time to other members of the public to make comments.

Click [here](#) for information on how to interact and participate during a public meeting.

The meeting is accessible to individuals who are physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Rebecca Reed at (916) 561-1716, or email rebecca.reed@cba.ca.gov, or send a written request to the California Board of Accountancy at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



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CBA MISSION: To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards

**CALIFORNIA BOARD OF ACCOUNTANCY
CONSIDERATION OF THE CPA EXPERIENCE REQUIREMENTS TASKFORCE**

TELECONFERENCE MEETING AGENDA

**Wednesday, March 30, 2022
9:30 a.m. until Adjournment**

Important Notice to the Public

All times indicated, other than those identified as “time certain,” are approximate and subject to change. **Action may be taken on any item on the agenda.** Agenda items may be discussed and action taken out of order at the discretion of the Chair of the CPA Experience Requirements Taskforce for convenience, to accommodate speakers, or to maintain a quorum. Identified presenters are subject to change. The meeting may be canceled without notice. For verification of the meeting, call (916) 263-3680 or access the California Board of Accountancy’s [website](http://www.cba.ca.gov).

Agenda Item

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks (Katrina L. Salazar, CPA, Chair).

- I. Introduction of Members Selected to the Consideration of the CPA Experience Requirements Taskforce (**Katrina L. Salazar, CPA, Chair**).
- II. Discussion Regarding the CBA-Adopted Objective for the CPA Experience Requirements Taskforce (**Katrina L. Salazar, CPA, Chair**).
- III. Public Comments for Items not on the Agenda.*
- IV. Overview of Taskforce-Related Resource Materials (**Michelle Center, Chief, Licensing Division**).

Agenda Item

- V. Overview of the Present CPA Licensure Requirements (**Michael Lieberman, Manager, Licensing Division**).
- VI. Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure (**Dominic Franzella, Chief, Enforcement Division**).
- VII. Discussion and Possible Action to Approve Proposed Meeting Dates for the Consideration of the CPA Experience Requirements Taskforce (**Dominic Franzella, Chief, Enforcement Division**).
- VIII. Agenda Items for Next Meeting.

Adjournment.

In accordance with the Bagley-Keene Open Meeting Act, all meetings of the California Board of Accountancy are open to the public. While the California Board of Accountancy intends to webcast this meeting, it may not be possible to webcast the entire open meeting due to limitations on resources or technical difficulties.

*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion of the Consideration of the CPA Experience Requirements Taskforce prior to the Consideration of the CPA Experience Requirements Taskforce taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Consideration of the CPA Experience Requirements, but the Consideration of the CPA Experience Requirements Taskforce Chair may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the Consideration of the CPA Experience Requirements Taskforce to discuss items not on the agenda; however, the Consideration of the CPA Experience Requirements Taskforce can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

California Board of Accountancy members who are not members of the Consideration of the CPA Experience Requirements Taskforce may be attending the meeting. However, if a majority of members of the full board are present at the Consideration of the CPA Experience Requirements Taskforce meeting, members who are not Consideration of the CPA Experience Requirements members may attend the meeting only as observers.

The meeting is accessible to individuals who are physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Rebecca Reed at (916) 561-1716, or email rebecca.reed@cba.ca.gov, or send a written request to the California Board of Accountancy at 2450 Venture Oaks Way, Ste. 300, Sacramento, CA 95833. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



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CERT Item II.
March 30, 2022

Discussion Regarding the California Board of Accountancy Adopted-Objective for the CPA Experience Requirements Taskforce

Presented by: Katrina L. Salazar, CPA, Chair, Consideration of the CPA Experience Requirements Taskforce

Purpose of the Item

The purpose of this agenda item is to provide the Consideration of the CPA Experience Requirements Taskforce (CERT or Taskforce) an overview of the CERT's objective adopted by the California Board of Accountancy (CBA).

Consumer Protection Objectives

Requiring applicants for CPA licensure to meet specified requirements, including accounting experience, assists the CBA in meeting its mission by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

Action(s) Needed

No specific action is required on this agenda item.

Background

At its November 2021 meeting, the CBA discussed three agenda items related to California's accounting experience requirement for CPA licensure:

1. An item that provided information regarding the evolution and current experience requirement for CPA licensure, including a prior taskforce's consideration of the topic.
2. An item regarding various policy issues staff have identified related to the experience requirements and a recommendation to establish a taskforce to discuss the experience requirements and possible modifications (which the CBA adopted).
3. An item related to a framework for the development of a taskforce, which included objectives and composition of the taskforce.

Discussion Regarding the California Board of Accountancy Adopted-Objective for the CPA Experience Requirements Taskforce

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Comments

As part of its final discussion regarding the taskforce (now referred to as CERT), the CBA established the objective and also the guideposts by which the Taskforce should perform its work. The CBA directed CERT to use the following question as a guide to evaluate the experience requirements for CPA licensure:

Is the present attest experience requirement necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards?

Depending on the CERT's recommendation to this question, it would necessitate that the one of the following occur:

- Develop a method to eliminate the attest experience requirement, including what backstops would be put in place to offset the elimination of the attest experience requirement (e.g. attest accounting firm licensure/registration).
- Provide recommendations to the CBA on how to address the policy issues raised by staff at the November 2021 meeting (see **CERT Agenda Item VI.**), including any additional policy issues identified by the CBA, CERT, or staff.

To help aid its examination of the guiding question above and any recommendations made as a result of the CERT's discussion, the CBA directed the Taskforce to use the following questions during its decision-making process:

- What is the problem the CBA is attempting to solve?
- Who will be impacted and how will they be impacted?
- How will the final outcome further the CBA's primary mandate of consumer protection?

Fiscal/Economic Impact Considerations

There are no fiscal/economic considerations.

Recommendation

Staff do not have recommendation for this agenda item.

Attachment

None.



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CERT Item IV.
March 30, 2022

Overview of Taskforce-Related Resource Materials

Presented by: Michael Lieberman, Initial Licensing Unit Manager

Purpose of the Item

The purpose of this agenda item is informational in nature and designed to provide members of the Consideration of the CPA Experience Requirements Taskforce (CERT) with necessary resource materials related to the experience requirement for California CPA licensure.

Consumer Protection Objectives

Completion of supervised accounting experience is a requirement for a CPA license. Accounting experience, along with education and examination requirements, provides assurance to state boards of accountancy that individuals possess the minimum level of technical knowledge and skills necessary to qualify for a CPA license, safeguarding consumers by ensuring only qualified individuals practice public accountancy.

Action(s) Needed

None.

Background

None.

Comments

The attached taskforce-related resource materials includes the following:

- Experience-related statutes and regulations – including any required forms (**Appendices 1 and 2**).
- California data illustrating the number of licenses issued with general accounting experience and attest experience over the last 10 years (**Appendix 3**).
- Information relating to upcoming changes with the Uniform CPA Examination resulting from CPA Evolution (**Appendix 4**).
- Information on state experience requirements for states that require more than one year of experience (**Appendix 5**).
- Most recent version of the Uniform Accountancy Act and excerpts of relevant Model Rules (**Appendix 6**).
- Summary of Prior CBA, Committee, and Taskforce Considerations of the Experience Requirements for Licensure (**Appendix 7**).

Overview of Taskforce-Related Resource Materials

Page 2 of 2

- Summary of the 2015 Study on the Attest Experience Requirement (**Appendix 8**).

The resource materials serve as a reference and overview of the activities related to the experience requirement for CPA licensure.

Fiscal/Economic Impact Considerations

None.

Recommendation

None.

Attachments

Taskforce-Related Resource Materials

Consideration of the CPA Experience Requirements Taskforce (CERT)

Taskforce-Related Resource Materials



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CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 1

RELEVANT BUSINESS AND PROFESSIONS CODE SECTIONS AND CALIFORNIA CODE OF REGULATIONS SECTIONS RELATING TO EXPERIENCE REQUIREMENTS FOR CPA LICENSURE

State of California

BUSINESS AND PROFESSIONS CODE

Section 5093

5093. (a) To qualify for the certified public accountant license, an applicant who is applying under this section shall meet the education, examination, and experience requirements specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article. The board may adopt regulations as necessary to implement this section.

(b) (1) An applicant for admission to the certified public accountant examination under this section shall present satisfactory evidence that the applicant has completed a baccalaureate or higher degree conferred by a degree-granting university, college, or other institution of learning accredited by a regional or national accrediting agency included in a list of these agencies published by the United States Secretary of Education under the requirements of the federal Higher Education Act of 1965 as amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a minimum, the standards described in subdivision (c) of Section 5094. The total educational program shall include a minimum of 24 semester units in accounting subjects and 24 semester units in business-related subjects. This evidence shall be provided at the time of application for admission to the examination, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(A) An applicant enrolled in a program at an institution as described in this paragraph that grants conferral of a baccalaureate degree upon completion of the 150 semester units required by paragraph (2) of this subdivision may satisfy the requirements of this paragraph if the applicant's institution mails the applicant's official transcript or its equivalent together or separately with a letter signed by the institution's registrar, or its equivalent, directly to the board pursuant to subdivision (c) of Section 5094. The letter shall include all of the following:

(i) A statement that the applicant is enrolled and in good standing in a program that will result in the conferral of a baccalaureate degree upon completion of either a master's degree or the 150 semester units required by paragraph (2) of this subdivision.

(ii) A statement that the applicant has completed all requirements, including general education and elective requirements, for a baccalaureate degree and the only reason the college or university has yet to confer the degree is because the applicant is enrolled in a program that confers a baccalaureate degree upon completion of either a master's degree or the 150 semester units required by paragraph (2) of this subdivision.

(iii) The date on which the applicant met all of the college's or university's requirements for conferral of a baccalaureate degree.

(B) The total educational program for an applicant described in subparagraph (A) shall include a minimum of 24 semester units in accounting subjects and 24 semester units in business-related subjects. This evidence shall be provided at the time of application for admission to the examination, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(2) An applicant for issuance of the certified public accountant license under this section shall present satisfactory evidence that the applicant has completed at least 150 semester units of college education, including a baccalaureate or higher degree conferred by a college or university, meeting, at a minimum, the standards described in Section 5094, the total educational program to include a minimum of 24 semester units in accounting subjects, 24 semester units in business-related subjects, and, after December 31, 2013, shall also include a minimum of 10 units of ethics study consistent with the requirements set forth in Section 5094.3 and 20 units of accounting study consistent with the regulations promulgated under subdivision (c) of Section 5094.6. This evidence shall be presented at the time of application for the certified public accountant license. Nothing in this paragraph shall be deemed inconsistent with Section 5094 or 5094.6. Nothing in this paragraph shall be construed to be inconsistent with prevailing academic practice regarding the completion of units.

(c) An applicant for the certified public accountant license shall pass an examination prescribed by the board.

(d) (1) The applicant shall show, to the satisfaction of the board, that the applicant has had one year of qualifying experience. This experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

(2) To be qualifying under this section, experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

(3) Notwithstanding paragraph (2), the board may, by regulation, allow experience in academia to be qualifying under this section.

(e) Applicants completing education at a college or university located outside of this state, meeting, at a minimum, the standards described in Section 5094, shall be deemed to meet the educational requirements of this section if the board determines that the education is substantially equivalent to the standards of education specified under this chapter.

(f) An applicant who has successfully passed the examination requirement specified under Section 5082 on or before December 31, 2013, may qualify for the certified

public accountant license without satisfying the 10 semester units of study set forth in Section 5094.3 or 20 semester units of accounting study consistent with the regulations promulgated under Section 5094.6, if the applicant completes all other requirements for the issuance of a license on or before December 31, 2015.

(Amended by Stats. 2014, Ch. 400, Sec. 5. (SB 1467) Effective January 1, 2015.)

State of California

BUSINESS AND PROFESSIONS CODE

Section 5095

5095. (a) To be authorized to sign reports on attest engagements, a licensee shall complete a minimum of 500 hours of experience, satisfactory to the board, in attest services.

(b) To qualify under this section, attest experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy and provide attest services, and this experience shall be verified. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy and perform attest services, and this experience shall be verified. An applicant may be required to present work papers or other evidence substantiating that the applicant has met the requirements of this section and any applicable regulations.

(c) The board shall adopt regulations to implement this section, including, but not limited to, a procedure for applicants under Section 5092 or Section 5093 to qualify under this section.

(Amended by Stats. 2018, Ch. 422, Sec. 1. (SB 1492) Effective January 1, 2019.)



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CALIFORNIA BOARD OF ACCOUNTANCY **California Code of Regulations, Title 16**

§ 12. – General Experience Required Under Business and Professions Code Sections 5092¹ and 5093.

(a) In order to meet the experience requirement of Section 5092 or Section 5093 of the Business and Professions Code, experience must be supervised by a person holding a valid, active license or comparable authority to practice public accounting as specified in subdivision (d) of Section 5092 or subdivision (d) of Section 5093. Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work, pursuant to subsection (b) on a routine and recurring basis and shall have authority and oversight over the applicant.

(1) Experience shall be verified by the person supervising the experience and by a second person with a higher level of responsibility in the public accounting firm, private industry company, or governmental agency. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm or private industry company signing the verification is also the person supervising the experience, no second signature is required.

(2) Experience may not be supervised by a licensee who provides public accounting services to the applicant's employer.

(3)(A) All verifications shall be submitted to the Board on Form 11A-29 (11/17) for public accounting experience or Form 11A-29A (11/17) for private industry and governmental accounting experience, which are hereby incorporated by reference, and shall be signed under penalty of perjury. (B) If the applicant is unable to obtain the verifications required in subsection (a)(3)(A), the Board may approve other forms of verification if they contain the information as required in subsection (a)(3)(A).

(b) The experience required by Section 5092 or Section 5093 involves providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. Qualifying experience may be gained through employment in public accounting, private industry, or government. Experience acquired in academia is considered qualifying if the requirements of Section 12.1 are met.

¹ Business and Professions Code section 5092 became inoperative on January 1, 2014.

(c) The experience required by Section 5092 or Section 5093 of the Business and Professions Code may be obtained in full-time or part-time employment provided the total experience completed by the applicant is the equivalent of at least two years of full-time employment for an applicant qualifying under Section 5092 or at least one year of full-time employment for an applicant qualifying under Section 5093. In evaluating an applicant's experience, 170 hours of part-time employment shall be considered equivalent to one month of full-time employment.

(d) An applicant who is applying with experience obtained five (5) or more years prior to application and who has not passed the Uniform CPA Examination during this five-year period shall be required to complete 80 hours of continuing education, which shall meet the following requirements:

(1) The 80 hours must be completed in the two years preceding approval of the application by the Board.

(2) All 80 hours must meet the requirements as described in Section 87(a)(2)-(4) and Section 88.

(3) Certificates of completion must be submitted to the Board and shall contain a verification certified by a program provider representative such as a signature or seal. The certificate of completion must also delineate the subject areas, as described in Section 87(a)(2) and (3), for which the applicant may claim credit.

NOTE: Authority cited: Sections 5010, 5092 and 5093, Business and Professions Code.
Reference: Sections 5092 and 5093, Business and Professions Code.



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CALIFORNIA BOARD OF ACCOUNTANCY

California Code of Regulations, Title 16

§ 12.1. – Experience in Academia.

(a) Pursuant to Business and Professions Code section 5093(d)(3), experience in academia qualifies as general accounting experience for certified public accountant licensure if it meets the requirements provided in this section.

(b) In evaluating an applicant's experience in academia, 48 semester units of instruction, or its equivalent in quarter units, shall be considered equivalent to one year of general accounting experience.

(c) Experience in academia shall be qualifying when the applicant is the instructor for a course meeting the following requirements:

(1) The course was in a subject listed in section 9.2(b); and

(2) The course was taught at an accredited institution as described in Business and Professions Code section 5094(b).

(d)(1) All experience must be verified by the dean, head, or chair of the applicant's department who has authority and oversight over the applicant. The verification shall be submitted to the Board on Form 11A-29B (11/17) entitled "Certificate of Experience in Academia," which is hereby incorporated by reference.

(2) If the applicant is unable to obtain the verifications required in subsection (d)(1), the Board may approve other forms of verification if they contain the information as required in subsection (d)(1).

(e)(1) Experience in academia may be combined with other general accounting experience meeting the requirements of Section 12 at a ratio of four semester units, or its equivalent in quarter units, to one month of general accounting experience.

(2) Notwithstanding subdivision (e)(1), the total qualifying general accounting experience needed for licensure shall not be obtained in less than 12 calendar months.

(f) An applicant who is applying with experience obtained five (5) or more years prior to application and who has not passed the Uniform CPA Examination during this five-year period shall be required to complete 80 hours of continuing education, which shall meet the following requirements:

(1) The 80 hours must be completed in the two years preceding approval of the application by the Board.

(2) All 80 hours must meet the requirements as described in Section 87(a)(2-4) and Section 88.

(3) Certificates of completion must be submitted to the Board and shall contain a verification certified by a program provider representative such as a signature or seal. The certificate of completion must also delineate the subject areas, as described in Section 87(a)(2) and (3), for which the applicant may claim credit.

NOTE: Authority cited: Sections 5010 and 5093, Business and Professions Code.
Reference: Section 5093, Business and Professions Code.



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CALIFORNIA BOARD OF ACCOUNTANCY **California Code of Regulations, Title 16**

§ 12.5. – Attest Experience Under Business and Professions Code Section 5095.

(a) To be authorized to sign reports on attest engagements pursuant to Business and Professions Code Section 5095, an applicant for a California Certified Public Accountant license pursuant to Business and Professions Code Sections 5087, 5092, or 5093 or holder of an unexpired, valid, active California Certified Public Accountant license issued pursuant to Business and Professions Code Sections 5087, 5092, or 5093 shall show to the satisfaction of the Board that he or she meets the requirements of this section and Business and Professions Code Section 5095.

(1) Some or all of the experience required by Section 5095 and this section may be completed prior to issuance of the California Certified Public Accountant license. Any experience that would be qualifying for purposes of Section 5095 and this section may also serve as qualifying experience for purposes of Sections 5092 or 5093. To be qualifying for purposes of Section 5095 and this section, any experience obtained after issuance of the California Certified Public Accountant license must be obtained while the license is held in active status.

(2) A holder of an active California Certified Public Accountant license may commence signing reports on attest engagements upon receipt of notification from the Board that he or she has met the requirements of this section and Business and Professions Code Section 5095. A holder of an inactive California Certified Public Accountant license may apply under this section, but must convert the license to active status before commencing to sign reports on attest engagements.

(3) An applicant for the California Certified Public Accountant license who has met the requirements of this section and Business and Professions Code Section 5095 may commence signing reports on attest engagements upon license issuance.

(b) In order to meet the attest experience requirements of Section 5095 an applicant for or holder of a California Certified Public Accountant license shall show to the satisfaction of the Board that the applicant has completed a minimum of 500 hours of attest experience. This experience shall include all of the following:

(1) Experience in the planning of the audit including the selection of the procedures to be performed.

(2) Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.

(3) Experience in the preparation of working papers in connection with the various elements of (1) and (2) above.

(4) Experience in the preparation of written explanations and comments on the work performed and its findings.

(5) Experience in the preparation of and reporting on full disclosure financial statements as part of the Audit or other Attest Services. This does not include experience earned through the performance of preparation engagements in accordance with the provisions of the Statements on Standards for Accounting and Review Services (SSARS).

(c) Qualifying experience may be gained through employment in public accounting, private industry, or government. Experience acquired in academia is not qualifying.

(d) In order to be qualifying, experience obtained pursuant to Section 5095 of the Business and Professions Code must be supervised by a person holding a valid active license or comparable authority to provide attest services as specified in subdivision (b) of Business and Professions Code Section 5095. Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work, pursuant to subsection (b) on a routine and recurring basis and shall have authority and oversight over the applicant.

(1) Experience shall be verified by the person supervising the experience and by a second person with a higher level of responsibility in the public accounting firm, private industry company, or governmental agency. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm or private industry company signing the verification is also the person supervising the experience, no second signature is required.

(2) Experience may not be supervised by a licensee who provides public accounting services to the applicant's employer.

(3)(A) All verifications shall be submitted to the Board on Form 11A-6A (4/20) for public accounting experience or on Form 11A-6 (4/20) for private industry or governmental accounting experience, which are hereby incorporated by reference, and shall be signed under penalty of perjury.

(B) If the applicant is unable to obtain the verifications required in subsection (d)(3)(A), the Board may approve other forms of verification if they contain the information as required in subsection (d)(3)(A).

(e) In order to demonstrate the completion of qualifying experience, an applicant for or holder of a California Certified Public Accountant license may be required to appear before the Qualifications Committee to present work papers, or other evidence,

substantiating that his or her experience meets the requirements of Section 5095 of the Business and Professions Code and of subsection (b) of this section.

(f) The applicant who is applying with attest experience obtained outside the United States and its territories must present work papers substantiating that such experience meets the requirements of subsection (b) and generally accepted auditing standards. Alternatively, the applicant may acquire a minimum of 500 hours of United States experience which meets the requirements of Business and Professions Code Section 5095 and subsection (b).

(g) An applicant who is applying with experience obtained five (5) or more years prior to application and who has not passed the Uniform CPA Examination during this five-year period shall be required to complete 80 hours of continuing education, which shall meet the following requirements:

(1) The 80 hours must be completed in the two years preceding approval of the application by the Board.

(2) All 80 hours must meet the requirements as described in Section 88.

(3) The 80 hours must include, at a minimum, the following:

(A) 16 hours in financial accounting standards.

(B) 16 hours in auditing standards.

(C) 8 hours in compilation and review.

(D) 8 hours in other comprehensive basis of accounting.

(E) 8 hours in the prevention, detection, and/or reporting of fraud affecting financial statements.

(F) 24 hours in courses that meet the requirements of Section 87(a)(2) or Section 87(a)(3).

(4) Certificates of completion must be submitted to the Board and shall contain a verification certified by a program provider representative such as a signature or seal. The certificate of completion must also delineate the subject areas for which the applicant may claim credit.

(h) The experience required by Section 5092, 5093, or 5095 of the Business and Professions Code may be obtained in full-time or part-time employment provided the total experience completed by the applicant is the equivalent of at least two years of full-time employment for an applicant qualifying under Section 5092 or at least one year of full-time employment for an applicant qualifying under Section 5093. In evaluating an applicant's experience, 170 hours of part-time employment shall be considered equivalent to one month of full-time employment.

NOTE: Authority cited: Sections 5010 and 5095, Business and Professions Code.
Reference: Section 5023, 5092, 5093 and 5095, Business and Professions Code.



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phone: (916) 263-3680 *fax:* (916) 263-3675 *web:* www.cba.ca.gov



CALIFORNIA BOARD OF ACCOUNTANCY

California Code of Regulations, Title 16

§ 36.1. – Out-of-State Licensee.

(a) The Board will consider applications filed under Section 5087 from holders of current, active, and unrestricted Certified Public Accountant licenses issued under the laws of any state. The Board may deny an application when the facts indicate that the applicant has been a California resident before, during or after having obtained a CPA license in another state and when the facts indicate that the applicant's CPA license was obtained in another state to evade otherwise applicable California statutes and rules.

(b) An applicant pursuant to Business and Professions Code Section 5087 may be considered to have met the education, examination, and experience requirements for issuance of the California license if the applicant shows, to the satisfaction of the Board, that he or she has engaged in the practice of public accounting as a licensed Certified Public Accountant in another state for four of the ten years preceding the date of application for a California license.

(c) An applicant pursuant to Business and Professions Code Section 5087 may be considered to have met the attest experience requirement of Section 5095 if the applicant shows to the satisfaction of the Board that he or she has been authorized to provide attest services and engaged in the practice of public accounting as a Certified Public Accountant in another state for four of the ten years preceding the date of application for a California license.

NOTE: Authority cited: Sections 5010 and 5018, Business and Professions Code.
Reference: Sections 5082, 5087 and 5095, Business and Professions Code.



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CALIFORNIA BOARD OF ACCOUNTANCY California Code of Regulations, Title 16

§ 69. – Certification of Applicant’s Experience.

(a) Any licensee who shall have been requested by an applicant to prepare and submit to the board certification of the applicant's experience and shall have refused to prepare and submit said certification shall, when requested by the board, explain in writing, or, when so requested by the board, explain in person, the basis for refusal to complete and submit said certification.

(b) Any licensee who shall have signed a certification of experience shall, when requested by the board, explain in writing, or, when so requested by the board, explain in person, the information provided on any said certification of experience, in any situation including, but not limited to, the following:

(1) Where there is an alleged disagreement between an applicant and any licensee as to dates and/or type of work performed;

(2) Where there is satisfactorily answered certification of experience submitted to the board, but the period of experience appears to be unduly short;

(3) Where the board seeks to verify on a sample basis information submitted by an applicant or attested thereto on a certification of experience; or

(4) Where the board reasonably believes that the information in the certification of experience may be false or incorrect.

(c) Any false or misleading statement, made by a licensee as to material matters in the certification of an applicant's experience, shall constitute a violation of Section 5100(g) of the Accountancy Act.

(d) Inspection by the board or its representatives of documentation relating to an applicant's fulfillment of the experience requirements set forth in Sections 5092, 5093, and 5095 of the Accountancy Act and Sections 12 and 12.5 herein above may be made at any of the board's offices or at such other places as the board may designate.

(e) The failure or refusal, by any licensee to complete and submit a certification of experience or to comply with a request for explanation of said certification or inspection of documentation as set forth in this rule constitutes a violation of Section 5100(g) of the Accountancy Act.

(f) Any unreasonable act or failure to act which jeopardizes an applicant's chances for obtaining a certificate, shall constitute a violation of Section 5100(g) of the Accountancy Act.

NOTE: Authority cited: Sections 5010 and 5018, Business and Professions Code.
Reference: Sections 5018 and 5100, Business and Professions Code

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 2 **CERTIFICATE OF EXPERIENCE FORMS**



California Board of Accountancy
 2450 Venture Oaks Way, Suite 300
 Sacramento, CA 95833

phone: (916) 263-3680 fax: (916) 263-3675 web: www.cba.ca.gov



CERTIFICATE OF GENERAL EXPERIENCE (PUBLIC ACCOUNTING)

This form is to be COMPLETED and MAILED directly to the California Board of Accountancy (CBA)

PRINT OR TYPE

FULL NAME OF APPLICANT: (No Initials) (First) (Middle) (Last)	SOCIAL SECURITY # (Last 4 only) XXX-XX-____
---	--

PERIOD OF EMPLOYMENT

List the dates applicant was under your supervision and obtained qualifying general accounting experience, as defined below.

FULL TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	PART-TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	TOTAL-PART-TIME HOURS
	/ /	/ /		/ /	/ /	

General accounting experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills. To qualify, experience shall have been performed in accordance with applicable professional standards.

If an applicant is performing attest services as part of the general experience, it must be performed under the supervision of a licensee who has satisfied the attest experience requirement.

An applicant who obtains licensure without satisfying the attest experience requirement (Section 12.5 of the CBA Regulations) cannot sign reports on attest engagements of any kind until the attest experience requirement is completed and authorization is given by the CBA.

BUSINESS NAME:	BUSINESS TELEPHONE:	Area Code ()
ADDRESS: (Include City, State, and Zip Code)		

Section 12 of the CBA Regulations requires that public accounting experience be verified by the person supervising the experience and by a second person with a higher level of responsibility in the public accounting firm. The second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm signing the verification is also the person supervising the experience, no second signature is required. **Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.**

I hereby certify, under penalty of perjury under the laws of the state of California, that the applicant has (1) been supervised or employed by me or my firm for the period indicated herein, and (2) has completed general accounting experience.

SIGNATURE #1 (Supervisor) (DO NOT USE BLACK INK)	SOLE PROPRIETOR <input type="checkbox"/>
PRINTED NAME	PARTNER <input type="checkbox"/>
DATE	SHAREHOLDER <input type="checkbox"/>
SIGNATURE #2 (DO NOT USE BLACK INK)	OTHER CPA (Second signature required) <input type="checkbox"/>
PRINTED NAME	CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
DATE	U.S. STATE OR OTHER AUTHORITY OF ISSUANCE _____
	SOLE PROPRIETOR <input type="checkbox"/>
	PARTNER <input type="checkbox"/>
	SHAREHOLDER <input type="checkbox"/>
	CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
	U.S. STATE OR OTHER AUTHORITY OF ISSUANCE _____

PERSONAL INFORMATION COLLECTION AND ACCESS

The information provided in this form will be used by the California Board of Accountancy, to determine qualifications for a Certified Public Accountant License. Sections 5080 through 5095 of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the application as being incomplete.

Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24.

Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act.

The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this application, and may be contacted at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833, telephone number (916) 263-3680 regarding questions about this notice or access to records.



California Board of Accountancy
 2450 Venture Oaks Way, Suite 300
 Sacramento, CA 95833

phone: (916) 263-3680 fax: (916) 263-3675 web: www.cba.ca.gov



CERTIFICATE OF GENERAL EXPERIENCE (PRIVATE INDUSTRY OR GOVERNMENT)

This form is to be COMPLETED and MAILED directly to the California Board of Accountancy (CBA)

PRINT OR TYPE

FULL NAME OF APPLICANT: (No Initials) (First) (Middle) (Last)	SOCIAL SECURITY # (Last 4 only) XXX-XX-____
---	--

PERIOD OF EMPLOYMENT

List the dates applicant was under your supervision and obtained qualifying general accounting experience, as defined below.

FULL TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	PART-TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	TOTAL PART-TIME HOURS
	/ /	/ /		/ /	/ /	

General accounting experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills. To qualify, experience shall have been performed in accordance with applicable professional standards.

If an applicant is performing attest services as part of the general experience, it must be performed under the supervision of a licensee who has satisfied the attest experience requirement.

An applicant who obtains licensure without satisfying the attest experience requirement (Section 12.5 of the CBA Regulations) cannot sign reports on attest engagements of any kind until the attest experience requirement is completed and authorization is given by the CBA.

BUSINESS NAME:	BUSINESS TELEPHONE: Area Code ()
ADDRESS: (Include City, State, and Zip Code)	

Section 12 of the CBA Regulations requires that private industry or government accounting experience be verified by the person supervising the experience and by a second person with a higher level of responsibility in the private industry company or government agency. If the owner of the private industry company is also the person supervising the experience, no second signature is required. **Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.**

I hereby certify, under penalty of perjury under the laws of the state of California, that the applicant (1) has been supervised or employed by me or my business/agency for the period indicated herein, and (2) has completed general accounting experience.

SIGNATURE #1 (Supervisor) (DO NOT USE BLACK INK) <hr/> PRINTED NAME <hr/> DATE <hr/> SIGNATURE #2 (DO NOT USE BLACK INK) <hr/> PRINTED NAME <hr/> TITLE <hr/> DATE	LICENSEE SUPERVISOR – (Must be a licensee who supervised applicant) CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/> U.S. STATE OF ISSUANCE _____ ARE YOU THE OWNER? YES <input type="checkbox"/> NO <input type="checkbox"/> If you are not the owner, Signature #2 section must be completed. Must have a higher level of responsibility in the business/agency than signer #1. CERTIFICATE NO. (if applicable) _____ CPA <input type="checkbox"/> PA <input type="checkbox"/> U.S. STATE OF ISSUANCE _____
--	--

PERSONAL INFORMATION COLLECTION AND ACCESS

The information provided in this form will be used by the California Board of Accountancy, to determine qualifications for a Certified Public Accountant License. Sections 5080 through 5095 of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the application as being incomplete.

Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24.

Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act.

The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this application, and may be contacted at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833, telephone number (916) 263-3680 regarding questions about this notice or access to records.



California Board of Accountancy
 2450 Venture Oaks Way, Suite 300
 Sacramento, CA 95833

phone: (916) 263-3680 fax: (916) 263-3675 web:



CERTIFICATE OF ATTEST EXPERIENCE (PUBLIC ACCOUNTING)

This Form is to be COMPLETED and MAILED directly to the California Board of Accountancy (CBA) by the Employer

PRINT OR TYPE

FULL NAME OF APPLICANT: (No Initials) (First) (Middle) (Last)	SOCIAL SECURITY # (Last 4 only) XXX-XX-_____
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PERIOD OF EMPLOYMENT

List the dates applicant was under your supervision and obtained qualifying experience, as defined below.

FULL TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	PART-TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	TOTAL PART-TIME HOURS
	/ /	/ /		/ /	/ /	

The experience required by Section 5095 of the California Accountancy Act (Accountancy Act) should be fulfilled primarily by financial statement audits and, secondarily, by other attest services (see Instructions, Section 2). Section 12.5 of the CBA Regulations establishes the attest experience requirement. **To be considered as qualifying, experience is that which enables the applicant to demonstrate the ability to understand the requirements of planning and conducting a financial statement audit or perform other attest services with minimum supervision that results in an opinion on full disclosure financial statements (see Instructions, Sections 1 and 2).**

Check either yes or no for each of the following items (A and B) to identify the experience of the applicant, while under your supervision, for purposes of qualifying the applicant for a CPA license.

QUALIFYING EXPERIENCE

Yes No

I.	A.	Does the applicant have experience in the planning of the audit, including the selection of the procedures to be performed?		
	B.	In your opinion, did such experience demonstrate a satisfactory understanding of the requirements of planning an audit consistent with current practice standards and pronouncements of the profession?		
II.	A.	Does the applicant have experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements?		
	B.	In your opinion, did the application of the above-described procedures demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
III.	A.	Does the applicant have experience in the preparation of working papers in connection with the various elements of I and II, above?		
	B.	In your opinion, do the working papers demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
IV.	A.	Does the applicant have experience in the preparation of written explanations and comments on the work performed and its findings?		
	B.	In your opinion, do the written explanations and comments demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
V.	A.	Does the applicant have experience in the preparation of and reporting on full disclosure financial statements as part of the Audit or other Attest Services? This does not include experience earned through the performance of preparation engagements in accordance with the provisions of the Statements on Standards for Accounting and Review Services (SSARS).		
	B.	In your opinion, did such participation demonstrate satisfactory knowledge of current professional standards?		

NUMBER OF HOURS

VI. SUMMARY OF ATTEST EXPERIENCE HOURS (see Instructions, Section 3).	Audit	Other Attest	Review Services	Compilation
Experience in Planning the Audit or Other Attest Services (I. above)				
Experience in Applying a Variety of Audit Procedures and Techniques on the Audit or Other Attest Services Procedures (II. above)				
Experience in the Preparation of Working Papers (III. above) and in the Preparation of Written Explanations on the Audit or Other Attest Services (IV. above)				
Experience in the Preparation of Full Disclosure Financial Statements as part of the Audit or Other Attest Services (V. above)				
Compilation Hours Obtained Prior to January 1, 2008				
Total				

VII. Is the applicant related to anyone in your firm?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	(If yes, explain relationship)
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NOTES TO EMPLOYER COMPLETING Certificate of Attest Experience (Public Accounting).
See Instructions Sections 1, 2, and 3.

For the authorization to sign attest reports, applicants applying for licensure under either Pathway 1 or Pathway 2 **must** obtain a **minimum of 500** hours of qualifying attest experience.

Section 69 of the CBA Regulations provides that the CBA may require an explanation of any representation made on the Certificate of Attest Experience (Public Accounting) and/or may inspect the documentation relating to the applicant's fulfillment of the experience requirement.

Section 12.5 of the CBA Regulations requires that public accounting experience be verified by the person supervising the experience and by a second person with a higher level of responsibility in the public accounting firm. The second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm signing the verification is also the person supervising the experience, no second signature is required. **Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.**

I hereby certify, under penalty of perjury under the laws of the state of California, that the applicant (1) has been employed by me or my firm for the period indicated herein, and (2) in the course of such employment has obtained the experience indicated on this Certificate of Attest Experience (Public Accounting).

FIRM NAME	BUSINESS TELEPHONE:	Area Code ()
ADDRESS: (INCLUDING City, State and Zip Code)		

SIGNATURE #1 (Supervisor) (DO NOT USE BLACK INK)	SOLE PROPRIETOR <input type="checkbox"/> PARTNER <input type="checkbox"/> SHAREHOLDER <input type="checkbox"/> OTHER (Second signature required) <input type="checkbox"/> CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
PRINTED NAME	U.S. STATE OR OTHER AUTHORITY OF ISSUANCE _____
DATE	
SIGNATURE #2 (DO NOT USE BLACK INK)	SOLE PROPRIETOR <input type="checkbox"/> PARTNER <input type="checkbox"/> SHAREHOLDER <input type="checkbox"/> CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
PRINTED NAME	U.S. STATE OR OTHER AUTHORITY OF ISSUANCE _____
DATE	

OFFICE USE ONLY
Date of last Section 69 Review _____
_____ APPROVED
_____ REAPPEARANCE
_____ NO RECORD
Verified by: _____
Date: _____

OFFICE USE ONLY
Date of last Section 69 Review _____
_____ APPROVED
_____ REAPPEARANCE
_____ NO RECORD
Verified by: _____
Date: _____

INSTRUCTIONS FOR COMPLETING CERTIFICATE OF ATTEST EXPERIENCE (PUBLIC ACCOUNTING)

The Certificate of Attest Experience (Public Accounting) is used by licensees to communicate to the CBA the experience an applicant has obtained while under their supervision in order for the CBA to determine whether the experience meets the requirements of CBA Regulation, Section 12.5.

Public accounting experience should be of a character and variety that enables the applicant to demonstrate the ability to understand the requirements of planning and conducting a financial statement audit or perform other attest services with minimum supervision that results in an opinion on full disclosure financial statements.

For the authorization to sign attest reports, applicants applying for licensure under either Pathway 1 or Pathway 2 **must** obtain a **minimum of 500 hours of attest experience**. It is important that very early in the applicant's employment the licensee and applicant formulate a plan tailored to demonstrate a variety of experience in audit services. A contemporaneous time record should be prepared and monitored by the licensee and the applicant.

1. **Qualifying Experience.**

Experience required under Items I, II, and III on the Certificate of Attest Experience (Public Accounting), it is expected the applicant will have gained attest experience in applying the procedures normally applied in a variety of situations. The applicant is expected to have experience in planning audits. It is unnecessary for an applicant to have performed all the procedures below or any single procedure any particular number of times. This experience may be obtained in one or more engagements, in one or more industries. Typical audit planning and procedures include, but are not limited to, the following:

- a. Obtaining sufficient understanding of the components of internal control (control environment, risk assessment, control activities, information and communications, and monitoring) to plan the audit. Procedures are usually performed to ascertain whether such components were in effect and operating effectively.
- b. Assessing risks embodied in the account balance, transaction class, and disclosure components of the financial statements and determining materiality.
- c. Applying appropriate analytical review procedures in performing an attestation engagement.
- d. Applying appropriate testing procedures to determine the existence and reasonableness of asset account balances such as cash, accounts receivable, inventory, property, plant and equipment, and other assets such as prepaids, intangible assets, and other deferred charges.
- e. Understanding and determining the valuation of accounts such as inventories, accounts receivable, marketable securities, real estate investments, and the appropriate accounting and applicable disclosures. These include costing and pricing concepts such as LIFO, FIFO, lower of cost or market, and excess and obsolete inventory, etc.
- f. Applying appropriate testing procedures to determine the reasonableness of liability account balances, such as accounts payable, accrued liabilities, income taxes, and notes and contracts payable, and the reasonableness of capital accounts and revenue and expense accounts.
- g. Testing of revenue and profit recognition, cut off of sales, purchases, cash receipts and disbursements, subsequent events review, and examination of pertinent documentation.
- h. Determining the existence of related party transactions, commitments and contingent liabilities, and appropriate financial statement disclosures.

Under Item IV on the Certificate of Attest Experience (Public Accounting), it is expected the applicant has written comments, observations, and conclusions resulting from the work performed.

Under Item V on the Certificate of Attest Experience (Public Accounting), it is expected the applicant has participated in the preparation of and reporting on full disclosure financial statements. The experience required under this item may be fulfilled partially by review services, if adequately supported by workpapers.

2. Experience Discussion.

The performance of financial statement audits should primarily fulfill the experience requirement. In addition, attest experience may include a combination of:

- a. Review services **to the extent they comply with the documentation of analytical procedures and the development of expectations as required by the Statements on Standards for Accounting and Review Services**. Frequently, only analytical review procedures qualify; however, the scope of work may be extended in selected areas and, thereby, may qualify. Examples include performing analytical review procedures or extending the scope of work in selected areas. Experience obtained in other areas (such as accounting write-up, tax compliance, consultations, forecasting and projections) is not considered qualifying under CBA Regulation, Section 12.5.
- b. Other attest services including, but not limited to:
 - Statements on Auditing Standards 70.
 - Agreed-upon procedures.
 - Compliance audits.
- c. Compilation services **only to the extent preparation of full disclosure financial statements is supported by work papers. Compilation hours obtained after December 31, 2007, are no longer accepted as qualifying attest experience for licensure.**

The most frequent problems encountered by applicants with public accounting experience are:

- a. Failure to demonstrate and/or document participation in the audit planning process.
- b. Limited experience in applying audit procedures and participating in preparing and reporting on full disclosure financial statements. As a result, an applicant has difficulty demonstrating experience with disclosure requirements, financial statement preparation, and Generally Accepted Accounting Principles and Generally Accepted Auditing Standards requirements.
- c. Failure to demonstrate a reasonable awareness and understanding of current professional standards.

3. Other Sections of the Certificate of Attest Experience (Public Accounting).

- a. Summary of Attest Experience Hours (Part VI of Certificate of Attest Experience [Public Accounting]).

This summary should reflect only hours the applicant spent performing audit procedures pursuant to CBA Regulation, Section 12.5.

Experience in areas such as controllership functions, accounting write-up, tax compliance, consultations, forecasting, and projections, are **not** considered qualifying under CBA Regulation, Section 12.5.

The specific categories of experience should be completed as follows:

Audit Hours: This section should reflect only those hours spent in the planning and performing of audit procedures or other attest services in an audit engagement, and the hours spent on financial statement preparation.

Review Hours: This section should reflect only those hours spent in the performance of audit-type procedures or other attest services in a review engagement, and the hours spent on financial statement preparation. Frequently, analytical review is the only audit-type procedure performed, unless the scope in selected areas has been expanded, and audit-type procedures have been performed and documented.

Other Attest Hours: This section should reflect only those hours spent in the performance of operational audits, compliance audits, and other audits, as well as performance of agreed-upon procedures of an audit nature. If the predominant qualifying experience is shown in this section, it is probable it will be reviewed by the Qualifications Committee of the CBA.

Compilation Hours: Compilation services **only to the extent preparation of full disclosure financial statements is supported by work papers.** Compilation hours obtained after December 31, 2007, are no longer accepted as qualifying attest experience for licensure.

b. Certifying an Applicant's Experience if Obtained in More Than One Office.

If a single Certificate of Attest Experience (Public Accounting) is submitted for an applicant who has obtained experience in more than one office of the same firm, a cover letter also must be submitted furnishing information as to the basis for completing the Certificate of Attest Experience (Public Accounting) for multiple offices. Alternatively, separate Certificates of Attest Experience (Public Accounting) should be submitted by the separate offices. **A separate Certificate of Attest Experience (Public Accounting) must be submitted for experience obtained outside the United States regardless of whether it was obtained from the same firm as that obtained in the United States.**

c. Responsibility Associated with Signing the Certificate of Attest Experience (Public Accounting).

All California licensees in public practice signing the Certificate of Attest Experience (Public Accounting) are subject to the provisions of the CBA Regulations, Section 69. The signers must carefully review the Certificate of Attest Experience (Public Accounting), evaluate, and judge each applicant's experience. The signer is certifying, under penalty of perjury, whether in his or her opinion, the applicant has met the attest experience requirements of the CBA for licensure.

If additional information would be helpful in evaluating the applicant's experience, the CBA encourages an employer to attach an explanatory letter.

CBA Regulation, Section 69 provides that the CBA may require an explanation of any representation made on the Certificate of Attest Experience (Public Accounting) and/or may inspect the documentation relating to an applicant's fulfillment of the experience requirement.

Under CBA Regulation, Section 69, the CBA expects the documentation in support of affirmative answers on the Certificate of Attest Experience (Public Accounting) to consist of a record of engagements on which an applicant actually performed the attest procedures, the amount of time spent by the applicant on the procedures, and the aggregate amount of time spent on such engagements. Upon request, actual financial statements and supporting workpapers are required to be furnished to the CBA.

d. Current Experience.

In evaluating the experience of an applicant, emphasis is given to recent activities that demonstrate the applicant's knowledge and application of applicable professional standards. In determining currency, generally the CBA considers experience gained in the last five years. If the experience was gained prior to that time, the CBA will require the applicant to furnish evidence that he or she is knowledgeable of current practice standards and pronouncements of the profession.

e. Worksheet.

The Worksheet for Substantiation of Qualifying Experience Under CBA Regulation, Section 12.5 has been included to assist the applicant and the employer in accumulating information to support the opinions expressed on the Certificate of Attest Experience (Public Accounting). **It is not necessary to submit this worksheet with the Certificate of Attest Experience (Public Accounting).**

PERSONAL INFORMATION COLLECTION AND ACCESS

The information provided in this form will be used by the CBA, to determine qualifications for a Certified Public Accountant License. Sections 5080 through 5095 of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the application as being incomplete.

Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the CBA, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24.

Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act.

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CERTIFICATE OF ATTEST EXPERIENCE (PRIVATE INDUSTRY OR GOVERNMENT)

This Form is to be **COMPLETED** and **MAILED** directly to the California Board of Accountancy (CBA) by the Employer

PRINT OR TYPE

FULL NAME OF APPLICANT: (No Initials) (First) (Middle) (Last)	SOCIAL SECURITY # (Last 4 only) XXX-XX-____
---	--

PERIOD OF EMPLOYMENT

List the dates applicant was under your supervision and obtained qualifying experience, as defined below.

FULL TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	PART-TIME DATES	FROM (MO/DAY/YR)	TO (MO/DAY/YR)	TOTAL PART-TIME HOURS
	/ /	/ /		/ /	/ /	

The experience required by Section 5095 of the California Accountancy Act (Accountancy Act) should be fulfilled primarily by financial statement audits and, secondarily, by other attest services (see Instructions, Section 2). Section 12.5 of the CBA Regulations establishes the attest experience requirement. **To be considered as qualifying, experience is that which enables the applicant to demonstrate the ability to understand the requirements of planning and conducting a financial statement audit or perform other attest services with minimum supervision that results in an opinion on full disclosure financial statements (see Instructions, Sections 1 and 2).**

Check either yes or no for each of the following items (A and B) to identify the experience of the applicant, while under your supervision, for purposes of qualifying the applicant for a CPA license.

QUALIFYING EXPERIENCE

		Yes	No
I.	A. Does the applicant have experience in the planning of the audit, including the selection of the procedures to be performed?		
	B. In your opinion, did such experience demonstrate a satisfactory understanding of the requirements of planning an audit consistent with current practice standards and pronouncements of the profession?		
II.	A. Does the applicant have experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements?		
	B. In your opinion, did the application of the above-described procedures demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
III.	A. Does the applicant have experience in the preparation of working papers in connection with the various elements of I and II, above?		
	B. In your opinion, do the working papers demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
IV.	A. Does the applicant have experience in the preparation of written explanations and comments on the work performed and its findings?		
	B. In your opinion, do the written explanations and comments demonstrate satisfactory knowledge of current practice standards and pronouncements of the profession?		
V.	A. Does the applicant have experience in the preparation of and reporting on full disclosure financial statements as part of the Audit or other Attest Services? This does not include experience earned through the performance of preparation engagements in accordance with the provisions of the Statements on Standards for Accounting and Review Services (SSARS).		
	B. In your opinion, did such participation demonstrate satisfactory knowledge of current professional standards?		

NUMBER OF HOURS

VI. SUMMARY OF ATTEST EXPERIENCE HOURS (see Instructions, Section 3).	Audit	Other Attest	Review Services	Compilation
Experience in Planning the Audit or Other Attest Services (I. above)				
Experience in Applying a Variety of Audit Procedures and Techniques on the Audit or Other Attest Services Procedures (II. above)				
Experience in the Preparation of Working Papers (III. above) and in the Preparation of Written Explanations on the Audit or Other Attest Services (IV. above)				
Experience in the Preparation of Full Disclosure Financial Statements as part of the Audit or Other Attest Services (V. above)				
Compilation Hours Obtained Prior to January 1, 2008				
Total				

VII. Is the applicant related to anyone in your firm?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	(If yes, explain relationship) _____
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**NOTES TO EMPLOYER COMPLETING Certificate of Attest Experience (Private Industry or Government).
See Instructions Sections 1, 2, and 3.**

For the authorization to sign attest reports, applicants applying for licensure under either Pathway 1 or Pathway 2 **must** obtain a **minimum of 500** hours of qualifying attest experience.

Section 69 of CBA Regulations provides that the CBA may require an explanation of any representation made on the Certificate of Attest Experience (Private Industry or Government) and/or may inspect the documentation relating to the applicant's fulfillment of the experience requirement.

Section 12.5 of the CBA Regulations requires that private industry or government accounting experience be verified by the person supervising the experience and by a second person with a higher level of responsibility in the private industry company or government agency. If the owner of the private industry company signing the verification is also the person supervising the experience, no second signature is required. **Supervised experience means that the applicant's supervisor shall have reviewed and evaluated the applicant's qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.**

I hereby certify, under penalty of perjury under the laws of the state of California, that the applicant (1) has been employed by me or my business/agency for the period indicated herein, and (2) in the course of such employment has obtained the experience indicated on this Certificate of Attest Experience (Private Industry or Government).

BUSINESS/AGENCY NAME	BUSINESS TELEPHONE:	Area Code ()
ADDRESS: (INCLUDING CITY, STATE AND ZIP CODE)		

SIGNATURE #1 (Supervisor) (DO NOT USE BLACK INK)	LICENSEE SUPERVISOR – (Must be a licensee who supervised applicant) CERTIFICATE NO. _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
PRINTED NAME	U.S. STATE OF ISSUANCE _____
DATE	ARE YOU THE OWNER? YES <input type="checkbox"/> NO <input type="checkbox"/> If you are not the owner, Signature #2 section must be completed.
SIGNATURE #2 (DO NOT USE BLACK INK)	Must have a higher level of responsibility in the business/agency than signer #1. CERTIFICATE NO. (if applicable) _____ CPA <input type="checkbox"/> PA <input type="checkbox"/>
PRINTED NAME	U.S. STATE OF ISSUANCE _____
TITLE	
DATE	

INSTRUCTIONS FOR COMPLETING THE CERTIFICATE OF ATTEST EXPERIENCE (PRIVATE INDUSTRY OR GOVERNMENT)

The Certificate of Attest Experience (Private Industry or Government) is used by licensees to communicate to the CBA the experience an applicant has obtained while under their supervision in order for the CBA to determine whether the experience meets the requirements of CBA Regulation, Section 12.5.

Private industry and government accounting experience should be of a character and variety that enables the applicant to demonstrate the ability to understand the requirements of planning and conducting a financial statement audit or perform other attest services with minimum supervision that results in an opinion on full disclosure financial statements.

For the authorization to sign attest reports, applicants applying for licensure under either Pathway 1 or Pathway 2 **must** obtain a **minimum of 500 hours of attest experience**. It is important that very early in the applicant's employment the licensee and applicant formulate a plan tailored to demonstrate a variety of experience in audit services. A contemporaneous time record should be prepared and monitored by the licensee and the applicant.

1. Qualifying Experience.

Under Items I, II, and III on the Certificate of Attest Experience (Private Industry or Government), it is expected the applicant will have gained attest experience in applying the procedures normally applied in a variety of situations. The applicant is expected to have experience in planning audits. It is unnecessary for an applicant to have performed all the procedures below or any single procedure any particular number of times. This experience may be obtained in one or more engagements, in one or more industries. Typical audit planning and procedures include, but are not limited to, the following:

- a. Obtaining sufficient understanding of the components of internal control (control environment, risk assessment, control activities, information and communications, and monitoring) to plan the audit. Procedures are usually performed to ascertain whether such components were in effect and operating effectively.
- b. Assessing risks embodied in the account balance, transaction class, and disclosure components of the financial statements and determining materiality.
- c. Applying appropriate analytical review procedures in performing an attestation engagement.
- d. Applying appropriate testing procedures to determine the existence and reasonableness of asset account balances such as cash, accounts receivable, inventory, property, plant and equipment, and other assets such as prepaids, intangible assets, and other deferred charges.
- e. Understanding and determining the valuation of accounts such as inventories, accounts receivable, marketable securities, real estate investments, and the appropriate accounting and applicable disclosures. These include costing and pricing concepts such as LIFO, FIFO, lower of cost or market, and excess and obsolete inventory, etc.
- f. Applying appropriate testing procedures to determine the reasonableness of liability account balances, such as accounts payable, accrued liabilities, income taxes, and notes and contracts payable, and the reasonableness of capital accounts and revenue and expense accounts.
- g. Testing of revenue and profit recognition, cut off of sales, purchases, cash receipts and disbursements, subsequent events review, and examination of pertinent documentation.
- h. Determining the existence of related party transactions, commitments and contingent liabilities, and appropriate financial statement disclosures.

Under Item IV on the Certificate of Attest Experience (Private Industry or Government), it is expected the applicant has written comments, observations, and conclusions resulting from the work performed.

Under Item V on the Certificate of Attest Experience (Private Industry or Government), it is expected the applicant has participated in the preparation of and reporting on full disclosure financial statements. The experience required under this item may be fulfilled partially by review services, if adequately supported by workpapers.

2. Experience Discussion.

The performance of financial statement audits should primarily fulfill the experience requirement. In addition, attest experience may include a combination of:

- a. Review services **to the extent they comply with the documentation of analytical procedures and the development of expectations as required by the Statements on Standards for Accounting and Review Services.** Frequently, only analytical review procedures qualify; however, the scope of work may be extended in selected areas and, thereby, may qualify. Examples include performing analytical review procedures or extending the scope of work in selected areas. Experience obtained in other areas (such as accounting write-up, tax compliance, consultations, forecasting and projections) is not considered qualifying under CBA Regulation, Section 12.5.
- b. Other attest services including, but not limited to:
 - Statements on Auditing Standards 70.
 - Agreed-upon procedures.
 - Compliance audits.
- c. Compilation services **only to the extent preparation of full disclosure financial statements is supported by work papers. Compilation hours obtained after December 31, 2007, are no longer accepted as qualifying attest experience for licensure.**

The most frequent problems encountered by applicants with private industry or government experience are:

- a. Limited experience in applying audit procedures and participating in preparing and reporting on full disclosure financial statements. As a result, an applicant has difficulty demonstrating experience with disclosure requirements, financial statement preparation, and U.S. Generally Accepted Accounting Principles and U.S. Generally Accepted Auditing Standards requirements.
- b. Claiming credit for general accounting work which does not qualify under Section 12.5.
- c. Claiming credit under Section 5095 for experience that has not been gained under the supervision of an individual currently licensed to practice public accounting (e.g., licensed without continuing education).
- d. Failure to demonstrate a reasonable awareness and understanding of current professional standards.
- e. Failure to demonstrate and/or document participation in the audit planning process.

3. Other Sections of the Certificate of Attest Experience (Private Industry or Government).

- a. Summary of Attest Experience Hours (Part VI of Certificate of Attest Experience [Private Industry or Government]).

This summary should reflect only hours the applicant spent performing audit procedures pursuant to CBA Regulation, Section 12.5.

Experience in areas such as controllership functions, accounting write-up, tax compliance, consultations, forecasting, and projections are **not** considered qualifying under CBA Regulation, Section 12.5.

The specific categories of experience should be completed as follows:

Audit Hours: This section should reflect only those hours spent in the planning and performing of audit procedures or other attest services in an audit engagement, and the hours spent on financial statement preparation.

Review Hours: This section should reflect only those hours spent in the performance of audit-type procedures or other attest services in a review engagement, and the hours spent on financial statement preparation. Frequently, analytical review is the only audit-type procedure performed, unless the scope in selected areas has been expanded, and audit-type procedures have been performed and documented.

Other Attest Hours: This section should reflect only those hours spent in the performance of operational audits, compliance audits, and other audits, as well as performance of agreed-upon procedures of an audit nature. If the predominant qualifying experience is shown in this section, it is probable it will be reviewed by the Qualifications Committee of the CBA.

Compilation Hours: Compilation services **only to the extent preparation of full disclosure financial statements is supported by work papers**. Compilation hours obtained after December 31, 2007, are no longer accepted as qualifying attest experience for licensure.

b. Responsibility Associated with Signing the Certificate of Attest Experience (Private Industry or Government).

All California licensees signing the Certificate of Attest Experience (Private Industry or Government) are subject to the provisions of the CBA Regulations, Section 69. The signers must carefully review the Certificate of Attest Experience (Private Industry or Government), evaluate, and judge each applicant's experience. The signer is certifying, under penalty of perjury, whether in his or her opinion, the applicant has met the attest experience requirements of the CBA for licensure.

If additional information would be helpful in evaluating the applicant's experience, the CBA encourages an employer to attach an explanatory letter.

CBA Regulation, Section 69 provides that the CBA may require an explanation of any representation made on the Certificate of Attest Experience (Private Industry or Government) and/or may inspect the documentation relating to an applicant's fulfillment of the experience requirement.

Under CBA Regulation, Section 69, the CBA expects the documentation in support of affirmative answers on the Certificate of Attest Experience (Private Industry or Government) to consist of a record of engagements on which an applicant actually performed the attest procedures, the amount of time spent by the applicant on the procedures, and the aggregate amount of time spent on such engagements. Upon request, actual financial statements and supporting workpapers are required to be furnished to the CBA.

c. Current Experience.

In evaluating the experience of an applicant, emphasis is given to recent activities that demonstrate the applicant's knowledge and application of applicable professional standards. In determining currency, generally the CBA considers experience gained in the last five years. If the experience was gained prior to that time, the CBA will require the applicant to furnish evidence that he or she is knowledgeable of current practice standards and pronouncements of the profession.

d. Worksheet.

The Worksheet for Substantiation of Qualifying Experience Under CBA Regulation, Section 12.5 has been included to assist the applicant and the employer in accumulating information to support the opinions expressed on the Certificate of Attest Experience (Private Industry or Government). **It is not necessary to submit this worksheet with the Certificate of Attest Experience (Private Industry or Government).**

PERSONAL INFORMATION COLLECTION AND ACCESS

The information provided in this form will be used by the CBA, to determine qualifications for a Certified Public Accountant License. Sections 5080 through 5095 of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the application as being incomplete.

Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the CBA or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24.

Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act.

The Executive Officer of the CBA is responsible for maintaining the information in this application, and may be contacted at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833, telephone number (916) 263-3680 regarding questions about this notice or access to records.



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CERTIFICATE OF EXPERIENCE IN ACADEMIA

This form is to be MAILED directly to the California Board of Accountancy (CBA) by the person verifying the experience.

SECTION I: (PRINT OR TYPE)

FULL NAME OF APPLICANT: (No Initials) (First) (Middle) (Last)

EXPERIENCE IN ACADEMIA

This institution's record show that the above named individual is / was an instructor at this institution.
 Please list the following information for all courses in qualifying subjects for which the applicant was an instructor.
 Qualifying subjects are (accounting, auditing, financial reporting, external or internal reporting, financial statement analysis or taxation). Attach additional pages as needed.

Course Number	Title of Course	Number of Units	Dates of Instruction
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	
		<input type="checkbox"/> Quarter <input type="checkbox"/> Semester	

SECTION II

INSTITUTION NAME: _____ **INSTITUTION TELEPHONE:** Area Code () _____

ADDRESS: (Include City, State, and Zip Code)

Section 12.1 of the CBA Regulations requires that experience in academia be verified by the dean, head, or chair of the applicant's department.

I hereby certify, under penalty of perjury under the laws of the state of California, that I have personally reviewed this institution's records and that the foregoing information provided in Sections I and II above are true and correct.

SIGNATURE (DO NOT USE BLACK INK)	TITLE: <input type="checkbox"/> Dean <input type="checkbox"/> Chair of Department <input type="checkbox"/> Head of Department
	Date:
PRINTED NAME	

NOTICE ON COLLECTION OF PERSONAL INFORMATION

Collection and Use of Personal Information

The California Board of Accountancy (CBA) of the Department of Consumer Affairs collects the personal information requested on this form as authorized by Business and Professions Code sections 5080-5095, Title 16, California Code of Regulations section 12.1, and the Information Practices Act. The CBA uses this information principally to identify and evaluate applicants for licensure, issue and renew licenses, and enforce licensing standards set by law and regulation.

Mandatory Submission

Submission of the requested information is mandatory. The CBA cannot consider your application for licensure or renewal unless you provide all of the requested information.

Access to Personal Information

You may review the records maintained by the CBA that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

Possible Disclosure of Personal Information

We make every effort to protect the personal information you provide us. The information you provide, however, may be disclosed in the following circumstances:

- In response to a Public Records Act request (Government Code Section 6250 and following), as allowed by the Information Practices Act (Civil Code Section 1798 and following);
- To another government agency as required by State or Federal law; or,
- In response to a court or administrative order, a subpoena, or a search warrant.

Contact Information

For questions about this notice or access to your records, you may contact the Executive Officer at 2450 Venture Oaks Way, Suite 300, Sacramento, CA, 95833 or by phone at (916) 263-3680.

For questions about the Department's Privacy Policy, you may contact the Department of Consumer Affairs at 1625 North Market Boulevard, Sacramento, CA 95834, by phone at (800) 952-5210, or by e-mail at dca@dca.ca.gov.

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 3

CPA LICENSES ISSUED OVER THE LAST 10 YEARS

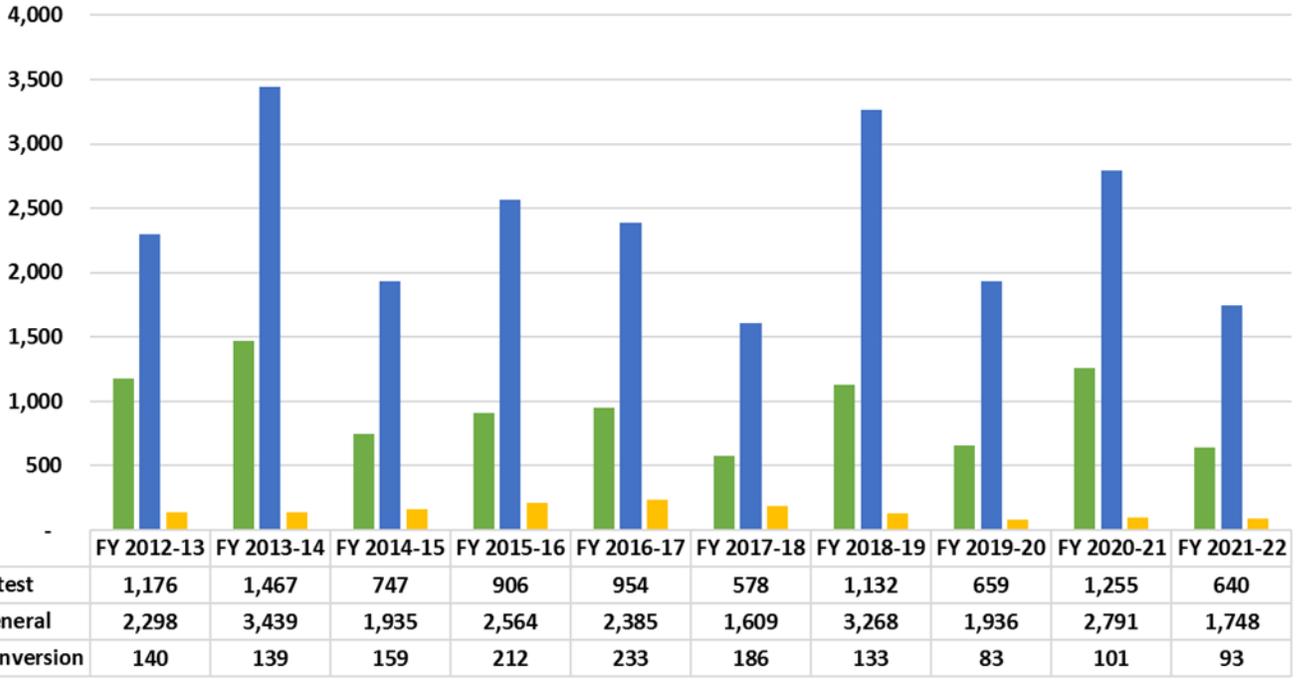


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CPA Licenses Issued Over the Last 10 Years



From July 1, 2012 through February 22, 2022¹, a total of:

- 23,973 applicants were issued a license with general accounting experience.
- 9,514 applicants were issued a license with the authority to sign reports on attest engagements.
- 1,479 licenses were granted the authority to sign reports on attest engagements via a conversion application.

¹ Data in the above chart for Fiscal Year 2021-22 represents only a partial fiscal year, July 1, 2021 through February 22, 2022.

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 4 **CPA EVOLUTION**



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CPA Evolution

The CPA Evolution initiative is transforming the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future. It is a joint effort of the National Association of State boards of Accountancy and the American Institute of Certified Public Accountants. Information regarding CPA evolution may be found on the Evolution of CPA Website at: <https://www.evolutionofcpa.org/Documents/CPA%20Evolution%20Brochure%20-%20May%202021.pdf> (Please copy and paste into your browser.)

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 5 **SELECT STATE EXPERIENCE REQUIREMENTS**



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Select State Experience Requirements

Unlike California, the vast majority of jurisdictions only require one-year of accounting experience for initial licensure as outlined in the Uniform Accountancy Act. California offers applicants the choice between a license with or without attest authority. In addition to completing one year of accounting experience, to qualify for attest authority, applicants must complete a minimum of 500 hours of attest experience.

Consistent with the Uniform Accountancy Act, California considers applicants to have met the education, examination, and experience requirements for issuance of a California license if they have held a license in another state for four of the 10 years preceding the date of application for a California license (See California Code of Regulations, section 36.1(b) in **Appendix 1**).

Jurisdictions that have specific attest requirements or require beyond one year of experience, are outlined below. Staff have included the pertinent code sections from the various statutes or regulations for these jurisdictions. Information for these jurisdictions were provided to staff by the National Association of State Boards of Accountancy.

Jurisdictions with Specific Attest Experience Requirements

Guam
 Iowa

Jurisdictions that Require Beyond One Year of Experience

Alaska
 Commonwealth of the Northern Mariana Islands
 Hawaii
 Indiana
 Maine
 Massachusetts
 Nebraska
 Nevada



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Guam

For CPA licensure in Guam, applicants have the option of applying for a license with or without attest authority. Minimum qualifications for licensure include one year of experience, including at least 1,000 hours of attest services to apply for a license with attest authority, or 2,000 hours of accounting services to apply for a license without attest authority.

Statute: Title 22 of the Guam Accountancy Act, Chapter 35, §§ (f)(2)(B)(iii), (3) & (4)
 (f)(2)(B) if the applicant's educational qualifications comprise at least one hundred fifty (150) semester hours of college education, COL4122017 22 GCA BUSINESS REGULATIONS CH. 35 ACCOUNTANCY 13 including a baccalaureate, or higher, degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent, as determined by Board rule to be appropriate, then that such applicant shall have had one (1) year of experience as defined herein and as prescribed by the Board by rule. (i) This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which must be verified by an active licensee. Experience shall be acceptable if it was gained through employment in government, industry, academia, or public practice, meeting all the requirements prescribed by the Board by rule. (iii) To be authorized to sign reports on attest engagements, an applicant shall show that the applicant has had experience in attest services as prescribed by the Board by rule. The type of experience now acceptable can be applied retroactively.

(3) An applicant for initial certification and active licensure who first sat for the exam as other than a Guam candidate and did not meet a one hundred fifty (150) hour educational requirement at the time of first sitting shall have had two (2) years of experience in the practice of public accountancy, meeting the requirements prescribed by the Board by rule.

(4) An applicant for initial certification and active licensure who first sat for the exam as other than a Guam candidate and did meet a one hundred fifty (150) hour educational requirement at the time of first sitting shall have had one (1) year of experience in the practice of public accountancy, meeting the requirements prescribed by the Board by rule.

Regulation/Rule: Title 25 of the Guam Board of Accountancy Rules, Chapter 2, §§ 2105(b)(2)(c)(iii) and 2105(b)(3)

(b)(2)(C)(iii) Experience in attest services shall be comprised of at least one thousand (1,000) hours of direct experience in providing attest services under the direct

supervision of an individual licensed or otherwise having comparable authority under the laws of any State or country to engage in the practice of public accountancy and provide attest services.

(3) One (1) year of experience shall consist of full or parttime employment that extends over a period of no less than a year and no more than three (3) years, and includes no fewer than two thousand (2,000) hours of performance of services described in 25 GAR § 2105(b)(1) of this Chapter.



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Iowa

For CPA licensure in Iowa, applicants have the option of applying for an attest or non-attest license. For non-attest licenses, applicants must complete one year of experience, and for attest licenses, applicants must complete two years of attest experience.

Regulation/Rule: Iowa Administrative Code, Chapter 5, Accountancy Act Rule 193A-3.1(542)(b)

No less than one year of verified experience including the types of services described in Iowa Code section 542.5(12) and rule 193A—3.12(542).

Iowa Administrative Code, Chapter 5, Accountancy Act Rule 193A- 3.12(542)(1-4)

(1) Experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, Page 50 of 68 financial advisory, tax or consulting skills. Experience may be gained through employment in government, industry, academia, or public practice.

(2) One year of experience shall consist of full- or part-time employment that extends over a period of no less than one year and no more than three years and includes no fewer than 2,000 hours of performance of services outlined in subrule 3.12(1). Experience may be gained in more than one employment situation, including an internship.

(3) An applicant seeking qualification as an attest CPA shall have at a minimum two years of experience as more fully described in 193A—subrule 6.3(1).

(4) All experience shall be verified by a licensee with direct supervisory control over the applicant or by a licensee who can attest that the experience gained by the applicant meets the requirements of subrule 3.12(1) if the applicant is not supervised by a licensee.

Iowa Administrative Code, Chapter 5, Accountancy Act Rule 193A-6.2(542)

(1) Experience shall include all of the following:

a. Experience in applying a variety of attest procedures and techniques to the usual and customary financial transactions recorded in accounting records.

b. Experience in the preparation of attest working papers covering the examination of the accounts usually found in accounting records.

- c. Experience in the planning of the program of attest work including the selection of the procedures to be followed.
- d. Experience in the preparation of written explanations and comments on the findings of the examinations and on the content of the accounting records.
- e. Experience in the preparation and analysis of reports and financial statements together with explanations and notes thereon.

Iowa Administrative Code, Chapter 5, Accountancy Act Rule 193A-6.3(542)

(1) Attest qualification is required before a CPA may perform attest services in Iowa or for a client with a home office in Iowa. "Attest qualification" or "attest qualified" means that the CPA has satisfied the experience requirements of rule 193A—6.2(542).

(2) All CPAs who held an individual permit to practice in Iowa at any point prior to July 1, 2002, are deemed to be attest qualified. Under Iowa law prior to July 1, 2002, CPAs were only issued an individual permit to practice if they verified qualification to perform attest services. Individual permits to practice were discontinued under Iowa law effective July 1, 2002.

(3) CPAs who did not hold a permit to practice prior to July 1, 2002, may attain or establish attest qualification as follows:

a. Applicants may apply for attest qualification when initially applying for a certificate as an Iowa CPA under Iowa Code section 542.6 or when applying for reciprocal Iowa certification under Iowa Code section 542.19 or any other applicable law or rule.

b. Iowa CPA certificate holders may apply for attest qualification at any time at which they are qualified to do so.

c. Out-of-state CPAs performing attest services while exercising a practice privilege under Iowa Code section 542.20 are not required to individually apply to the board for attest qualification. However, if:

(1) CPAs perform attest services in an Iowa CPA firm, the Iowa CPA firm shall affirm when applying for an initial or renewal firm permit to practice that the CPAs who supervise attest services for the firm or who sign or authorize someone to sign the accountant's report on behalf of the firm, as such attest services are or will in the following year be performed in Iowa or for a client with a home office in Iowa, have been qualified to perform attest services in Iowa or another jurisdiction.

(2) CPAs perform attest services through an out-of-state CPA firm exercising a practice privilege, the out-of-state CPA firm shall affirm upon request from the board that the CPAs who supervise attest services for the firm or who sign or authorize someone to sign the accountant's report on behalf of the firm, as such attest services are or will in

the following year be performed in Iowa or for a client with a home office in Iowa, have been qualified to perform attest services in Iowa or another jurisdiction.



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Alaska

For CPA licensure in Alaska, applicants must complete two years of accounting experience with at least 2,000 hours per year providing any type of accounting services or advice to meet the minimum qualifications.

Statute: Title 8 of the Alaska Statutes, Chapter 4, § 08.04.120

The education and experience requirements for an applicant are a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board and additional semester hours or post-baccalaureate study so that the total educational program includes at least 150 hours, with an accounting concentration or equivalent as determined by the board by regulation to be appropriate, and two years of accounting experience satisfactory to the board.

Regulation/Rule: Title 12 of the Alaska Administrative Code, Chapter 4, § 04.180

(a) An applicant for initial issuance of a license under 12 AAC 04.165 or 12 AAC 04.175 must show that the applicant has had two years of experience. That experience must include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills and related training all of which were verified by a supervising certified public accountant with an active license at the time of supervision. The experience is acceptable if it is gained through employment in government, industry, academia, or public practice. Experience does not include paid or unpaid leave or holidays.

(b) One year of experience must consist of full or part-time employment that extends over a period of not less than a year and not more than four years and includes not fewer than 2,000 hours of performance of services described in (a) of this section.



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Commonwealth of the Northern Mariana Islands

For CPA licensure in CNMI, applicants must complete two years of accounting experience to meet the minimum qualifications.

Statute: Commonwealth of Northern Mariana Islands Accountancy Act of 2002, § 5(i)

An applicant for initial issuance of a certificate under this Section shall show that the applicant has had two years of experience, providing one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements, or one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters, or the equivalent, all of which was under the direction of a licensee or a person licensed within another state, meeting requirements prescribed by the Board by rule.



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Hawaii

For CPA licensure in Hawaii, applicants have the option of completing a minimum of 1,500 chargeable hours in the performance of audits, or the completion of two years of professional accounting experience to meet the minimum qualifications.

Statute: Hawaii Revised Statutes, Chapter 466, § 466-5(d)

Each applicant shall present satisfactory evidence in the form of a certified statement from present or former employer(s) that the applicant has met one of the following experience requirements for license: (1) Completion of one thousand five hundred chargeable hours in the performance of audits involving the application of generally accepted accounting principles and auditing standards earned while in public accounting practice; or (2) Completion of two years of professional experience in public accountancy practice as defined in section 466-3. Completion of experience in private or government accounting or auditing work, deemed by the board to be equivalent to professional experience in public accountancy practice as defined in section 466-3, may be substituted for all or part of the two years of professional experience in public accounting practice. The nature, variety, and depth of acceptable private or government accounting or auditing experience shall be defined by the board in its rules.

Regulation/Rule: Title 16 of the Hawaii Administrative Rules, Chapter 71, § 16.71.21

(a) Except as otherwise provided in section 466-5(d), HRS, an applicant shall have met one of the following experience requirements for a license:

(1) Completion of one thousand five hundred chargeable hours in the performance of audits involving the application of generally accepted accounting principles and auditing standards earned while in public accounting practice; or

(2) Completion of two years of professional experience in:

(A) Public accountancy practice as defined in section 466-3, HRS; or

(B) Private or government accounting or auditing work deemed by the board to be equivalent to professional experience in public accountancy practice.

(b) The professional experience described in subsection (a)(2) shall:

(1) Include:

(A) The issuance of reports on financial statements involving the use of accounting or auditing skills, or both, and the 14 application of generally accepted accounting principles or another comprehensive basis of accounting of the United States;

(B) Management advisory or consulting services involving the use of accounting or auditing skills, or both; or

(C) The preparation of tax returns or furnishing of advice on tax matters in accordance with applicable tax laws of the United States;

(2) Be obtained in one of the following categories, or any combination thereof:

(A) Public practice (i.e., working for a public accounting firm);

(B) Private sector or industry (i.e., working for a private business that is not a public accounting firm);

(C) Government (i.e., federal, state, county, etc.); or

(D) Education (i.e., working as an instructor teaching upper division or graduate level accounting or auditing subjects);

Provided that the experience described in this subsection shall not be credited toward or apply to the thirty months of experience specified in section 466-5(b)(2), HRS. The thirty months of experience shall be gained in public practice and shall be applicable to the extent provided in section 466-5.5, HRS.

(c) All experience required under this chapter and chapter 466, HRS, shall:

(1) Be non-routine, non-clerical, and non-ministerial in nature;

(2) Continually require independent thought and judgment on accounting or auditing matters;

(3) Be gained under the supervision of an individual who holds or has held a permit in this State, or the equivalent in another jurisdiction, during the period of supervision; provided that an applicant may be immediately supervised by a nonpermit holder as long as the applicant ultimately reports to, is instructed by, is reviewed by, and is evaluated directly by an individual who holds or has held a permit in this State, or the equivalent in another jurisdiction, during the period of supervision; and

(A) The applicant's supervisor shall have supervised, reviewed, and evaluated the applicant's work on a routine and recurring basis.

(B) Supervision may be facilitated through telecommunications systems and devices, and computers; provided that this 15 shall not be the primary method of supervision. A majority of the supervision shall be of a personal nature.

(C) To be acceptable, the supervision shall have been provided while the applicant was an employee of the same public accounting firm, entity, or agency that employed the supervisor; and

(4) Have been of a full-time nature, measured in terms of weeks. Fulltime employment shall constitute at least thirty-five hours per week.

(d) Each applicant shall submit a detailed statement or form prescribed by the board which fully describes the applicant's experience to the satisfaction of the board. The statement or form shall be signed and certified by the applicant's present or former supervisor who holds or has held a permit in this State, or its equivalent in another jurisdiction, during the period of supervision.



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Indiana

For CPA licensure in Indiana, applicants must complete two years of accounting experience to meet the minimum qualifications.

Statute: Title 25 of the Indiana Accountancy Act of 2007, Article 2.1, Chapter 3, § IC 25-2.1-3-10

An applicant for the initial issuance of a certificate under this chapter shall show that the applicant has had two (2) years of experience. To qualify as experience under this section, an applicant may provide any type of service or advice that:

- (1) constitutes the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills as determined under the rules adopted by the board; and
- (2) is verified by the holder of an active certificate issued under this article or the corresponding provisions of another state, as determined by the board.

Experience of the type described in this section applies equally toward meeting the experience requirement of this section regardless of whether it is gained through employment in government, industry, academia, or public practice.

Regulation/Rule: Title 872 of the Indiana Administrative Code, Rule 1, § 1-1-8

(a) This section and sections 8.2 through 8.5 of this rule implement the requirements in IC 25-2.1-3-10 for experience to be obtained by applicants for certified public accountant certificates before the certificate or license may be issued by the board. The experience requirements are twenty-four (24) months of full-time employment in the following positions:

- (1) As an employee or an accounting intern engaged in an accounting position in a firm (as that term is defined in 872 IAC 1-0.5-1(11)).
- (2) As an employee in a financial or accounting position in industry, government, or a nonprofit organization.
- (3) As an employee in an advisory and/or consulting services position related to one (1) or more of the following activities:

(A) Financial.

(B) Accounting.

(C) Operational.

(4) As an instructor teaching accounting in a college or university (four (4) year institutions or junior colleges).

(5) As an instructor teaching accounting in an institution created under IC 20-12-61 [IC 20-12 was repealed by P.L.2-2007, SECTION 390, effective July 1, 2007.] or private school registered under IC 20-12-62 [IC 20-12 was repealed by P.L.2-2007, SECTION 390, effective July 1, 2007.].

(b) Clerical functions shall not count under this section toward meeting the experience requirements. Clerical functions are positions that do not have accounting significance, including doing merely mathematical calculations, account analysis (looking into accounting books for specific information already recorded), and merely recording information in the general ledger (as opposed to compiling the information). Positions that partly qualify under this section and partly do not qualify shall be treated under this method provided for in section 8.2 of this rule with the part of the position that does not qualify under this section being treated as if it were part-time employment.

(c) Experience in fractions of months will be counted.

(d) An applicant may combine the types of experience described in subsection (a). To do so, the applicant must obtain a total of twenty-four (24) months of experience.



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Maine

For CPA licensure in Maine, applicants must complete two years of accounting experience to meet the minimum qualifications.

Statute: Maine Board of Accountancy Laws, Chapter 113, Subchapter 3, § 12228(10)

For initial issuance of a license under section 12230, an applicant must demonstrate 2 years of experience under the direction of a certified public accountant licensed by any state or territory of the United States or equivalent direction, as determined by the board, by a licensed professional in another country and must meet the other requirements prescribed by the board by rule. The applicant's experience must include the use of accounting or auditing skills, including the issuance of reports, and at least one of the following: the provision of management advisory, financial advisory or consulting services; the preparation of tax returns; the furnishing of advice on tax matters; or equivalent activities defined by the board by rule. Board rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent the applicant's experience is as a revenue agent or in a similar position engaged in the examination of personal and corporate income tax returns for the Bureau of Revenue Services, the applicant receives credit at the rate of 50% toward the experience required by this subsection. To the extent the applicant's experience is as an examiner engaged in financial examinations for the Bureau of Insurance, the applicant receives credit under this subsection if that experience meets the following standards:

- A. Examinations are performed in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board; [PL 2007, c. 695, Pt. A, §37 (RPR).]
- B. Working papers prepared by the examiners are in conformity with generally accepted auditing standards and are subject to a review by a supervisor who is a certified public accountant; [PL 2019, c. 656, §1 (AMD).]
- C. Written reports of examination are prepared in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board. All examiners working on the examinations must participate in the preparation of the report; [PL 2007, c. 695, Pt. A, §37 (RPR).]
- D. Reports of examination are prepared in accordance with statutory accounting principles. All examiners working on the examinations must participate in the

preparation of the financial statements and corresponding note disclosures; and [PL 2007, c. 695, Pt. A, §37 (RPR).]

E. All examiners assigned to an examination must participate in the planning of the examination and the planning phase conforms to the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board and generally accepted auditing standards. [PL 2007, c. 695, Pt. A, §37 (RPR).]

To the extent the applicant's experience is as an auditor engaged in audits for the Office of the State Auditor, the applicant receives credit under this subsection if working papers prepared by the auditor are in conformity with generally accepted auditing standards and are subject to a review by a supervisor who is a certified public accountant.

Regulation/Rule: Department of Professional and Financial Regulation Rules, Chapter 5, § 4

An applicant for licensure as a certified public accountant must comply with the experience requirement of 32 MRS §12228(10) and this Section.

A. Except as otherwise expressly authorized by 32 M.R.S. §12228(10), experience in the practice of public accounting must be earned under the supervision of an individual licensed under 32 M.R.S. §12230, or holding the equivalent license, permit or certification of another state or territory of the United States.

B. Except as otherwise expressly authorized by 32 M.R.S. §12228(10) experience must be earned in the employment of a firm licensed under 32 M.R.S. §12252, or an equivalent license, permit or certification of another state or territory of the United States.

C. Notwithstanding subsection B hereof, the Board may recognize non-public accounting experience that it determines to be substantially equivalent to the experience required by this Section. [Repealed as of July 1, 2020.]

C-1. In evaluating the acceptability of experience for licensure, the Board may consider the complexity and diversity of the work performed by the applicant, and the skill and knowledge of the applicant as evidenced by the work performed.

D. For purposes of computing experience for part-time employees, 2,080 hours of work experience constitutes one (1) year of experience and 173 hours of part-time employment constitutes one (1) month of experience.

E. A licensed supervisor must verify the applicants' work experience in writing. The licensed supervisor must submit such verification upon request of the applicant or the Board. The Board may, at its discretion, request further documentation to verify such experience.



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Massachusetts

For CPA licensure in Massachusetts, applicants must complete at least 2,000 hours of accounting experience over a period of no less than one year and no more than three years in public accounting, or at least 2,000 hours of accounting experience over a period of no less than three years and no more than nine years in non-public accounting, to meet the minimum qualifications.

Regulation/Rule:

1. All applicants for a certificate as a Certified Public Accountant shall obtain experience providing any type of services or advice using accounting attest, compilation, management advisory, financial advisory, tax and consulting skills.

2. Experience shall consist of:

a. full or part-time employment in public accounting that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in 252 CMR 2.07(1).

b. full or part-time employment in non-public accounting that extends over a period of no less than three years and no more than nine years and includes no fewer than 2,000 hours of performance of services described in 252 CMR 2.07(1). Acceptable experience shall include employment in industry, government, academia or nonprofit. The Board shall look at such factors as the complexity and diversity of the work.

3. Applicants for the certificate and license privileges must document the experience requirement by submitting to the Board a letter or statement from each licensee under whom the experience was obtained over the most recent period of the applicant's experience of the length required. All statements must describe the type and exact dates of the applicant's experience by a current licensee (at the time experience was obtained), including a partner, shareholder or member of such public accounting firm, government supervisor or CPA supervisor of non-public experience shall attest to that experience, under the pains and penalties of perjury.

(3) Exceptions to Education and Experience Requirements. A candidate who sat for the paper based examination without complying with the educational requirements of 252 CMR 2.07(2)(a)1. through 3. may qualify for issuance of a Certificate as a Certified Public Accountant and a full reporting license if the applicant meets the education and experience requirements that were in existence at the time the candidate first sat for the examination in some prior year, or obtains the education requirements of 252 CMR 2.07(2)(a)1. through 3.

(4) Calculation of Full-time Experience. The Board will provide credit for full-time experience as a practicing public accountant only if such full-time experience extends over an uninterrupted period of two months or more with a minimum of 35 hours worked per week in conformity with 252 CMR 2.07(2)(b)2. The Board will provide credit for part-time experience only if such part-time experience extends over an uninterrupted period of two months or more with a minimum of 20 hours worked per week in conformity with 252 CMR 2.07(2)(b)2., such credit to be granted only for experience in public accounting calculated on the basis of hours actually devoted to such qualifying part-time experience. For this purpose, sickness and legal holidays do not interrupt what would otherwise be uninterrupted service. The Board will provide credit for:

(a) full-time experience in the government or non-public accounting equivalent described in 252 CMR 2.07(5), only if such full-time experience extends over an uninterrupted period of 12 months or more with a minimum of 35 hours worked per week in conformity with 252 CMR 2.07(2)(b)2.; or

(b) part-time experience only if each part-time experience extends over an uninterrupted period of 12 months, with a minimum of 20 hours per week, calculated on the basis of hours actually devoted to such qualifying part-time experience.

(5) Government/Non-public Accounting Experience.

(a) The Board, in its discretion, may grant credit of one year of requisite experience for non-public accounting work or non-audit government work under the direct supervision of a Certified Public Accountant, for every three full years of service in a position having a responsibility level above entry-level, provided that, in the opinion of the Board, such experience is substantially equivalent to that of public accounting practice.

(b) The Board, in its discretion, may grant credit for field audit work, including the direct supervision of field audit work, with the United States Government or any agency or subdivision of the Commonwealth with a demonstrated emphasis on the expression of opinions on financial statements in accordance with generally accepted auditing standards, the review of and report on internal controls, the application of varied auditing procedures, the preparation of audit working papers for account examinations, the planning of auditing work programs, the preparation of written explanations and comments on examination findings and the preparation and analysis of financial statements. The experience required by this clause, as approved by the board, shall be considered work experience on the same basis as experience in public accounting practices; provided, however, that adherence to the standard of independence is strictly applied.



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Nebraska

For CPA licensure in Nebraska, applicants must complete two years accounting experience at a public accountancy firm, or three years of accounting experience at a private firm or government agency, to meet the minimum qualifications.

Statute: Nebraska Revised Statutes, Chapter 1, § 1-136.02(1)

(1) The board shall issue a permit under subdivision (1)(a) of section 1-136 to a holder of a certificate as a certified public accountant when such holder has had:

(a) Two years of accounting experience satisfactory to the board, in any state or foreign country, in employment as an accountant in a firm, proprietorship, partnership, corporation, limited liability company, or other business entity authorized in any state to engage in the practice of public accountancy under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1)(a) of section 1-136 or the equivalent issued by another state;

(b) Except as provided in subdivision (c) of this subsection, three years of accounting experience satisfactory to the board, in any state or foreign country, in employment as (i) an accountant in government or business under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1)(a) of section 1-136 or the equivalent issued by another state or (ii) faculty at a college or university of recognized standing under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1)(a) of section 1-136 or the equivalent issued by another state; or

(c) Two years of accounting experience satisfactory to the board in employment as an accountant in the office of the Auditor of Public Accounts or the Department of Revenue under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1)(a) of section 1-136 or the equivalent issued by another state.

Regulation/Rule: Title 288 of the Nebraska Rules and Regulations, Chapter 3, §§ 001.18-001.20

001.1.18 “Permit holder” or “holder of a permit” shall mean any person or firm holding a permit to practice public accountancy as a certified public accountant in the State of Nebraska.

001.1.19 “Permit to practice” means the license issued under the Sections of the Public Accountancy Act, to either a person or a firm.

001.1.20 “Practice of public accountancy” shall mean the performance or offering to perform by a person holding himself out to the public as a permit holder, for a client or potential client, of one or more kinds of services involving: 001.20A the use of accounting or auditing skills, including the issuance of reports on financial statements which state or imply any level of assurance as to the reliability of any financial statements associated with such assurances; 001.20B management, advisory, financial, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

Title 288 of the Nebraska Rules and Regulations, Chapter 7, § 001.01

001.01B Experience gained shall relate to the definition of practice of public accountancy as defined within Chapter 3.001.18 in determining if the experience is satisfactory to the Board. A broad range of experience is recommended to be gained by the applicant as defined in Chapter 3.001.18.

001.01C Experience submitted shall have been gained no more than 10 years prior to the application or the applicant shall file with the Board properly completed affidavits of successful completion of 120 hours of approved courses of continuing education, including 4 hours of ethic courses, within the three calendar years preceding application.



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Nevada

For CPA licensure in Nevada, applicants must complete two years of accountant experience at a public accountancy firm, or four years of accounting experience at a private firm or government agency, to meet the minimum qualifications.

Statute: Nevada Revised Statutes, Chapter 628, § 628.200(2)

The requirement for work experience for a certificate of certified public accountant is:

- (a) Two years of public accounting experience in a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting under the direct supervision of a person who is a certified public accountant; or
- (b) Other work experience under the direct supervision of a person engaged in active practice as a certified public accountant, of a character and for a length of time sufficient in the opinion of the Board to be substantially equivalent to the requirements of paragraph (a).

Regulation/Rule: Nevada Administrative Code, Chapter 628, § 628.60

628.060.1. The requirement of experience must be satisfied by an applicant for a certificate of certified public accountant as set forth in this section and subsection 2 of NRS 628.200.

2. To satisfy the requirement of subsection 2 of NRS 628.200, the experience of an applicant must consist of the following, or equivalent experience from another state:

- (a) Two years of full-time employment performing any combination of the tasks set forth in subsection 3 in a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting;
- (b) Four years of full-time employment performing any combination of the tasks set forth in subsection 3 in a governmental or other industry position substantially equivalent to a position in the practice of public accounting; or
- (c) Any combination of the experience set forth in paragraphs (a) and (b), except that an applicant who completes any experience described in paragraph (b) is entitled to credit towards any experience required by paragraph (a) in an amount equal to one-half of the amount of the experience completed pursuant to paragraph (b).

3. The requirement of experience set forth in subsection 2 must include the preparation, performance, supervision and review of tasks relating to the practice of public

accounting that require discretion and judgment with increasing responsibility and levels of complexity and competency.

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 6

UNIFORM ACCOUNTANCY ACT AND MODEL RULES



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Uniform Accountancy Act and Model Rules

The Uniform Accountancy Act and Model Rules together are an “evergreen” model licensing law developed to provide a uniform approach to regulation of the accounting profession. The Uniform Accountancy Act is designed to provide a comprehensive system for enhancing public protection, facilitating consumer choice, and supporting the efficient operation of the capital markets. Although many CBA laws and rules mirror the Uniform Accountancy Act, the CBA maintains independence in the establishment of minimum licensure requirements for California.

The American Institute of CPAs and National Association of State Boards of Accountancy have worked together since 1984 to produce the Uniform Accountancy Act, which serves as a reference document for all U.S. states and jurisdictions as they update their own statutes and regulations. The Uniform Accountancy Act and Model Rules are regularly reviewed and updated by the joint American Institute of CPAs and National Association of State Boards of Accountancy Uniform Accountancy Act Committee. The Uniform Accountancy Act is subject to the final approval of the two organizations’ Boards of Directors, while the Model Rules are subject to the final approval of National Association of State Boards of Accountancy’s Board.

The most current version of the Uniform Accountancy Act is available at: <https://us.aicpa.org/content/dam/aicpa/advocacy/state/downloadabledocuments/uaa-eighth-edition-january-2018.pdf>. (Please copy and paste into your browser.)

See the Uniform Accountancy Act sections specifically pertaining to licensure experience requirements listed below.

Section 5 – Qualifications for a Certificate as a Certified Public Accountant
 Section 6 – Issuance and Renewal of Certificates, and Maintenance of Competency
 Section 23 – Substantial Equivalency

The most current version of the Model Rules is available at: <https://nasba.org/wp-content/uploads/2021/03/REV-Mar-2021-Nov-2020-Model-Rules-FINAL-edited.pdf>. (Please copy and paste into your browser.)

See the Model Rules sections specifically pertaining to licensure experience listed below.

Rule 6-2 – Experience required for initial certificate. Rule 6-3 – Evidence of applicant’s experience.

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 7

PRIOR CBA, COMMITTEE, AND TASKFORCE CONSIDERATIONS OF THE EXPERIENCE REQUIREMENT LICENSURE



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2000 Sunset Review

As part of the materials the CBA submitted to the Legislature for the 2000 sunset review, it included the CBA's rationale for eliminating the attest experience requirement. The CBA's position rested on a couple of factors:

- Based on a study the CBA performed, only 13% of licensees indicated that auditing was their primary area of practice.
- Many individuals who passed the Uniform CPA Examination indicated that obtaining attest experience represented a significant barrier.
- It would achieve greater consistency with the Uniform Accountancy Act.
- Because of the rapid pace of technological change related to financial transactions, the attest experience requirement was no longer reflective of the current public accounting environment.

The CBA believed that a better approach to regulating the attest function in California was to require accounting firms performing attest services to obtain a special designation (*i.e.* "attest status"). (Additional information on this recommendation is provided in the next subsection.)

The CBA received opposition regarding the elimination of the attest experience requirement, both from the Department of Consumer Affairs and Center for Public Interest Law. The Department of Consumer Affairs voiced its concern that audit services are of value to consumers and eliminating the requirement could "compromise a consumer's ability to have a thorough and accurate audit performed." Similarly, Center for Public Interest Law indicated that weakening the attest function would hurt consumers and the investing public.

During the 2000 sunset review process, a compromise was reached regarding several of the CBA's proposals, one of which included the elimination of the attest experience requirement. As it related specifically to experience, legislation was passed that allowed an individual to obtain a CPA license by completing general accounting experience only.

Attest Firm Registration

One of the items the CBA considered as part of its elimination of the attest experience requirement was the establishment of peer review and attest firm registration. Under the proposal brought to the CBA by its Peer Review/Attest Firm Taskforce, and which it subsequently adopted in July 2000, the following would occur:

- All partnerships, corporations, and sole proprietors providing audit or review services (attest firms) would be required to undergo a system review type of peer review in accordance with professional standards.
- Acceptable system reviews could be obtained from any provider as long as the system review was performed in accordance with professional standards and the provider was approved by the CBA.
- Partnerships and corporations not providing attest services would continue to be registered by the CBA.
- Accounting firms issuing compilations as their highest level of service would not need to undergo peer review, and instead would be reviewed by the CBA Report Quality Monitoring Program.¹
- A sole proprietor providing attest services would be required to register as a firm. Registration and renewal would be coordinated with renewal of the individual license, and there would be no additional fee.

While the peer review aspect of this proposal has since been accomplished with the establishment of mandatory peer review in 2010, the concept of the attest firm registration did not get included in any legislation arising out of the CBA's 2000 sunset review process.

Issue Two Distinct Licenses (Attest and Non-Attest)

This issue was originally brought to the forefront by the Qualifications Committee as part of various recommendations it made to the CBA in 2006. Staff again offered this alternative to the CBA as part of its deliberations in 2008 regarding the elimination of the option to obtain licensure with general accounting experience (see below).

As it related to the Qualifications Committee's 2006 recommendation, the CBA referred this issue to its Committee on Professional Conduct for further consideration. As it related to staff's offering of this same alternative in 2008, the CBA elected to maintain the status quo.

Elimination of the Option to Obtain CPA Licensure with General Accounting Experience

In 2008, the CBA considered various issues regarding the experience requirement for CPA licensure, which included:

- Staff information that an increase of applicants sought licensure without fulfilling the attest experience.
- How would the CBA handle the existing population of CPAs licensed with general accounting experience?

¹ The Report Quality Monitoring Committee was a CBA-established committee that ceased operations in the early 2000s. It was tasked with reviewing a small sample of accounting firms' highest level of accounting and auditing service. The committee was made up of volunteer CPAs (similar to the Qualifications, Enforcement Advisory, and Peer Review Oversight Committees).

- The Enforcement Division had not received any complaints alleging consumer harm by CPAs licensed with general accounting experience.
- How would a transition plan be developed?

As part of the materials considered by the CBA for this topic, staff did present an option for CBA consideration of issuing two distinct licenses, which was previously recommended by the Qualifications Committee in 2006. This would have included issuing two different wall certificates and pocket identification cards.

After receiving both written and public testimony on the matter, the CBA decided to maintain the status quo.

Further Defining General Experience Requirement

In January 2010, the CBA requested that the Qualifications Committee discuss and make recommendations on whether to further define general accounting experience in regulation. The CBA made the request to address concerns raised by licensee supervisors, CBA members, and Qualifications Committee members regarding whether certain experience obtained by applicants would qualify as general accounting experience.

After extensive deliberations undertaken by the Qualifications Committee, it determined, with the assistance of legal counsel, that the manner in which Business and Professions Code sections 5092 and 5093 are presently structured, the CBA is limited in the ability to require experience be obtained in any one area. As a result, the QC made the following recommendations to the CBA in connection with its evaluation:

- No change to the regulations because based on the present statutory language in Business and Professions Code sections 5092 and 5093, there is no effective way to further define general accounting experience.
- If the CBA wants to further define general accounting experience in regulation, it first consider a change to how general accounting experience is defined in statute.
- Better disclosure and outreach to inform consumers of the limitations of CPAs licensed without the authority to sign reports on attest engagements

The CBA took no action on the QC's recommendations.

Increase the Minimum Hours of Attest Hours

Presently, the law requires that an applicant who wants to sign reports on attest engagements must complete a minimum of 500 hours, satisfactory to the CBA, in attest services. On at least two occasions, the Qualifications Committee has discussed a possible increase in the attest hours from 500 to 1,000.

As part of its discussion in 2006, the Qualifications Committee believed that with the attest function no longer being a barrier to entry with the advent of the option to obtain licensure with general accounting experience, in addition to furthering the mission of the

CBA to protect the public, it recommended an increase to 1,000 hours. As it related to this item, the CBA referred it to the Committee on Professional Conduct for future discussion. The Committee on Professional Conduct took no action on this.

In 2009, the Qualifications Committee again began the task of evaluating an increase in the minimum number of hours from 500 to 1,000. Over the course of several meetings, it reviewed various statistics related to attest hours, possible correlations between enforcement actions and the attest experience hours, and other states' attest experience requirements, the Qualifications Committee eventually decided to maintain the status quo and not recommend to the CBA an increase in the minimum hours.

Taskforce to Examine Experience Requirement for CPA Licensure

In January 2013, past-President Leslie J. LaManna, CPA, established the Taskforce to Examine Experience for CPA Licensure. Past-President indicated that she established the taskforce to examine a possible shift to a single experience requirement for CPA licensure.

The taskforce was composed of four CBA members (two licensees and two public members), one Qualifications Committee member, one representative from academia, one representative from National Association of State Boards of Accountancy, one representative of the profession, and one consumer representative.

The taskforce was formed to evaluate California's experience requirement for licensure and determine what modifications, if any, should be made to the requirements, paying close attention to the CBA's mission to protect consumers. The taskforce used the following questions during its work:

- What is the problem the CBA is attempting to solve?
- Who will be impacted and how will they be impacted?
- How will the final outcome further the CBA's primary mandate of consumer protection?

The taskforce held its inaugural meeting in May 2013, holding three meetings total (July 2013 and September 2013). Over the course of these meetings, the taskforce studied the accounting experience requirements trending nationally, California's own accounting experience requirements, relevant California pre-licensure and license renewal requirements and statistics, and the experiences of the consuming public and accounting profession.

After extensive evaluations and discussions on this topic, the taskforce provided the CBA with three recommendations related to California's accounting experience requirement:

1. Maintain the status quo related to California's general accounting experience requirement.

2. Recommend the CBA continue to explore the possibility of allowing academia experience to qualify towards the general accounting experience requirement.
3. Eliminate the attest experience requirement.

The first two recommendations above were unanimously approved by the taskforce. The third recommendation was not unanimously supported by the taskforce. Those voting in opposition expressed that the attest experience requirement enhances consumer protection at the time of initial licensure.

The CBA accepted the first two taskforce recommendations, but elected not to pursue elimination of the attest experience requirement at that time and determined that additional study of the topic was necessary prior to approaching the Legislature with any recommendations for modifying or eliminating the attest experience requirement.

In 2014, the CBA initiated a study to gather feedback from stakeholders regarding whether the present 500-hour attest experience requirement was necessary and sufficient to support the CBA's consumer protection mission (See **Appendix 8**).

Additional detail regarding the taskforce recommendations may be located within the September 2013 CBA materials related to CBA item IV at: <https://www.dca.ca.gov/cba/communications-and-outreach/meetings/materials/2013/mat0913cba.pdf>. (Please copy and paste into your browser.)

CALIFORNIA BOARD OF ACCOUNTANCY

APPENDIX 8

CBA STUDY ON THE ATTEST EXPERIENCE REQUIREMENT



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CBA Study on the Attest Experience Requirement

In 2013, the CBA began examining California's experience requirement for CPA licensure. As part of this examination, in 2014, the CBA initiated a study to gather feedback from stakeholders regarding whether the present 500-hour attest experience requirement was necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards.

The development and implementation of the study for both California licensees and nationally took place in 2014 and 2015.

At its March 17-18, 2016 meeting, the CBA discussed the results of the study. The third-party consultant selected to assist with facilitation of the study, CPS HR Consulting, reported on detailed data from the California-specific survey. The CBA also heard details regarding the national survey performed by staff.

The California-specific survey results showed that the majority of respondents in most stakeholder groups wanted to maintain the existing attest experience requirement. The only exception to this was the pending applicants for licensure who did not complete the attest experience requirement. The majority of that group wanted to eliminate the attest experience requirement.

The national survey result showed that only five of the 35 responding states currently maintain an attest experience requirement. One of the five is considering elimination of its attest experience requirement. However, of the 30 states that do not currently maintain an attest experience requirement, two reported that they are considering reinstating their attest experience requirement, with one state reporting that it had experienced a significant increase in issues related to the failure to follow professional standards.

As a result of its discussion, the CBA concluded that the 500-hour attest experience requirement is sufficient for CPA licensure. Additionally, the CBA concurred that it would (1) increase outreach efforts in educating stakeholders regarding the difference between CPA licensure obtained with "general" versus "attest" experience, (2) periodically evaluate the experience requirement for necessary changes (if any), and (3) watch for changes in other states' attest experience requirements that may impact California.

The complete Study on the Attest Experience Requirement, prepared in consultation with CPS HR Consulting, is located on the CBA Website at: <https://www.dca.ca.gov/cba/communications-and-outreach/attest-study.pdf>. (Please copy and paste into your browser.)



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CERT Item V.
March 30, 2022

Overview of the Present CPA Licensing Requirements

Presented by: Michael Lieberman, Initial Licensing Unit Manager

Purpose of the Item

This purpose of this item is to provide members of the Consideration of the CPA Experience Requirements Taskforce (CERT) with:

- Important background on the evolution of the California Board of Accountancy (CBA) experience requirements for certified public accountant (CPA) licensure.
- Information on how an applicant for licensure satisfies the experience requirement.
- Information on how staff evaluate whether an applicant has satisfactorily completed the experience requirement.

Consumer Protection Objectives

Completion of supervised accounting experience is a requirement for a CPA license. Accounting experience, along with passage of the Uniform CPA Examination and required education, provides assurance to state boards of accountancy that individuals possess the minimum level of technical knowledge and skills necessary to qualify for a CPA license, safeguarding consumers by ensuring only qualified individuals practice public accountancy.

Action(s) Needed

No specific action is required on this agenda item.

Background

Prior to January 1, 2002, the CBA provided three alternatives to qualify for CPA licensure. Depending on applicants' educational qualifications at the time they sat for the Uniform CPA Examination, they would have a 24-, 36-, or 48-month experience requirement. Under all three alternatives, the CBA required all applicants for licensure to demonstrate an understanding of the requirements in performing the attestation function as it relates to financial statements.

As part of its sunset review in 2000, the CBA proposed significant modifications to its existing licensure processes, to more closely align it with the Uniform Accountancy Act

Overview of the Present CPA Licensing Requirements

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(UAA).¹ As it pertained to licensure, the CBA recommended amendments to the education and experience requirements, including requiring 150 semester units of education and eliminating the requirement that individuals complete attest experience.

In 2001, two pieces of legislation were introduced to address the CBA's vision of broad changes to the licensure process. Senate Bill (SB) 133 (Figueroa, Chapter 718, Statutes of 2001) was a result of the CBA's sunset review hearings before the Joint Legislative Sunset Review Committee. As it related to the CBA's licensure process, SB 133, as originally introduced, required the CBA to perform a comprehensive evaluation of the proposed changes and to complete the study by September 1, 2003.

Assembly Bill (AB) 585 (Nation, Chapter 704, Statutes of 2001) was co-sponsored by the California Society of CPAs and Board of Equalization, as originally introduced, sought to codify many of the CBA's recommendations to more closely align California's licensure requirements with the UAA. The most notable changes to the licensure requirements offered in AB 585 included moving to requiring a baccalaureate degree and a minimum of 150 semester units and the elimination of the attest experience requirement for licensure.

Two of the primary concerns raised by stakeholders focused on the educational and experience shifts the CBA proposed for licensure. As it related to the educational shift, stakeholders voiced concern on the impact the transition to a single pathway with increased unit requirements would have on entry into the profession. As it related to the experience shift, stakeholders noted the attest function is the cornerstone of the accounting profession, especially since the attest function is the sole function for which a CPA license was required.

During the Legislature's deliberative process, a compromise was reached that established the present pathway system. Specific to the experience requirement, the Legislature established the ability for individuals to obtain licensure with general accounting experience; however, if individuals wanted to sign reports on attest engagements, they would still need to satisfy the attest experience requirement.

Comments

The information included in this section, and the background included above, will provide important context and foundation for discussions the CBA will undertake pertaining to the requirements for CPA licensure in California.

As the CERT discusses this topic, it is important to note that in California the definition of attest is as follows: Attest services include an audit, a review of financial statements, or an examination of prospective financial information. Attest services shall not include the issuance of compiled financial statements.

¹ The UAA is a joint venture by the American Institute of CPAs and National Association of State Boards of Accountancy to establish a model law to provide a uniform approach to the regulation of the accounting profession.

Overview of the Present CPA Licensing Requirements

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Existing Experience Requirements for CPA Licensure

Applicants are required to have a minimum of one year of qualifying general accounting experience. Experience can be gained in public accounting, private industry, government, or academia.²

Public accounting experience shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy. Private industry or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

Applicants can earn experience providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. The work performed by applicants in these areas must be performed in accordance with applicable professional standards.

Nothing requires that applicants earn experience in all of the outlined areas. For example, an applicant could satisfy the general accounting experience requirement simply by completing a minimum of one year of experience in management advisory services.

Applicants demonstrate satisfactory completion of the general experience requirement by having a *Certificate of General Experience* (either public or non-public) (**Item IV, Appendix 2**) submitted on their behalf directly to the CBA. The *Certificate of General Experience* must be signed by their supervisor.³ To be considered supervised experience, applicants' supervisor shall have reviewed and evaluated the qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.

In signing the form, supervisors are confirming they have supervised the applicant and the applicant has completed general accounting experience. To document the general accounting experience, the supervisor supplies the dates of employment. While supervisors are noting that at a minimum the applicant has completed general accounting experience, met the required time period, and done so in accordance with

² Applicants can meet the one-year experience requirement by demonstrating instruction of 48 semester units, or its equivalent in quarter units, signed off by the dean, chair, or head of the applicant's department who has authority and oversight over the applicant.

³ The form must be signed by the person supervising the experience and by a second person with a higher level of responsibility in the public accounting firm, private industry company, or governmental agency. If the experience was gained in public accounting the second signature must be an owner of the public accounting firm holding a valid license or other comparable authority to practice public accountancy. A second signature is not required if the owner of the public accounting firm or private industry company is the individual signing the verification as the supervisor. The CBA is also initiating a rulemaking to remove the second signature requirement.

Overview of the Present CPA Licensing Requirements

Page 4 of 5

applicable professional standards, the supervisor is not expressing an opinion as to whether the applicant understands the applicable professional standards.

Upon issuance of a license with general accounting experience, licensees can perform the full scope of public accounting activities, with the exception that they cannot sign reports on attest engagements. Licensees issued a CPA license with general experience can at a later date seek to convert the license to provide for the authority to sign reports on attest engagements by satisfying the attest experience requirement as outlined below.

For applicants who want the authority to sign reports on attest engagements, in addition to completing the general experience requirement, they must also document a minimum 500 hours of experience, satisfactory to the CBA, in attest services. The minimum 500 hours must include all of the following:

1. Experience in the planning of the audit including the selection of the procedures to be performed.
2. Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.
3. Experience in the preparation of working papers in connection with the various elements of (1) and (2) above.
4. Experience in the preparation of written explanations and comments on the work performed and its findings.
5. Experience in the preparation of and reporting on full disclosure financial statements.⁴

Applicants demonstrate satisfactory completion of the attest experience requirement by having a *Certificate of Attest Experience* (either public or non-public) (**Item IV, Appendix 2**) submitted on their behalf directly to the CBA. The *Certificate of Attest Experience* must be signed by their supervisor. To be considered supervised experience, applicants' supervisor shall have reviewed and evaluated the qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant.

For the experience to qualify, the CBA requires that supervisors opine as to whether applicants understand the various applicable professional standards that make up attest-related services. This is done by supervisors marking all of the boxes in Section I-V of the *Certificate of Attest Experience*. The requirement of supervisors to opine on an applicants' understanding of the applicable professional standards is a significant

⁴ The CBA recently had a regulation approved that takes effect on January 1, 2022 to amend Item 5 to read: Experience in the preparation of and reporting on full disclosure financial statements as part of the Audit and Attest Services. This does not include experience earned or through the performance of preparation engagements in accordance with the provisions of the Statements on Standards for Accounting and Review Services.

Overview of the Present CPA Licensing Requirements

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difference between the attest experience requirement and the general accounting experience requirement (where no such opinion on understanding is offered).

Fiscal/Economic Impact Considerations

There are no fiscal/economic impact considerations.

Recommendation

Staff do not have a recommendation on this agenda item.

Attachment(s)

None.



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CERT Item VI.
March 30, 2022

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

Presented by: Dominic Franzella, Chief, Enforcement Division

Purpose of the Item

The purpose of this agenda item is to serve as the Consideration of the CPA Experiences Requirement Taskforce (CERT) starting point for discussion on possible recommendations to the California Board of Accountancy (CBA) regarding the experience required for CPA licensure.

Consumer Protection Objectives

Ensuring the CBA maintains appropriate experience requirements for initial CPA licensure helps ensure that applicants enter the practice of accountancy with knowledge of applicable professional standards.

Action(s) Needed

The Taskforce will be asked to plot a course of action for future discussion topics related to the evaluation of the experience requirement for CPA licensure.

Background

Under **CERT Item V.**, staff provided an overview of the experience requirements for CPA licensure in California. Additionally, under **CERT Item IV.**, and specifically Appendices 7 and 8, staff have provided information or prior CBA and committee/taskforce reviews and studies on the various aspects of the experience requirements.

Comments

As noted in **CERT Item II.**, the primary question before the CERT is:

Is the present attest experience requirement necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards?

It is anticipated that CERT will take several meetings to reach an answer to the primary question, staff are seeking guidance on what items, research, or other materials

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

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members believe they will need to aid in reaching an answer. Some areas that CERT may wish to consider include additional statistics or a greater in-depth review of the impact CPA Evolution on the licensure process. Additionally, CERT may wish to reexamine areas considered by the CBA and its prior committees and taskforce when exploring this topic (see **CERT Item IV.**, Appendix 7).

From primary question, the CERT could:

- Seek to evaluate the sufficiency of requiring pre-licensure attest experience for individuals that want the authorization to sign reports on attest engagements. This could include items such as the minimum number of required hours and the various areas of qualifying experience that applicants must obtain.
- After completing its evaluation, determine that the attest experience requirement could be eliminated. If so (as directed by the CBA), it could develop a method to eliminate the attest experience requirement, including what backstops would be put in place to offset the elimination of the attest experience requirement (e.g. attest accounting firm licensure/registration).
- After completing its evaluation, determine that the attest experience is sufficient or may need possible modifications. If so (as directed by the CBA), it would need to provide recommendations to the CBA on how to address the policy issues raised by staff at the November 2021 meeting (and outlined below), including any additional policy issues identified by the CBA, CERT, or staff.

If the CERT does recommend maintaining an attest experience requirement, and in addition to any possible modifications to the attest experience requirement that CERT may recommend to the CBA, it will need to provide recommendations on, at a minimum, the following three policy issues. While there are likely more issues than the ones identified by staff, the three noted below are the ones staff have recently identified.

1. Accounting firms that provide attest services when the firms' ownership is comprised solely of CPAs who are not authorized to sign reports on attest engagements.
2. Licensees who are owners of accounting firms and want to obtain the necessary experience to convert their license to include the authority to sign attest reports.
3. Reciprocal licenses issued under Business and Professions Code (BPC) section 5087.

Accounting Firms That Provide Attest Services When the Firms' Ownership is Comprised Solely of CPAs Who are Not Authorized to Sign Reports on Attest Engagements

Since about 2019, the CBA has been discussing the topic of accounting firms that provide attest services when the firms' ownership is comprised solely of CPAs who are not authorized to sign reports on attest engagements. Over the course of several

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

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discussions, the Committee on Professional Conduct recommended and the CBA adopted the following associated with increasing consumer protection around this issue:

1. Disclose to their peer reviewers that no owner is authorized to sign reports on attest engagements.
2. Include in their engagement letters for attest services, a notification to the client of the name and license number of the CPA that the firm has authorized to sign the attest report on behalf of the accounting firm.
3. Require ownership take the same responsibilities as accounting firms or as if they were the licensees who performed the engagement.
4. Require accounting firms to make available the working papers to the licensee who signed the report on the attest engagement, should the licensee no longer be employed with the accounting firm for purposes of any investigation conducted by the CBA.

At its September 2021 meeting, the CBA took steps to initiate regulatory changes to set in motion modifications to address Items 1 (peer reviewer notification) and 2 (notification to clients). Staff are exploring how best to accomplish Items 3 and 4 via statute, regulations, or a combination of both.

During the prior discussions on this topic, the CBA and staff have viewed this issue through the lens of accounting firms with a separate corporation or partnership license, even if the corporate license was simply an incorporated sole proprietorship. Recently, staff have considered the implications of this when individuals are operating a sole proprietorship using solely their respective individual CPA license. Specifically, CPAs who operate as an unincorporated sole proprietorship (possibly using a fictitious name permit¹) who have employees or possibly contract with another CPA to sign a report on an attest engagement though the sole proprietor who is not authorized to sign reports on attest engagements.

This new subset creates a different concern for the CBA. Corporation and Partnership licensees are not inherently restricted. The CBA does not issue these licenses with an authority to sign reports on attest engagements. These licenses can perform the full scope of work, dependent on who actually signs the engagement.

The same is not true for unincorporated sole proprietorships. While the CBA defines accounting firms to include sole proprietorships (BPC section 5035.1), these individuals could have inherent limitations on the scope of work they are authorized to sign. Given BPC section 5035.1 combined with the present notification requirements in California

¹ California Code of Regulations, title 16, section 67 states: "No sole proprietor may practice under a name other than the name set forth on his or her permit to practice unless such name has been registered with the [CBA]. Any registration issued under this section shall expire five years after the date of issuance unless renewed prior to its expiration."

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

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Code of Regulations (CCR), title 16, section 50.1², an argument could be made for the following scenario:

- Unincorporated sole proprietorships who use their personal CPA license without authority to sign reports on attest engagements that have employees or hire a contractor (either of whom have a CPA license to sign attest reports), could issue attest reports under the CPA license of the sole proprietorship that is not authorized to sign reports on attest engagements.

While an argument could be made for the scenario noted above, an argument could be made that it would not be authorized. The Legislature took steps to create a distinction for individual licenses creating one with and one without the authority to sign reports on attest engagements.

It would seem that the scenario outlined could be seen as circumventing the Legislature's intent. The scenario, in essence, allows for CPAs with a license not authorized to sign reports on attest engagements to now be able to have those reports signed under their respective license, yet they are not authorized to on their own.

Given this "gray area" and differing interpretations of the application of the law, combined with the Legislature's original intent about the service to be performed under a general license, it would seem prudent the CERT discuss this matter in greater detail to determine whether this scenario should or should not be allowable. Either way, the law should be modified to better reflect the ultimate outcome.

Licensees Who are Owners of Accounting Firms and Want to Obtain the Necessary Experience to Convert Their License to Include the Authority to Sign Reports on Attest Engagements

The CBA has begun receiving inquiries from CPAs who were issued a license with general accounting experience wanting to convert to having their license with attest authority; however, these CPAs are owners of accounting firms. While the CBA receives conversion applications regularly, these are received from CPAs who are employees.

As noted in the prior item, in order for experience to qualify, applicants' supervisor shall have reviewed and evaluated the qualifying work on a routine and recurring basis and shall have authority and oversight over the applicant. This model centers on an employer-employee relationship.

CPAs who own their own practice have begun inquiring if they could have an employee at their accounting firm who has a CPA license issued with the authority to sign reports on attest engagements to sign off on their *Certificate of Attest Experience*. Staff have

² CCR, title 16, section 50.1 requires that these accounting firms provide written notice to a client or prospective client about the fact that these accounting firms do not have an owner who is authorized to sign reports on attest engagements.

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

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informed these individuals that an employee cannot be in a position to meet the regulation as presently defined. Specifically, there is not a reasonable way that an employee can have authority and oversight over owners of the accounting firm.

The present definition for supervision has been in place for nearly a decade. At the time the definition was drafted, it was designed to ensure that a clear employer-employee relationship existed so that the CBA could have a level of assurance regarding the supervision of the experience. The CBA never contemplated the need to have a definition that would allow for owners to have their worked supervised as a means to convert licenses to the attest authority.

With the CPA population markedly shifting to more applicants being approved for a license with general accounting experience, there is likely a need for the CBA to take steps to ensure these CPAs have an avenue to obtaining authority to sign reports on attest engagements. Absent taking steps, the population of available CPAs to perform attest work could reduce to a level that would minimize consumers' choices on who can provide these important services.

Reciprocal Licenses Issued Under Business and Professions Code Section 5087

Since around 1995, the Accountancy Act has included a section to address reciprocal licenses. The Accountancy Act does not provide for a straight reciprocal license, but does create a more streamlined approach to licensure for individuals licensed in another state. BPC section 5087 provides the statutory mechanism for evaluating the education, examination, and experience requirements of individuals licensed in another state.

Specifically, BPC section 5087 states:

- (a) The board may issue a certified public accountant license to any applicant who is a holder of a current, active, and unrestricted certified public accountant license issued under the laws of any state, if the board determines that the standards under which the applicant received the license are substantially equivalent to the standards of education, examination, and experience established under this chapter and the applicant has not committed acts or crimes constituting grounds for denial under Section 480. To be authorized to sign reports on attest engagements, the applicant shall meet the requirements of Section 5095.
- (b) The board may in particular cases waive any of the requirements regarding the circumstances in which the various parts of the examination were to be passed for an applicant from another state.

To effectively implement BPC section 5087, the CBA has adopted CCR, title 16, section 36.1. For the CBA to consider issuing a license under the requirements of BPC section 5087, licensees must have been licensed to practice public accountancy (active status) for four of the last 10 years preceding the date of application.

As it pertains to the experience requirement under which the CBA will issue the license, applicants identify whether they wish to receive a license with general accounting experience or attest experience. For those seeking to have a license issued with attest

Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure

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experience, BPC section 5087 requires they meet the requirements under BPC section 5095 (which require individuals to have attest experience to the satisfaction of the CBA).

CCR, title 16, section 36.1, subsection (c), states:

An applicant pursuant to [BPC section] 5087 may be considered to have met the attest experience requirement of [BPC section] 5095 if the applicant shows to the satisfaction of the [CBA] that [they have] been authorized to provide attest services and engaged in the practice of public accounting as a Certified Public Accountant in another state for four of the ten years preceding the date of application for a California license.

Therefore, if the state authorizes individuals to sign reports on attest engagements and they have been in practice four of the past 10 years, the CBA will issue the license with the authority to sign reports on attest engagements. Given that most states issue licenses with the only requirement being general accounting experience and this allows them to sign reports on attest engagements, these individuals qualify for a CPA license with the attest authority.

While this creates increased reciprocity for individuals seeking licensure in California, it may be that these individuals have never engaged in the attest functions or have not done so in some time, yet they are authorized to sign attest reports.

Next Steps

Based on the directions by CERT, for the next meeting, staff will perform any necessary research; begin evaluating how certain recommendations may impact the CBA and its stakeholders; and provide timelines to achieve any of the various recommendations under consideration by CERT.

Fiscal/Economic Impact Considerations

At this time, there are no fiscal/economic impacts to consider. Staff will provide potential fiscal/economic impacts for CERT recommendations in future items, as appropriate.

Recommendation

None.

Attachment

None.



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CERT Item VII.
March 30, 2022

Discussion and Possible Action to Approve Proposed Meeting Dates for the Consideration of the CPA Experience Requirements Taskforce

Presented by: Dominic Franzella, Chief, Enforcement Division

Purpose of the Item

The purpose of this agenda item is to present the Consideration of the CPA Experience Requirements Taskforce (CERT) with proposed future meeting dates.

Consumer Protection Objectives

Requiring applicants for CPA licensure to meet specified requirements, including accounting experience, assists the CBA in meeting its mission by ensuring only qualified licensees practice public accountancy in accordance with established professional standards

Action(s) Needed

The CERT may choose to adopt or modify the proposed meeting dates.

Background

The remaining 2022 CBA meeting dates (**Attachment**) are as follows:

- May 19-20, 2022 – Location TBD
- July 21-22, 2022 – Location TBD
- September 22-23, 2022 – Location TBD
- November 17-18, 2022 – Location TBD

Comments

The Bagley-Keene Open Meeting Act specifies requirements for conducting open meetings, to ensure transparency to the public. Since the onset of the pandemic, California Governor Gavin Newsom has issued Executive Orders that modify the open meeting provisions, specifically that a physical meeting location is not required and virtual meetings can be conducted. The Executive Order also waives the requirement that the location where the member is remotely participating does not require disclosure to, or be open for, public attendance.

Discussion and Possible Action to Approve Proposed Meeting Dates for the Consideration of the CPA Experience Requirements Taskforce

Page 2 of 2

The current Executive Order, N-1-22, expires on March 31, 2022. Unless legislation is passed to amend the Bagley-Keene Open Meeting Act provisions or there is an extension to the current Executive Order, future meetings of CERT will be conducted in person at a physical location. If meetings are conducted in person, members will have the option to participate via teleconference, under the conditions that their location is accessible to the public, disclosed on the meeting agenda, and is compliant with the Americans with Disabilities Act.

Staff are proposing a combination of meeting dates to align with the upcoming CBA meetings for May, September, and November, with a selection of dates for the July CERT meeting. There is a conflict for several members with a National Association of State Boards of Accountancy meeting in July.

For the CBA-aligned meeting dates, these would include:

- May 19, 2022 – Location TBD
- September 22, 2022 – Location TBD
- November 17, 2022 – Location TBD

For the July 2022 meeting, staff are proposing the following dates and times:

- Tuesday, July 12, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm
- Wednesday, July 13, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm
- Thursday, July 14, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm
- Tuesday, July 26, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm
- Wednesday, July 27, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm
- Thursday, July 28, 2022 – 9:30am-12:30pm; 1:00pm-4:00pm

Fiscal/Economic Impact Considerations

There are no fiscal/economic considerations.

Recommendation

Staff recommend that the CERT adopt or modify the proposed dates.

Attachment

2022 Year-at-a-Glance CBA Calendar

**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
2022 MEETING DATES/LOCATIONS CALENDAR
(CBA MEMBER COPY)**

JANUARY 2022

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	TBD	TBD	28
30	31	TBD				

FEBRUARY 2022

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	TBD	11	12
13	14	15	16	17	18	19
20	21	22	23	24	TBD	26
27	28					

MARCH 2022

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	TBD	TBD	

APRIL 2022

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY 2022

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	TBD	TBD	21
22	23	24	25	TBD	TBD	28
29	30	31				

JUNE 2022

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY 2022

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	TBD	15	16
17	18	19	20	TBD	22	23
24	25	26	TBD	28	29	30
31						

AUGUST 2022

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	TBD	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER 2022

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	TBD	TBD	24
25	26	27	28	29	30	

OCTOBER 2022

S	M	T	W	Th	F	S
						1
2	3	4	5	TBD	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	TBD	27	28	29
30	31					

NOVEMBER 2022

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	TBD	TBD	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER 2022

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	TBD	9	10
11	12	13	14	15	TBD	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

COMMITTEES

- EAC - Enforcement Advisory Committee
- QC - Qualifications Committee
- PROC - Peer Review Oversight Committee

GENERAL LOCATION

- NC-NORTHERN CALIFORNIA
- SC-SOUTHERN CALIFORNIA

	CBA OFFICE CLOSED
	CBA MEETING
	EAC MEETING
	PROC MEETING
	QC MEETING