

**DEPARTMENT OF CONSUMER AFFAIRS**

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

**MINUTES OF THE  
 July 23, 2015  
 MOBILITY STAKEHOLDER GROUP (MSG) MEETING**

Holiday Inn Capitol Plaza  
 300 J Street  
 Sacramento, CA 95814  
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**CALL TO ORDER**

Katrina Salazar, Chair, called the meeting of the MSG to order at 9:00 a.m.  
 Ms. Salazar requested that the roll be called.

Members

Katrina Salazar, CPA, Chair	Present
Joe Petito, Vice Chair	Present
Don Driftmier, CPA	Present
Dominic Franzella	Present
Ed Howard, Esq.	Absent
Michael Savoy, CPA	Present
Stuart Waldman	Present

CBA Members Observing

Sally Anderson, CPA  
 Alicia Berhow  
 Jose Campos, CPA, President  
 Herschel Elkins, Esq.  
 Larry Kaplan  
 Deidre Robinson  
 Xochitl León  
 Mark Silverman, Esq.  
 Kathleen Wright, Esq., CPA

CBA Staff and Legal Counsel

Patti Bowers, Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Rich Andres, Information Technology Staff  
Pat Billingsley, Regulations Analyst  
Stephen Cooney, Practice Privilege Coordinator  
Angela Crawford, Executive Assistant  
Paul Fisher, Supervising Investigative Certified Public Accountant  
Kathryn Kay, Legislation Analyst  
Corey Riordan, Board Relations Analyst  
Gina Sanchez, Chief, Licensing Division  
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs (DCA)  
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)  
Matthew Stanley, Examination and Practice Privilege Manager  
Angela Wise, Criminal Offender Record Information Unit Manager

Committee Chairs and Members

Robert Lee, Chair, CPA, Peer Review Oversight Committee  
Jeffrey De Lyser, CPA, Chair, Enforcement Advisory Committee

Other Participants

Maria Caldwell, Chief Legal Counsel and Director of Compliance Services,  
National Association of State Boards of Accountancy (NASBA)  
Stacey Grooms, Regulatory Affairs Manager, NASBA  
Jason Fox, California Society of CPAs (CalCPA)  
Awet Kidane, Director, Department of Consumer Affairs (DCA)  
Christine Lally, Deputy Director, Board and Bureau Relations, DCA  
Pilar Oñate-Quintana, KP Public Affairs  
Jon Ross, KP Public Affairs  
Chandra Sharma, Principal, SCP-Group

I. Approval of Minutes of the July 23, 2015 MSG Meeting.

**It was moved by Mr. Petito and seconded by Mr. Franzella to approve the minutes of the July 23, 2015 MSG Meeting.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, and Mr. Franzella.**

**No: None.**

**Abstain: Mr. Driftmier.**

**Absent: None.**

**The motion passed.**

II. The MSG Decision Matrix and Stakeholder Objectives (Written Report Only).

Mr. Stanley provided a written report highlighting decisions made by the MSG, as well as the stakeholder objectives identified to date.

III. Discussion and Recommendation Regarding the Timeline for Practice Privilege Activities Pursuant to Business and Professions Code Section 5096.21.

Mr. Stanley presented a revised timeline that included dates for activities related to determining other states' substantial equivalence to the NASBA Guiding Principles of Enforcement (Enforcement Guidelines), making state-by-state determinations and preparing the final report on the practice privilege program for the Legislature.

To arrive at the timeline, staff calculated the dates based on the two firm dates in Business and Professions Code (BPC) section 5096.21 and the length of time it takes to complete a rulemaking should one be needed. The two dates are January 1, 2018, when the final report on the Practice Privilege program is due to the Legislature, and January 1, 2019, which is the sunset date for the program.

**It was moved by Mr. Driftmier and seconded by Mr. Petito to recommend that the CBA approve the proposed timeline.**

**Yes: Mr. Driftmier, Mr. Franzella, Mr. Petito, Ms. Salazar, Mr. Savoy, Mr. Waldman.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

IV. Discussion and Decision Regarding the Approach for Comparing State Boards of Accountancy's Enforcement Practices to the National Association of State Boards of Accountancy's Guiding Principles of Enforcement.

Mr. Stanley stated that this item would provide the MSG with an opportunity to recommend a comprehensive approach by which the CBA will compare other states' enforcement practices to the NASBA Enforcement Guidelines. Mr. Stanley reviewed the statutory conditions that a state must meet in order to remain in the program, emphasizing that this agenda item will lay the groundwork for how the CBA will proceed in determining whether a state has in place, and is operating pursuant to, enforcement practices substantially equivalent to the best practices guidelines.

Mr. Stanley presented the MSG with a brief overview of another condition, which requires the disciplinary history of a state's licensees to be publicly available

through the Internet. It was reported that, in a future agenda item, the CBA will need to discuss the question of what constitutes disciplinary history in order to make final determinations. Mr. Stanley stated that staff have been interpreting disciplinary history to mean that a consumer can find on the Internet, for any CPA licensee, whether there was prior discipline regardless of timeframe or current license status.

Mr. Ross presented the MSG with an additional viewpoint regarding disciplinary history by indicating that the wording of this section could potentially allow for and include information posted on the CBA's own website.

Mr. Stanley stated that since a project of this size may require feedback and direction, staff are recommending that the CBA direct the MSG to meet in conjunction with each CBA meeting until the project is complete.

Mr. Stanley reported that staff have identified three entities that the CBA may choose to perform the research needed to compare other states' enforcement practices to the NASBA Enforcement Guidelines, which include a consultant, staff, or NASBA. The concept of the State Information Sheet was presented to the MSG, which would guide the research through the NASBA Enforcement Guidelines and other information requested by the CBA.

Mr. Stanley presented, in detail, the three possible methods to perform the research, outlining the approach, deliverables, timeline, and next steps associated with each.

Ms. Salazar stated that the current, streamlined MSG meeting schedule may no longer be adequate, and called for a motion to address the schedule.

**It was moved by Mr. Petito and seconded by Mr. Driftmier to recommend that the CBA direct the MSG to meet in conjunction with scheduled CBA meetings until the project is complete.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, Mr. Driftmier, and Mr. Franzella.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

Mr. Savoy requested that the NASBA representatives address their thoughts regarding the process and how they can assist the CBA in this project.

Ms. Caldwell clarified that NASBA would not necessarily use the State Information Sheet as addressed previously in Mr. Stanley's report; however, she stated that NASBA has their own database, which is as detailed as the State Information Sheet and mirrors the information contained in the NASBA Enforcement Guidelines.

Mr. Petito stated that NASBA has a wealth of knowledge and is the best entity to perform this research while expressing his concerns with other approaches. He recommended that the MSG discuss the possibility of developing expectations for NASBA in performing the research. He offered his opinion regarding the adequacy of disciplinary history being flagged through CPAverify and the CBA's website.

Ms. Caldwell stated that not all participating states provide enforcement data to CPAverify; however, the timeline will allow for NASBA to work with these states to ensure that this information is publicly available. She stated that NASBA is confident in their ability to provide the CBA with the requested information well within the proposed timeline while giving the CBA time to follow-up with boards that require more information.

**It was moved by Mr. Driftmier and seconded by Mr. Petito that the MSG recommend that the CBA adopt NASBA as the entity to perform the research.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, and Mr. Driftmier.**

**No: None.**

**Abstain: Mr. Franzella.**

**Absent: None.**

**The motion passed.**

**It was moved by Mr. Petito and seconded by Mr. Savoy that the MSG recommend that the CBA direct staff to communicate to NASBA that it use the State Information Sheet as the foundation for pursuing its research.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, Mr. Driftmier, and Mr. Franzella.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

**It was moved by Mr. Petito and seconded by Mr. Savoy that the MSG recommend that the CBA direct staff to communicate to NASBA that there be**

**an adequate mechanism for staff to assess the information collected by NASBA based on a prioritization of states.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, Mr. Driftmier, and Mr. Franzella.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

**It was moved by Mr. Petito and seconded by Mr. Savoy that the MSG recommend that the CBA direct staff to communicate to NASBA that it utilize the timeline established in undertaking its research.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, Mr. Driftmier, and Mr. Franzella.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed**

**It was moved by Mr. Petito and seconded by Mr. Savoy that the MSG recommend that the CBA direct staff to communicate to NASBA that CPAverify be considered as a factor when determining if disciplinary history is available on the internet.**

**Yes: Ms. Salazar, Mr. Petito, Mr. Waldman, Mr. Savoy, Mr. Driftmier, and Mr. Franzella.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed**

V. The MSG Decision Matrix and Stakeholder Objectives.

Mr. Stanley reported NASBA will hold its 108th Annual Meeting October 25-28 in Dana Point, CA.

Mr. Stanley also reported that there are still five states not yet participating in the Accountancy Licensee Database (ALD) and CPAverify, which are Delaware, Hawaii, Michigan, Utah, and Wisconsin. It is anticipated that Michigan will be participating within a few months.

VI. Discussion Regarding Proposed Agenda Items for the Next MSG Meeting.

Mr. Stanley reported that staff will bring forward an item to discuss any update on the progress made regarding the comparison of other states' enforcement programs to the NASBA Enforcement Guidelines.

The MSG added an item to discuss what constitutes disciplinary history.

VII. Public Comments.

There were no public comments.

There being no further business, the meeting was adjourned at 10:08 p.m.