



**DEPARTMENT OF CONSUMER AFFAIRS**  
 CALIFORNIA BOARD OF ACCOUNTANCY  
 2000 EVERGREEN STREET, SUITE 250  
 SACRAMENTO, CA 95815-3832  
 TELEPHONE: (916) 263-3680  
 FACSIMILE: (916) 263-3675  
 WEB ADDRESS: <http://www.cba.ca.gov>



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

**MINUTES OF THE**  
**November 19, 2015**  
**CBA MEETING**

Hilton Pasadena  
 168 South Los Robles  
 Pasadena, CA 91101  
 Telephone: (626) 577-1000

Roll Call and Call to Order.

California Board of Accountancy (CBA) President Jose Campos called the meeting to order at 9:52 a.m. on Thursday, November 19, 2015 at the Hilton Pasadena. The CBA convened into closed session from 11:41 a.m. until 12:04 p.m. to conduct its annual evaluation of the Executive Officer. Following a lunch break, the meeting reconvened into open session at 1:28 p.m. and then reconvened into closed session from 2:19 p.m. to 2:32 p.m. to deliberate on disciplinary matters. Open session reconvened from 2:25 p.m. to 3:35 p.m. Closed session reconvened from 3:35 p.m. until 4:24 p.m., at which time the CBA reconvened into open session and President Campos adjourned the meeting.

CBA Members

November 19, 2015

Jose Campos, CPA, President	9:52 a.m. to 4:24 p.m.
Katrina Salazar, CPA, Vice-President	9:52 a.m. to 4:24 p.m.
Alicia Berhow, Secretary/Treasurer	9:52 a.m. to 4:24 p.m.
Sarah (Sally) Anderson, CPA	9:52 a.m. to 4:24 p.m.
Herschel Elkins, Esq.	9:52 a.m. to 4:24 p.m.
Laurence (Larry) Kaplan	9:52 a.m. to 4:24 p.m.
Louise Kirkbride	Absent
Kay Ko	9:52 a.m. to 4:24 p.m.
Leslie LaManna, CPA	9:52 a.m. to 4:24 p.m.
Xochitl León	9:52 a.m. to 4:24 p.m.
Jian Ou-Yang, CPA	9:52 a.m. to 4:24 p.m.

Deidre Robinson	9:52 a.m. to 4:24 p.m.
Michael Savoy, CPA	9:52 a.m. to 4:24 p.m.
Mark Silverman, Esq.	9:52 a.m. to 4:24 p.m.
Kathleen Wright, CPA	9:52 a.m. to 4:24 p.m.

#### Staff and Legal Counsel

Patti Bowers, Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Rich Andres, Information Technology Staff  
Dominic Franzella, Chief, Enforcement Division  
Paul Fisher, Enforcement Supervising ICPA  
Nooshin Movassaghi, Legislative Analyst  
Corey Riordan, Board Relations Analyst  
Gina Sanchez, Chief, Licensing Division  
Matthew Stanley Information and Planning Officer  
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs (DCA)  
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)

#### Committee Chairs and Members

Joseph Rosenbaum, CPA, Vice-Chair, Enforcement Advisory Committee  
Robert Ruehl, CPA, Chair, Qualifications Committee

#### Other Participants

Jason Fox, California Society of Certified Public Accountants  
Pilar Oñate-Quintana, The Oñate Group  
Matthew Goldsby, Administrative Law Judge, Office of Administrative Hearings  
Joseph Petito, The Accountants Coalition

- I. Report of the President.
  - A. Report of the National Association of State Boards of Accountancy's 108<sup>th</sup> Annual Meeting.

President Campos provided an overview of the National Association of State Boards of Accountancy's (NASBA) 108<sup>th</sup> Annual Meeting. NASBA is an organization that focuses on creating forums for accounting regulators and practitioners to address issues relevant to the viability of the accounting profession and to aid state boards in their mission to protect consumers. Mr. Campos reported that various CBA members, CBA staff, and other California representatives were in attendance. He stated that attendees were provided with information and held discussions on a wide variety of topics that boards of public accountancy are presently facing. He noted that the topics included Chartered Global Management

Accountant, Statement on Standards for Continuing Education, the Uniform CPA Exposure Draft, NASBA Guiding Principles of Enforcement, Department of Labor Audit Quality Study, and the American Institute of Certified Public Accountants (AICPA) Board Cooperative Enforcement Projects.

- B. Resolution for Retiring Qualifications Committee Member Jeremy Smith.

**It was moved by Ms. Anderson and seconded by Ms. LaManna to approve the resolution for Jeremy Smith, CPA.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Savoy.**

**The motion passed.**

- C. Comment Regarding the American Institute of Certified Public Accountants' Exposure Draft Regarding the Uniform CPA Examination.

Ms. Sanchez provided an overview of the AICPA's Exposure Draft Regarding the Uniform CPA Examination (CPA Exam). Ms. Sanchez stated that the purpose of the CPA Exam is to provide reasonable assurance to boards of accountancy that individuals who pass the CPA Exam possess the level of technical knowledge and skill necessary for initial licensure in order to ensure consumer protection. She stated that the exposure draft presents a proposal for changes to the content, structure, and skills tested within the next version of the CPA Exam. Ms. Sanchez stated that AICPA is requesting a comment letter and member input will be incorporated into the comment letter.

Ms. Salazar stated that it was apparent that significant work was done and the changes were positive to the CBA's ability to license and protect consumers. She suggested including input on the test administration, including testing windows, blackout periods, and timeframe to pass the CPA Exam.

Ms. Wright expressed her concern that fraud was not included and the removal of the Employee Retirement Income Security Act of 1974 (ERISA).

Mr. Campos stated that fraud was woven into areas of the CPA Exam rather than a separate section.

Ms. Berhow inquired about why an increase in time is needed for the increased testing of higher order skills.

Ms. Sanchez stated that task-based simulations will take more time due to the increased background material and data that test takers will be reviewing.

Mr. Savoy inquired what the process will be for candidates that have started, but have not completed the CPA Exam, when the new version is put into production.

Mr. Campos stated that there was discussion about the timeframe to pass the CPA Exam and a change to the timeframe may require changes to CBA Regulations.

Mr. Ou-Yang expressed his concern regarding elimination of the not-for-profit section, as his CPA firms do substantial not-for-profit work.

Mr. Campos stated that the exposure draft explains that not-for-profit will be incorporated into other sections of the CPA Exam.

Ms. LaManna stated that scoring weights have changed to increase points for written communication, as it ensures candidates having writing skills, but is concerned about the increase of the scoring timeframe.

Mr. Campos stated that topics discussed that could be included in a CBA letter were content related items, including fraud and ERISA, and topics of test administration, including pass rate trends, scoring windows timeframes, and the requirements of retaking the sections of the CPA exam.

**After member deliberation, it was moved by Ms. Salazar and seconded by Ms. Berhow to send a comment letter to affirm the changes are positively accepted by the CBA, share the various comments discussed, and delegate the approval of the letter to the CBA President.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

- D. 2016 California Board of Accountancy Member Committee Interest Survey.

Mr. Campos provided an overview of the Committee Interest Form, which is used to appoint members to committees that assist the CBA with its mission of consumer protection. Mr. Campos stated that the committee interest surveys should be completed, as the surveys will be used by the next CBA President to appointment members to the Committee on Professional Conduct (CPC), Enforcement Program Oversight Committee (EPOC), Legislative Committee (LC), Strategic Planning Committee (SPC), and the CBA liaisons for the Enforcement Advisory Committee (EAC) and the Qualifications Committee (QC).

- E. Presentation and Discussion Regarding February 2015 United States Supreme Court decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission (FTC), and Related Formal Opinion from the Office of the California Attorney General, FTC Staff Guidance and Legislative Hearings.

Ms. Schieldge provided a presentation on the agenda item. Ms. Schieldge stated that the United States Supreme Court rendered a decision in North Carolina State Board of Dental Examiners v. Federal Trade Commission (FTC) that is causing states to evaluate licensing board structure and how these entities make policy decisions effecting market participants. FTC determined that the North Carolina State Board of Dental Examiners' actions violated the federal antitrust law. Ms. Schieldge provided an overview of the opinion issued by the California Attorney General as to what constitutes active state supervision of state licensing boards and how to guard against antitrust liability. Ms. Schieldge stated that rationale of the actions should be documented in board minutes, agenda items, and rulemakings. She stated that actions taken by boards should either articulate state policy, explain why the action is pro-competitive or if action is protecting consumers.

Mr. Campos inquired about the next steps for the CBA.

Ms. Schieldge stated that the CBA should document and articulate reasons for decisions and place a standing item on future agendas.

- F. Department of Consumer Affairs Director's Report

There was no report on this agenda item.

II. Report of the Vice-President.

A. Recommendations for Appointment(s)/Reappointments to the Enforcement Advisory Committee.

Ms. Salazar provided an overview of agenda items II.A.–II.C. and indicated that committees, which serve in an advisory capacity, assist the CBA with its mission of consumer protection and to confirm that applicants for appointment to the various committees meet the appropriate requirements for licensure and have no pending enforcement actions.

**It was moved by Ms. Salazar and seconded by Mr. Elkins to appoint Joseph Rosenbaum, CPA, as Chair and Nancy Corrigan, CPA, as Vice-Chair of the Enforcement Advisory Committee effective January 1, 2016 through December 31, 2016.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Kaplan.**

**The motion passed.**

B. Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee.

**It was moved by Ms. Salazar and seconded by Ms. Robinson to:**

- **appoint Thomas Sauer, CPA and Virginia Smith, CPA, to the Qualifications Committee (QC) effective November 19, 2015 through November 30, 2017,**
- **reappoint Joanna Bolsky, CPA, to the QC effective December 1, 2015 through November 30, 2017, and**
- **appoint David Evans as Vice-Chair of the QC effective January 1, 2016 through December 31, 2016.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Kaplan.**

**The motion passed.**

- C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Committee.

**It was moved by Ms. Salazar and seconded by Ms. Wright to reappoint Robert Lee, CPA, as the Chair and appoint Jeffrey De Lyser as the Vice-Chair of the Peer Review Oversight Committee (PROC) effective January 1, 2016 through December 31, 2016.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Kaplan.**

**The motion passed.**

**It was moved by Ms. Salazar and seconded by Ms. Robinson to appoint Renee Graves, CPA, to the PROC effective November 19, 2015 through November 30, 2017.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Kaplan.**

**The motion passed.**

- III. Report of the Secretary/Treasurer.

- A. Fiscal Year 2015-16 First Quarter Financial Statement and Update on Repayment of Loans to the California Board of Accountancy from the General Fund.

Ms. Berhow provided an overview of this agenda item. She stated that the budget is currently set at \$14,153,000, which is an approximate increase of three percent from last fiscal year (FY). Mr. Berhow stated that the CBA collected \$1.3 million in total receipts, and the CBA ended the first quarter of FY 2015-16 with 3.5 months in reserve (MIR). Lastly, she stated that the CBA is scheduled to receive two General Fund loan repayments near the end of FY 2015-16 and as a result the CBA is expected to end FY 2015-16 with approximately 3.5 MIR.

#### IV. Report of the Executive Officer.

- A. Update on the Relocation of the California Board of Accountancy's Office.

Ms. Bowers stated the CBA is waiting on fire permits and the move will not occur until sometime early next year.

- B. Update on Staffing.

Ms. Bowers announced that Nooshin Movassaghi was hired as the Legislative Analyst.

- C. Discussion Regarding the California Board of Accountancy's Organizational Effectiveness in Regards to Hiring, Training, and Refilling Vacancies.

Ms. Bowers provided an overview of the CBA's organizational effectiveness in regards to hiring, training, and refilling vacancies, which has a direct impact on the CBA's ability to continue its mission of consumer protection as mandated by statute in Business and Professions Code section 5000.1

- D. Discussion Regarding the California Board of Accountancy's Public Communications and Outreach Activities and Plan.

Mr. Stanley provided an overview of the CBA's communications and outreach efforts and activities that educate students and faculty about educational requirements for licensure, the general public as to best practices that enhance consumer protection, and licensees regarding the activities of the CBA. Mr. Stanley stated that the CBA will take a more proactive approach to increase the outreach and communication efforts in the coming year. He stated new resources have been developed to provide a more professional appearance and to assist staff during CBA outreach events, including question and comment cards and posters with

information regarding education requirements and the CBA's mission. Mr. Stanley also noted that the CBA website is currently undergoing a major redesign to conform to the new state template.

Ms. Salazar stated that she addressed the Sacramento Chapter of the California Society of Certified Public Accountants, where she provided an overview of the CBA's functions and its accomplishments during 2015.

Ms. Wright suggested creating a speakers bureau.

Ms. León suggested considering YouTube videos for outreach ideas.

E. Report on the California Board of Accountancy's 2016-18 Workforce and Succession Plan.

Mr. Stanley provided an overview of the CBA's 2016-18 Workforce and Succession Plan, which is crucial to the CBA's ability to continue to provide effective service and consumer protection, by ensuring that the CBA has capable management and staff to meet the needs of the public it protects, its licensees, and other stakeholders. Mr. Stanley highlighted key changes in the plan including: revisions to senior management staff, integration of the strategic plan goals, inclusion of the information and planning officer as a supervisor in the administration unit, updated workforce statistics, addition of the Effective Workforce and Succession Planning for California's IT Workforce toolkit, the updated delegation of authority, and organizational chart.

F. Discussion Regarding Possible Changes to the Delegation of Authority of the Executive Officer.

Ms. Bowers provided an overview of this agenda item to ensure that proper authority is delegated to the Executive Officer to assist the CBA in continuing its mission of consumer protection. Ms. Bowers noted that legal counsel recommended that the ability to make non-substantive changes to the minutes be removed from the proposed delegation.

Mr. Campos inquired to why legal counsel is recommending minutes be removed from the delegation.

Ms. Schieldge stated that minutes are official records of the board's actions and decisions.

**It was moved by Mr. Savoy and seconded by Mr. Elkins to strike "minutes" and approve the changes to the delegation of authority of the Executive Officer.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

V. Report on the Enforcement Advisory Committee, Qualifications Committee, and the Peer Review Oversight Committee.

A. Enforcement Advisory Committee.

1. Report of the October 22, 2015 Enforcement Advisory Committee Meeting.

Mr. Rosenbaum thanked Mr. Kaplan for attending the EAC meeting. He reported that the EAC reviewed six open cases, two closed cases, and conducted six investigative hearings.

2. Approval of the 2016 Enforcement Advisory Committee Meeting Dates.

**It was moved by Mr. Silverman and seconded by Ms. Salazar to approve the 2016 EAC meeting dates.**

**Yes: Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, and Mr. Savoy, Mr. Silverman.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Anderson, Ms. Berhow, and Ms. Wright.**

**The motion passed.**

B. Qualifications Committee.

1. Report of the October 21, 2015 Qualifications Committee Meeting.

Mr. Ruehl thanked Ms. Salazar and Ms. Wright for attending the QC meeting. He reported that the QC conducted 16 Section 69 reviews, of which 13 were approved and three were deferred.

C. Peer Review Oversight Committee.

There was no report on this agenda item.

VI. Report of the Enforcement Chief.

A. Report on Enforcement Division Activity.

Mr. Franzella provided an overview of this agenda item. Mr. Franzella stated that, as of September 30, 2015, the CBA received 641 complaints for FY 2015/16. He reported that staff have completed investigations on 13 cases that were 24 months or older since the last report and there are currently 48 cases pending over 24 months. Mr. Franzella noted that there are currently 103 licensees on probation. He stated that five probation orientations were held.

Mr. Campos inquired if the cases are spread evenly over the 0-18 month time period. He suggested providing information for 12-18 months.

Mr. Franzella stated that information would be provided in the next report.

B. Method of Mailing and Service of Notice When Contacting Licensees and Applicants Regarding CBA Licensing and Enforcement Matters.

Mr. Franzella provided an overview of this agenda item. He stated that the primary method of contacting licensees and applicants is first-class mail. Mr. Franzella stated that licensees are required to maintain an address of record and update the CBA within 30 days on any change, pursuant to CBA Regulations section 3. Mr. Franzella also noted that if the Attorney General's Office mails a pleading to licensees or applicants regarding enforcement matters, it does so by sending the materials via certified and first-class mail.

Ms. Wright inquired if the CBA has considered license renewal by email.

Mr. Franzella stated that the online renewal process is currently incorporated in the BreEZe project.

VII. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Sanchez provided an overview of this agenda item. She stated that the Licensing Division has continued steady flow of the work received in each unit and the Exam Unit and Initial Licensing Unit are currently meeting the 30-day time frames.

VIII. Closed Session.\*\*The Board convened into Closed Session pursuant to Government Code Section 11126(a)(1) to conduct its annual evaluation of the performance of its Executive Officer.

IX. Regulations.

A. Regulation Hearing Regarding Title 16, California Code of Regulations Section 42 – Peer Review Reporting.

Mr. Stanley read the following statement regarding the regulation hearing into the record.

“Good morning. This is a public hearing on proposed regulations of the California Board of Accountancy, Department of Consumer Affairs, to consider adopting regulations to specify and clarify the Board’s requirements pertaining to peer review exclusions.

On behalf of the Board and its staff, I'd like to welcome you. My name is Matthew Stanley and I serve as the Board’s Information and Planning Officer. I will preside over this hearing on behalf of the Board and the Department.

The California Board of Accountancy is contemplating this action pursuant to the authority vested by Sections 5010 and 5076 of the Business and Professions Code, authorizing the Board to amend, adopt, or repeal regulations for the administration and enforcement of the Chapter 1 of Division 3 of the Business and Professions Code.

For the record, the date today is November 19, 2015 and the time is approximately 1:30 p.m. Our hearing is being held at the Hilton Pasadena, 168 South Los Robles, Pasadena, CA.

The notice for the hearing on these proposed regulations was published by the Office of Administrative Law. Interested parties on our mailing list have been notified of today's hearing. The language of the proposed regulations has been mailed to those who requested it and has been available on the board’s Web site and upon request by other members of the public.

If the Board has received written comments on the proposal, those comments will be entered into the official record of the proceedings. The Board shall be provided and shall consider all written comments received

up until 5:00 p.m., November 16, 2015. Anyone who wishes to comment in writing but does not want to speak today is welcome to do so. If we receive written comments on the proposed regulations, they will be acknowledged and entered into the official record of the rulemaking proceedings.

Those persons interested in testifying today should identify themselves and the section or subsection of the proposed regulations that they wish to address. Individuals will be called to testify in the order determined by recognition from the hearing officer.

If you have a comment about the proposed regulation or any part or specific subsection of the proposal, please step up to the microphone and give your name, spelling your last name and tell us what organization you represent, if any. Speak loudly enough for your comments to be heard and recorded.

Remember, it's not necessary to repeat the testimony of previous commentators. It is sufficient if you simply say that you agree with what a previous speaker has stated.

Written testimony can be summarized but should not be read. When you are testifying, please identify the particular regulation proposal you are addressing. Please comment only on provisions of the article under discussion.

If you have a question about a proposed regulation, please re-phrase your question as a comment. For example, instead of asking what a particular subdivision means, you should state that the language is unclear and why. This will give the Board an opportunity to address your comments directly when the Board makes its final determination of its response to your comments.

Please keep in mind that this is a public forum to receive comments on the proposed regulations from interested parties. It is not intended to be a forum for debate or defense of the regulations. After all witnesses have testified, the testimony phase of the hearing will be closed.”

No public comments were received.

Mr. Stanley adjourned the regulation hearing at 1:32 p.m.

B. Discussion and Possible Action to Amend Title 16, California Code of Regulations Section 42 – Peer Review Reporting.

Mr. Stanley stated that at its May meeting, the CBA directed staff to initiate the rulemaking process to amend CBA Regulations section 42 to

replace the term “compilations where no report is issued” with the term “preparation engagements.”

**It was moved by Ms. Salazar and seconded by Ms. LaManna to direct staff to take all steps necessary to complete the rulemaking process, including issuing an addendum to the initial statement of reasons for a 15-day comment period for a document added to the file. If after the 15-day public comment period, no adverse comments are received, authorize the Executive Officer to make any non-substantive changes to the proposed regulations and adopt the proposed regulations as originally noticed.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Kaplan.**

**The motion passed.**

C. Report on the Status of the Rulemaking to Amend Title 16, California Code of Regulations Section 70 – Fees.

Mr. Stanley provided an update on the status of the rulemaking, which will restore initial permit and biennial renewal fees to pre FY 2011-12 levels to increase its reserve to provide sufficient resources to protect consumers through its licensing, regulatory, and disciplinary functions. Mr. Stanley stated that DCA has completed its review of the rulemaking package and it is currently under review at Business, Consumer Services, and Housing Agency (Agency). Mr. Stanley stated that after Agency’s review the package will be reviewed by the Department of Finance. Lastly, he stated that staff expect to submit the final package to the Office of Administrative Law in early 2016 and the amendment will be in effect by July 1, 2016.

X. Petition Hearings.

A. Alan D. Shattuck – Petition for Reinstatement of Revoked Certificate No. 13898.

The CBA heard Mr. Shattuck’s petition for reinstatement of revoked certificate.

- B. Closed Session.\*\*Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy Will Convene into Closed Session to Deliberate on Disciplinary Matters (Petitions for Reinstatement of Revoked Certificate).

## XI. Committee Reports.

### A. Enforcement Program Oversight Committee (**Kay Ko**).

1. Report of the November 19, 2015 Enforcement Program Oversight Committee Meeting.
2. Discussion and Possible Action to Seek Legislation to Add Authority to Examine Licensees for Mental and Physical Illness Affecting Competency.

Ms. Ko reported that, at the direction of EPOC and approval by the CBA, staff prepared a legislative proposal that would allow the CBA to require a licensee to be examined by a doctor to determine if the licensee's ability to practice is a threat to consumers due to a mental or physical ailment. She stated that staff contacted other boards to gauge interest in developing a general statute regarding the topic that would cover all licensing boards; however, due to lack of interest the proposed language is drafted to apply only to the CBA. Ms. Ko stated that staff contacted the Senate Business and Professions Committee and were informed that due to the complex nature of the proposal and because it is a new program, the proposal would not be considered for next year's omnibus bill. She stated that committee staff also indicated that it anticipated there would be opposition. Ms. Ko stated that after extensive discussion, the EPOC took no action.

### B. Committee on Professional Conduct (**Leslie LaManna**).

1. Report of the November 19, 2015 Committee on Professional Conduct Meeting.
2. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 87 – Continuing Education Requirements.

The CPC discussed the impact that the AICPA's Statement on Standards for Accounting and Review Services No. 21 (SSARS 21): Clarification and Recodification may have on present accounting and auditing (A&A) and fraud continuing education (CE) requirement, in relation to the newly created service, preparation engagement. Ms. LaManna reported that the new service falls outside of the scope of the present A&A and fraud CE requirements. She stated that the CPC

discussed various options of A&A and fraud for licensees that perform preparation engagements, including maintaining the full 24-hour A&A requirement, creating a new eight-hour A&A requirement, or not having any A&A requirement. Ms. LaManna stated that the CPC determined that, due to the fact that individuals performing preparation engagements will not be undergoing peer review, they needed to have some level of CE requirement.

Mr. Campos noted his belief that they should complete the full 24-hour of A&A and four-hour fraud CE requirement because those preparing these financials require knowledge of generally accepted accounting principles.

Ms. Salazar agreed with Mr. Campos' remarks. She also stated that the proposal would create more complexity in tracking.

Ms. LaManna stated it provides the licensees with flexibility to determine the emphasis of their CE.

**The CPC recommended that the CBA direct staff to prepare regulatory language that would require those who perform performance engagements as their highest level of service be required to take eight hours of A&A and four hours of fraud CE.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Mr. Savoy, and Mr. Silverman.**

**No: Mr. Campos, Ms. Salazar, and Ms. Wright.**

**Abstain: None.**

**Absent: Mr. Elkins.**

**The motion passed.**

3. Update on the Study of California's Attest Experience Requirement.

Ms. LaManna provided an update of the study of California's attest experience requirement, which was conducted to gather feedback regarding whether granting attest authority to only qualified licensees is still an effective way to ensure consumer protection. Ms. LaManna reported that staff provided an update on the progress of the study of California's attest experience requirement for CPA licensure. She stated the study closed on October 31, 2015 and over 10,000 responses were received. Ms. LaManna reported the CBA will receive a comprehensive report of the study from CPS HR and begin

deliberation on whether any changes to the attest experience requirement for CPA licensure are needed.

XII. Acceptance of Minutes.

- A. Draft Minutes of the September 17-18, 2015 California Board of Accountancy Meeting.

**It was moved by Mr. Savoy and seconded by Ms. Berhow to approve agenda item XII.A. with the correction to Mr. Elkins' attendance time on September 18, 2015.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Elkins.**

**The motion passed.**

- B. Minutes of the May 28, 2015 Enforcement Program Oversight Committee Meeting.
- C. Minutes of the September 17, 2015 Committee on Professional Conduct Meeting.
- D. Minutes of the July 9, 2015 Enforcement Advisory Committee Meeting.
- E. Minutes of the July 29, 2015 Qualifications Committee Meeting.

**It was moved by Ms. Anderson and seconded by Mr. Silverman to approve agenda items XII.B-XII.E.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Elkins.**

**The motion passed.**

XIII. Other Business.

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

1. Report on Public Meetings of the American Institute of Certified Public Accountants Attended by a CBA Representative.

There was no report for this item.

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

1. Report on Strategic Planning Task Force.

Mr. Savoy reported that NASBA strategic plan was completed and presented at the NASBA Annual Meeting.

2. Report on Public Meeting of the National Association of State Boards of Accountancy Attended by a CBA Representative.

There was no report on this item.

XIV. Officer Elections.

A. Secretary-Treasurer.

**The CBA voted to appoint Mr. Savoy as Secretary-Treasurer of the CBA.**

**Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Kaplan, Ms. Ko, Ms. LaManna, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, and Mr. Silverman.**

**No: Ms. León.**

**Abstain: Mr. Savoy and Ms. Wright.**

**Absent: Mr. Elkins.**

**The motion passed.**

B. Vice-President.

**The CBA voted to appoint Ms. Berhow as Vice-President of the CBA.**

**Yes: Ms. Anderson, Mr. Campos, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: Ms. Berhow.**

**Absent: Mr. Elkins.**

**The motion passed.**

C. President.

**The CBA voted to appoint Ms. Salazar as President of the CBA.**

**Yes: Ms. Anderson, MS. Berhow, Mr. Campos, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Ou-Yang, Ms. Robinson, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: Ms. Salazar.**

**Absent: Mr. Elkins.**

**The motion passed.**

XV. Closing Business.

A. Public Comments.\*

Mr. Fox stated that CalCPA would like to recognize Mr. Campos and Ms. Anderson for their service and leadership.

B. Agenda Items for Future CBA Meetings.

Ms. LaManna requested an item related to the North Carolina Dental Board cases in regards to cease and desist letters and the Bonnie Moore decision.

C. Press Release Focus.

Mr. Stanley suggested a press release regarding the new CBA officers.

XVI. Closed Session.

- A. Pursuant to Government Code Section 11126(c)(3), the CBA Convened Into Closed Session to Deliberate on Disciplinary Matters (Stipulated Settlements, Default Decisions, and Proposed Decisions).
- B. Pursuant to Government Code Section 11126(e), the California Board of Accountancy Convened Into Closed Session to Receive Advice from Legal Counsel on Litigation (David Greenberg v. California Board of Accountancy, Orange County Superior Court, Case No. 30-2014-00751855-CU-BT-CJC; David Greenberg v. California Board of Accountancy, Los Angeles County Superior Court, Case No. BS155045; David B. Greenberg v. California Board of Accountancy, Orange County Superior Court, Case No. 30-2015-00809799-CU-WM-CJC; David B. Greenberg v. California Board of Accountancy, Orange County Superior Court, Case No. 30-2015-00809802-CU-WM-CJC; and, David Greenberg v. Erin Sunseri, et al., U.S. District Court, Southern District of Florida, Case No. 15-CV-80624.).

President Campos adjourned the meeting at 4:24 p.m. on Thursday, November 19, 2015.

\_\_\_\_\_Katrina L. Salazar, CPA, President

\_\_\_\_\_Michael M. Savoy, CPA, Secretary/  
Treasurer

Corey Riordan, Board Relations Analyst, and Patti Bowers, Executive Officer, CBA, prepared the CBA meeting minutes. If you have any questions, please call (916) 561-1718.