



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

**MINUTES OF THE**  
**January 21-22, 2016**  
**CBA MEETING**

Wyndham Irvine-Orange County Airport  
 17941 Von Karman Avenue  
 Irvine, CA 92614  
 Telephone: (949) 863-1999

Roll Call and Call to Order.

California Board of Accountancy (CBA) President Katrina Salazar called the meeting to order at 1:31 p.m. on Thursday, January 21, 2016 at the Wyndham Irvine-Orange County Airport. The CBA convened into closed session from 3:29 p.m. until 5:03 p.m. The CBA reconvened into open session on Friday, January 22, 2016 at 9:01 a.m. President Salazar adjourned the meeting at 11:27 a.m.

CBA Members

January 21, 2016

Katrina Salazar, CPA, President	1:31 p.m. to 5:03 p.m.
Alicia Berhow, Vice-President	1:31 p.m. to 5:03 p.m.
Michael Savoy, CPA, Secretary/Treasurer	1:31 p.m. to 5:03 p.m.
Jose Campos, CPA	1:31 p.m. to 5:03 p.m.
Herschel Elkins, Esq.	1:31 p.m. to 5:03 p.m.
George Famalett, CPA	1:31 p.m. to 5:03 p.m.
Laurence (Larry) Kaplan	1:31 p.m. to 5:03 p.m.
Kay Ko	1:31 p.m. to 5:03 p.m.
Leslie LaManna, CPA	1:31 p.m. to 5:03 p.m.
Xochitl León	1:31 p.m. to 5:03 p.m.
Jian Ou-Yang, CPA	1:31 p.m. to 5:03 p.m.
Deidre Robinson	Absent
Mark Silverman, Esq.	1:31 p.m. to 5:03 p.m.
Kathleen Wright, CPA	1:31 p.m. to 5:03 p.m.

CBA Members

January 22, 2016

Katrina Salazar, CPA, President	9:01 a.m. to 11:27 a.m.
Alicia Berhow, Vice-President	9:01 a.m. to 11:27 a.m.
Michael Savoy, CPA, Secretary/Treasurer	9:01 a.m. to 11:27 a.m.
Jose Campos, CPA	9:01 a.m. to 11:27 a.m.
Herschel Elkins, Esq.	9:01 a.m. to 11:27 a.m.
George Famalett, CPA	9:01 a.m. to 11:27 a.m.
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Jian Ou-Yang, CPA	9:01 a.m. to 11:27 a.m.
Deidre Robinson	Absent
Mark Silverman, Esq.	9:01 a.m. to 11:27 a.m.
Kathleen Wright, CPA	9:01 a.m. to 11:27 a.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Rich Andres, Information Technology Staff  
Angela Crawford, Business Relations Analyst  
Dominic Franzella, Chief, Enforcement Division  
Nooshin Movassaghi, Legislative Analyst  
Dorothy Osgood, Enforcement Supervising ICPA  
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, Chair, Enforcement Advisory Committee  
Robert Ruehl, CPA, Chair, Qualifications Committee

Other Participants

Jim Brackens, CPA, CGMA, Vice-President of Ethics and Practice Quality,  
American Institute of Certified Public Accountants (AICPA)  
Maria Caldwell, Esq., Chief Legal Officer and Director of Compliance  
Services, National Association of State Boards of Accountancy (NASBA)  
John Moorlach, Senator, 37th California Senate District  
Lance Christensen, Senior Policy Director, Senator John Moorlach's Office  
Jason Fox, California Society of Certified Public Accountants  
Stacey Grooms, Regulatory Affairs Manager, NASBA

Shelly Jones, Manager, DCA  
Pilar Oñate-Quintana, The Oñate Group  
Jon Ross, KP Public Affairs

I. Presentation Regarding Assessing the Quality of Employee Benefit Plan Audits.

A. Ian Dingwall, CPA, Chief Accountant, United States Department of Labor.

There was no report on this agenda item.

B. Jim Brackens, CPA CGMA, Vice-President of Ethics and Practice Quality, American Institute of Certified Public Accountants.

C. Maria Caldwell, Esq., Chief Legal Officer and Director of Compliance Services, National Association of State Boards of Accountancy.

Mr. Brackens reviewed AICPA's 6-point plan to improve audits, including pre-licensure, standards and ethics, certified public accountant (CPA) learning and support, peer review, practice monitoring, and enforcement. Mr. Brackens provided an in depth review of the changes that will improve CPA learning and support, which will increase competency, and changes to improve peer review quality.

Ms. Caldwell provided an overview of NASBA's collaborative efforts with the AICPA, Department of Labor, CPA Firms, and Accountancy Boards to improve the quality of audits of employee benefit plans.

II. Closed Session.

A. Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy 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, 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.).

- III. Presentation from Senator John Moorlach, 37th California Senate District Regarding His Role, the Certified Public Accounting Profession, and Legislation.

Senator Moorlach provided the CBA with a presentation regarding his career in public accounting, as Orange County Treasurer-Tax Collector, and as the Senator of the 37<sup>th</sup> California Senate District.

- IV. Petition Hearings.

There was no report on this agenda item.

- V. Report of the President.

- A. Introduction of New California Board of Accountancy Member George Famalett.

President Salazar welcomed Mr. Famalett to the CBA.

- B. Report of the Leadership Roundtable Meeting Regarding the Leadership Responsibilities and the California Board of Accountancy Activities for 2016.

President Salazar provided an overview of the leadership roundtable meeting. She stated that the new leadership met with the CBA executive team to review the 2016 planned meeting topics, CBA program activities, and held a discussion of incorporating consumer protection related activities into CBA meetings. President Salazar stated that the CBA activities will include, providing increased educational presentation at the CBA meetings, increasing language assistance information on the CBA website, exploring the feasibility of conducting CBA meetings at college campuses, recommending that CBA members attend one investigative hearing, and increasing communications and outreach activities.

- C. Report of the January 21, 2016 Chair/Vice-Chair Training and Strategic Planning Committee Meeting.

President Salazar provided an overview of the agenda item. She stated that she relayed her expectation of the chairs and vice-chairs and Ms. Schieldge provided an overview of how to conduct a meeting in accordance with the Bagley-Keene Open Meeting Act. President Salazar thanked Vice-President Berhow and Secretary/Treasurer Savoy for attending and Ms. Schieldge for assisting in facilitating the meeting.

- D. Resolution for Retired California Board of Accountancy Members Sarah Anderson and Louise Kirkbride.

**It was moved by Mr. Elkins and seconded by Mr. Campos to approve the resolution for retired CBA member Sarah Anderson.**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

**It was moved by Ms. Berhow and seconded by Mr. Savoy to approve the resolution for retired CBA member Louise Kirkbride.**

**Yes: Ms. Berhow, Mr. Elkins, Mr. Famalett, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: Mr. Campos.**

**Abstain: Ms. León and Mr. Ou-Yang.**

**Absent: None.**

**The motion passed.**

- E. Resolution for Bruce C. Allen, California Society of CPAs, Government Relations Director.

**It was moved by Mr. Campos and seconded by Ms. Wright to approve the resolution for Bruce C. Allen, California Society of CPAs (CalCPA), Government Relations Director.**

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

**No: None.**

**Abstain: Mr. Elkins.**

**Absent: None.**

**The motion passed.**

- F. Resolution for Retired Enforcement Advisory Committee Member Mervyn McCulloch.

**It was moved by Mr. Elkins and seconded by Mr. Campos to approve the resolution for retired Enforcement Advisory Committee Member Mervyn McCulloch.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Famalett, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Mr. Ou-Yang.**

**The motion passed.**

- G. Exposure Draft Regarding Proposed Revisions to the American Institute of Certified Public Accountants/National Association of State Boards of Accountancy (NASBA) Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules (Retired Status).

Ms. Sanchez provided an overview the exposure draft's proposed revisions, which would increase uniformity for state boards of accountancy establishing a retired status license and protect consumers by instituting a requirement for retired status licensees to maintain competency. Ms. Sanchez compared the requirements established by the exposure draft to the CBA's regulations on retired status. She stated that the exposure draft identifies that the licensee must be age 55 in order to apply, whereas the CBA has no age requirement. The exposure draft allows for a licensee, who is competent, to perform volunteer tax services, participate in government-sponsored business mentoring programs, and serve on the board of a non-profit organization. CBA Regulations do not require retired licensees to maintain a report or affirm professional competency and it does not identify services a retiree can perform. Lastly, Ms. Sanchez noted that CBA Regulations also detail additional requirements that are not addressed in the exposure draft, including renewal and restoration requirements.

Ms. Wright stated that she did not agree with the proposed requirements in the exposure draft and that she believed that the requirements for retired status as outlined in the CBA Regulations are more appropriate.

Ms. Schieldge expressed her concern of including an age requirement, as it is unlawful to do so under the California Fair Employment and Housing Act.

Ms. Salazar suggested sending a separate communication stating the CBA's concern regarding the age requirement.

**It was moved by Mr. Campos and seconded by Ms. LaManna to approve the comment letter to the exposure draft with a modification to state there are differences in the proposed changes to the CBA Regulations and add an appendix with a comparison of the exposure draft requirements to CBA Regulations.**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

H. Discussion Regarding the Study of California's Attest Experience Requirement.

This agenda item was deferred to the March CBA meeting.

I. Discussion Regarding the Impact of the Proposed Changes to the American Institute of Certified Public Accountants Exposure Draft on Standards for Performing and Reporting on Peer Reviews, Improving Transparency and Effectiveness of Peer Review, November 10, 2015.

Mr. Franzella provided an overview of the agenda item. Mr. Franzella provided information regarding the CBA's peer review program, which protects consumers by ensuring the effectiveness of peer review. He stated that staff reviewed the proposed changes and determined that the changes do not have a direct impact on CBA Regulations.

**It was moved by Mr. Campos and seconded by Mr. Elkins to approve the proposed comment letter regarding the exposure draft.**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

- J. Developments Since the February 2015 United States Supreme Court Decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission.

Ms. Schiedge stated that the United States Judiciary Antitrust Subcommittee will be meeting on February 2, 2016 to discuss the issue in occupational licensing at the federal level.

- K. Discussion on the California Little Hoover Commission Hearing Regarding Occupational Licensing.

Mr. Stanley provided an overview of the agenda item. Mr. Stanley stated that the Little Hoover Commission (Commission) is an independent oversight agency that studies various topics that are brought to its attention by citizens, the Legislature, and other sources. He stated that that the CBA received a letter from the Commission regarding public hearings related to its current study on occupational licensing. He noted that the focus of the study will be on the impact of occupational licensing on the upward mobility and opportunities for entrepreneurship and innovation for Californians, the connection between licensing and the underground economy, and will examine the balance between protecting consumers and the ability for Californians to enter their chosen occupation. Mr. Stanley stated that DCA Director Awet Kidane was invited to speak at the March hearing and though the CBA was not invited to speak, a representative may choose to attend.

- L. Announcement of New Committee and Liaison Appointments.

There were no comments on this item.

- M. Department of Consumer Affairs Director's Report on Departmental Activities.

Ms. Jones provided the DCA Director's report on departmental activities. Ms. Jones stated that the second release of BreEZe was launched on January 19, 2016, which included adding seven boards and one bureau to the system. She noted that once the second release was stabilized, DCA would be performing a cost benefit analysis before transitioning

boards in phase three. Ms. Jones mentioned that DCA employees will be able to file their annual statement of economic interests electronically through NetFile, a web-based system. Ms. Jones stated that the Office of Human Resources began using a new system for recruitment and hiring process. Ms. Jones reminded members to complete the mandatory training. Lastly, she stated the DCA held six focus groups to discuss training for enforcement staff and it is expected that the new training curriculum will begin in July 2016.

VI. Report of the Vice-President.

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

There was no report on this agenda item.

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

There was no report on this agenda item.

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

There was no report on this agenda item.

VII. Report of the Governor's Budget.

A. Discussion of Governor's Budget.

Mr. Savoy provided an overview of the agenda item. Mr. Savoy stated that the Fiscal Year (FY) 2016-17 proposed budget is \$14,833,000, which is an increase over the current FY budget. Mr. Savoy stated that the primary changes in the proposed budget included, adjustments to retirement benefits and workers compensation benefits, pro-rata distributed costs, two additional administrative clerical staffing positions, and a decrease in expenditure authority resulting from the expiration of five limited-term Enforcement Division positions, including two investigative CPAs (ICPA), two analytical positions, and one clerical position. Mr. Savoy noted that future CBA budget reports will be revamped and will include the use of diagrams to better convey the CBA's financial status.

Mr. Elkins inquired if the CBA had a proposal to make the limited-term ICPA positions permanent.

Ms. Bowers stated that the CBA does not currently have a proposal.

VIII. Report of the Executive Officer.

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

Ms. Bowers stated that the office relocation is tentatively scheduled for April and staff is currently meeting with the contractors and building management every two weeks.

B. Update on Staffing.

Ms. Bowers stated that in FY 2014-15 the CBA received approval through the budget process for 17 positions in the Enforcement Division, with 11 positions classified as limited term, which will expire after two or three years unless made permanent through a subsequent budget process. Ms. Bowers stated that the positions set to expire include two ICPAs, which expire on June 30, 2016 and nine enforcement positions in the Criminal Offender Record Information Unit, which expire in June of 2016 and June 2017. She stated that the earliest date the CBA could receive a staffing augmentation through the budget process would be July 2017. She stated that due to the time frame, it was necessary to look internally to address the operational needs of enforcement. Ms. Bowers stated that 10 positions were identified to redirect to assist with the workload of enforcement.

Mr. Campos inquired if the CBA would be able to use outside resources to assist with the enforcement workload, given the limited resources in regards to the ICPA positions.

Ms. Bowers stated that the CBA is limited to contracting out to only work that is outside of the scope of knowledge or expertise of staff, as union contracts do not allow for contracting out work that staff is able to complete. She noted that the ICPA staff has a broad knowledge, however, the workload is more than current staff can handle.

C. Review and Approval of Proposed Changes to the California Board of Accountancy's Member Guidelines and Procedures Manual.

Ms. Pearce provided an overview of the agenda item. She highlighted the substantive revisions in the Guidelines and Procedures Manual (G&P Manual) and reviewed the proposed changes that were suggested by legal counsel.

**It was moved by Mr. Campos and seconded by Ms. LaManna to approve the changes to the G&P Manual and include a revision to Section D.2. to change the sentence to "All members are to attend**

**CBA meetings and consider volunteering to participate as CBA Liaison to at least one non-CBA member Committee...”**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

- D. Update on the California Board of Accountancy’s Communications and Outreach.

Mr. Stanley provided an update on the CBA’s Communications and Outreach. Mr. Stanley stated that the agenda item has a new look to highlight the importance of outreach and draw attention to individual components to the CBA’s outreach efforts. He noted that the CBA website is currently going through a redesign, which will be more user friendly. Mr. Stanley stated that President Salazar and staff attended various outreach events and the outreach efforts will continue to increase. Lastly, Mr. Stanley stated that LinkedIn has increased more rapidly than other social media outlets and staff have noticed an increasing engagement, due this change staff will be giving it more attention.

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

- A. Enforcement Advisory Committee.

1. Report of the December 10, 2015 Enforcement Advisory Committee Meeting.

Mr. Rosenbaum reported that the Enforcement Advisory Committee (EAC) reviewed 34 closed cases and conducted two investigative hearings. He thanked Mr. Jeffrey De Lyser for his contributions as past Chair and welcomed Ms. Nancy Corrigan as Vice-Chair to the EAC.

- B. Qualifications Committee.

1. Report of the January 20, 2016 Qualifications Committee Meeting.

Ms. Sanchez reported that the Qualifications Committee (QC) held an orientation for CBA Liaison, Alicia Berhow, and two new QC members. Ms. Sanchez thanked Ms. Berhow for her attendance. She reported that the QC conducted seven Section 69 reviews, of which six were approved.

C. Peer Review Oversight Committee (Robert Lee, Chair).

1. Report of the December 9, 2015 Peer Review Oversight Committee Meeting (Robert Lee).

Mr. Lee reported that members of the Peer Review Oversight Committee (PROC) welcomed their newest member, Ms. Renee Graves. He reported that members reviewed reports on various oversight activities, including the PROC's annual administrative site visits of CalCPA. He noted that the PROC also reviewed the 2015 PROC Annual Report, which will be presented to the CBA at its March CBA meeting,

X. Report of the Enforcement Chief.

A. Enforcement Activity Report.

Mr. Franzella provided an overview of the Enforcement Activity Report. He stated that the CBA received 1,052 complaints for FY 2015/16, of which 78 percent of the complaints were internal referrals. Mr. Franzella also noted that approximately 76 percent of the complaints are assigned for investigations. Mr. Franzella noted that there are currently 103 probationers and staff held 28 probation orientations through the first five months of FY 2015/16.

Mr. Elkins inquired if there is any significant reason why the median age of open cases has increased dramatically.

Mr. Franzella stated that staff will review the increase in the median age of cases.

XI. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Sanchez provided an overview of the agenda item. She noted that the report was revised to include new graph charts, which assist with the interpretation of the statistics. Ms. Sanchez noted that email communications increased in FY 2015/16. She stated that the licensing unit is continuing to meet the 30-day time frames. Ms. Sanchez stated

that the CBA accepted their first applicant for licensure using academia as experience.

## XII. Committee Reports.

### A. Committee on Professional Conduct.

1. Report of the January 21, 2016 Committee on Professional Conduct Meeting.
2. Review of the Exemption/Extension Options From the Continuing Education Requirements.

Ms. LaManna reported that staff provided information to the Committee on Professional Conduct (CPC) regarding the exemption/extension options from the continuing education (CE) requirements. She stated that CBA members have received inquiries from stakeholders regarding options available to licensees.

Ms. LaManna stated that the CBA offers exceptions for licensees that may be experiencing a hardship in completing the CE requirements, such as inactive license status, military waiver, and military inactive status. She stated that exemptions must fall under the following categories, health, military service, and other good cause.

Ms. LaManna stated that licensees are allowed an extension of time, up to six months, to complete the Government Auditing or Accounting and Auditing and Fraud CE requirement. However, licensees must have become subject to the requirement in the last six months of their two-year renewal period and must have completed the required 80 hours of CE. She noted that licensees, granted extension have full practice rights during the extension period. Ms. LaManna stated that licensees may also choose to renew their license in inactive status, at which time licensees may not practice public accountancy. She noted that licensees may convert to active status upon completion of their CE.

Ms. LaManna stated that staff reviewed the exemption/extension requirements of other DCA boards and bureaus, as well other state boards of accountancy, and found that each had a program which addressed exemptions, extensions, or both, related to CE requirements. Lastly, Ms. LaManna stated that licensees discharged from active duty, must comply with all CE and peer review reporting requirements prior to returning to active status.

Mr. Elkins stated that the CPC asked staff to review and clarify Nevada's exemption for licensees with foreign residency.

3. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Sections 80.1, 80.2, 87, and 87.1 – Continuing Education for Providing Preparation Engagements.

Ms. LaManna reported that the CPC discussed the proposed regulatory language changes to accommodate the Statement on Standards for Accounting and Review Services provisions regarding requirements for licensees who only provide preparation engagements. She stated that the proposed language includes the CE requirements of eight hours for accounting and auditing and four hours of fraud.

**The CPC recommended that the CBA direct staff to take all necessary steps to initiate the formal rulemaking process to adopt the proposed amendments to these sections as discussed and provided in the agenda attachment, authorize the Executive Office to make any non-substantive changes to the rulemaking package, and set the proposed regulations for a hearing.**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

#### B. Legislative Committee.

1. Report of the January 21, 2016 Legislative Committee Meeting.
2. Overview of the California Legislative and Regulatory Process and the Legislative Committee's Role.

Mr. Kaplan reported that staff provided an overview of the legislative process, considerations for taking positions on legislation, and an overview of the regulatory process.

3. Update on Previously Approved Legislative Proposals Regarding Ethics Study Requirement and Expedited Rulemaking Authority for Practice Privilege Program.

Mr. Kaplan reported that staff provided an update on the two previously approved legislative proposals for inclusion in the 2016 annual omnibus bill. He stated that the first proposal included added flexibility to the CBA's ethics study requirement by moving away from a course title requirement to a subject area requirement and the second proposal would provide statutory authority for the CBA to undertake an emergency rulemaking should it be necessary to remove a state from the no notice, no fee, practice privilege program. Mr. Kaplan reported that both proposals were submitted to the Senate Business Professions, and Economic Development Committee in January in the annual omnibus bill.

### C. Mobility Stakeholder Group.

1. Report of the January 21, 2016 Mobility Stakeholder Group Meeting.
2. Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

There were no comments on this item.

3. Timeline for Activities Regarding Determinations to be Made Pursuant to Business and Professions Code Section 5096.21.

There were no comments on this item.

4. Review and Possible Approval of the 2015 Mobility Stakeholder Group Annual Report.

Mr. Campos reported that the Mobility Stakeholder Group (MSG) reviewed the 2015 MSG Annual Report and delegated the authority to the Chair to approve the final version of the report.

5. Overview of the Findings of the National Association of State Boards of Accountancy Related to Business and Professions Code Section 5096.21(c).

Mr. Campos reported that the MSG reviewed NASBA's initial analysis of states' substantial equivalency. He stated that the initial analysis identified 27 states as substantially equivalent and which posted disciplinary history on the internet and an additional 10 states as substantially equivalent but did not post disciplinary history on the internet. Mr. Campos noted that substantial equivalency has not been identified for the remaining 18 states. Mr. Campos reported after review of NASBA's analysis, the MSG deferred any action until a future meeting.

6. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Mr. Campos reported that there are five states, Delaware, Hawaii, Michigan, Utah, and Wisconsin that are not yet participating in the Accountancy Licensing Database and CPAVerify.

7. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

Mr. Campos reported that staff proposed adding a topic that would focus on the progress made regarding the comparison of other states' enforcement programs to the NASBA Enforcement Guidelines.

XIII. Acceptance of Minutes.

- A. Draft Minutes of the November 19-20, 2015 California Board of Accountancy Meeting.
- B. Minutes of the November 19, 2015 Committee on Professional Conduct Meeting.
- C. Minutes of the July 23, 2015 Legislative Committee Meeting.
- D. Minutes of the September 17, 2015 Mobility Stakeholder Group Meeting.
- E. Minutes of the October 22, 2015 Enforcement Advisory Committee Meeting.
- F. Minutes of the October 21, 2015 Qualifications Committee Meeting.
- G. Minutes of the August 21, 2015 Peer Review Oversight Meeting.

**It was moved by Mr. Silverman and seconded by Ms. Berhow to approve agenda item XIII.F. with the revision on page 2205 section 15-042 to strike private industry experience and replace it with public accounting experience**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

**It was moved by Mr. Silverman and seconded by Ms. Berhow to approved agenda items XIII.A-XIII.E and XIII.G.**

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

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

XIV. Other Business.

A. American Institute of Certified Public Accountants.

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

There was no report on this agenda item.

B. National Association of State Boards of Accountancy.

1. Report on Public Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Representative.

There was no report on this agenda item.

XV. Closing Business.

A. Public Comments.

There were no comments on this item.

B. Agenda Items for Future California Board of Accountancy Meetings.

Ms. Bowers provided a list of future agenda and outreach items, including the impact of the new educational requirements on workload, progress by NASBA and further research for auditing NASBA's analysis, highlighting

the difference between financial statements versus compilations, clarification of CE, and assistance for low income earners.

C. Press Release Focus.

Mr. Stanley suggested a press release regarding the guest speakers.

President Salazar adjourned the meeting at 11:27 a.m. on Friday, January 22, 2016.

\_\_\_\_\_ 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.