

**State of California  
Office of Administrative Law**

**In re:**  
**Board of Accountancy**

**Regulatory Action:**

**Title 16, California Code of Regulations**

**Amend sections: 39, 48.3, 70**

**NOTICE OF APPROVAL OF CHANGES  
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,  
Section 100**

**OAL Matter Number: 2024-0228-01**

**OAL Matter Type: Nonsubstantive (N)**

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In this action without regulatory effect, the Board of Accountancy proposes to update peer review terminology and fees to align to recent updates to Business Professions Code sections 5076 and 5134.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

Date: April 9, 2024



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Ashita Mohandas  
Attorney

For: Kenneth J. Pogue  
Director

Original: Patti Bowers, Executive Officer

Copy: Diana Godines

**NONSUBSTANTIVE**

For use by Secretary of State Only

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2024-0228-01N</b>	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Board of Accountancy			AGENCY FILE NUMBER (If any)

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California**APR 09 2024****1:56 Pm**OFFICE OF ADMIN. LAW  
2024 FEB 29 AM 8:44**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) Peer Review Terminology and Outdated Fee Provisions	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.) 16	ADOPT AMEND 39, 48.3, and 70 REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	
<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	
<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____	
<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100 )	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input checked="" type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Diana Godines	TELEPHONE NUMBER (279) 226-4599
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) diana.godines@cba.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

*Dominic Franzella*

DATE

February 27, 2023

TYPED NAME AND TITLE OF SIGNATORY

Dominic Franzella, Executive Officer, California Board of Accountancy

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED****APR 09 2024****Office of Administrative Law**

DEPARTMENT OF CONSUMER AFFAIRS  
BOARD OF ACCOUNTANCY

TITLE 16, CALIFORNIA CODE OF REGULATIONS SECTIONS 39, 48.3, AND 70  
SECTION 100 CHANGE WITHOUT REGULATORY EFFECT

PROPOSED TEXT  
PEER REVIEW TERMINOLOGY AND OUTDATED FEE PROVISIONS

<b>Legend:</b>	Added text is indicated with an <u>underline</u> . Omitted text is indicated by (* * * *) Deleted text is indicated by <del>strikeout</del> .
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Amend Section 39 of Article 6 of Division 1 of Title 16 of the California Code of Regulations to read as follows:

**§39. Definitions.**

The following definitions shall apply to Article 6 -- Peer Review:

- (a) Accounting and Auditing Practice: Any services that are performed using the following professional standards: Statements on Auditing Standards (SASs), Statements on Standards for Accounting and Review Services (SSARS), Statements on Standards on Attestation Engagements (SSAEs), Government Auditing Standards, and audits of non-Security Exchange Commission (SEC) issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB).
- (b) Peer Review Report: A report issued to the peer reviewed firm which documents the findings and conclusions reached by a qualified peer reviewer and issued in accordance with Section 48(b) of this Article.
- (c) Pass Peer Review Report: A report issued to the peer reviewed firm in accordance with either Section 48(b)(1)(A) or 48(b)(2)(A) of this Article.
- (d) Pass With Deficiencies Peer Review Report: A report issued to the peer reviewed firm in accordance with either Section 48(b)(1)(B) or 48(b)(2)(B) of this Article.
- (e) ~~Substandard~~ Fail Peer Review Report: A report issued to the peer reviewed firm under either Section 48(b)(1)(C) or 48(b)(2)(C) of this Article.
- (f) Peer Reviewer: A certified public accountant holding a valid and active license to practice public accounting in good standing issued by this state or some other state who (1) maintains a currency of knowledge in professional standards governing accounting and auditing engagements, (2) meets the qualifications of Section 48(c) of this Article, and (3) is unaffiliated with the firm being reviewed.
- (g) Peer Review Team: One or more individuals who collectively conduct a peer review, at least one of whom is a qualified peer reviewer.

NOTE: Authority cited: Sections 5010 and 5076, Business and Professions Code.  
Reference: Section 5076, Business and Professions Code.

**Amend Section 48.3 of Article 6 of Division 1 of Title 16 of the California Code of Regulations to read as follows:**

**§48.3. Board-Recognized Peer Review Program Provider Reporting Responsibilities.**

(a) Upon request of the Board or Peer Review Oversight Committee, a Board-recognized peer review program provider shall make available, at a minimum, the following:

- (1) Standards, procedures, guidelines, training materials, and similar documents prepared for the use of reviewers and reviewed firms.
- (2) Information concerning the extent to which the Board-recognized peer review program provider has reviewed the quality of reviewers' working papers in connection with the acceptance of reviews.
- (3) Statistical data maintained by the Board-recognized peer review program provider related to its role in the administration of peer reviews.
- (4) Information concerning the extent to which the Board-recognized peer review program provider has reviewed the qualifications of its reviewers.
- (5) Sufficient documents to conduct sample reviews of peer reviews accepted by the Board-recognized peer review program provider. These may include, but are not limited to, the report; reviewer working papers prepared or reviewed by the Board-recognized peer review program's peer review committee in association with the acceptance of the review; and materials concerning the acceptance of the review, including, but not limited to, the imposition of required remedial or corrective actions; the monitoring procedures applied; and the results.

(b) A Board-recognized peer review program provider shall provide the Board, in writing or electronically, the name of any California-licensed firm expelled from the peer review program and provide the reason(s) for expulsion. The Board-recognized peer review program provider shall submit this information to the Board within 30 days of notifying the firm of its expulsion.

(1) Nothing in this subsection shall require a Board-recognized peer review program provider, when administering peer reviews in another state, to violate the laws of that state.

(c) A Board-recognized peer review program provider shall provide the Board, in writing or electronically, a copy of all ~~standard~~ peer review reports with a rating of fail issued to California-licensed firms within 60 days from the time the report is accepted by the Board-recognized peer review program provider.

NOTE: Authority cited: Sections 5010, 5076 and 5076.1, Business and Professions Code. Reference: Sections 5076 and 5076.1, Business and Professions Code.

**Amend Section 70 of Article 10 of Division 1 of Title 16 of the California Code of Regulations to read as follows:**

**§70. Fees.**

(a) The application fee for the computer-based Uniform Certified Public Accountant

Examination shall be \$100 for issuance of the Authorization to Test to first-time applicants and \$50 for issuance of the Authorization to Test to repeat applicants.

(b) The application fee for issuance of a certified public accountant certificate shall be \$250.

(c) The application fee for registration as a partnership or as a corporation, including registration under a new name as a partnership or as a corporation, shall be ~~\$450~~\$250.

(d) ~~(1) After June 30, 2024, the fee for the initial permit to practice as a partnership, or a corporation shall be \$400, and the fee for initial permit to practice as a certified public accountant shall be \$280~~(1) After June 30, 2024, the fee for the initial permit to practice as a partnership, or a corporation shall be \$400, and the fee for initial permit to practice as a certified public accountant shall be \$340. This subdivision shall be operative until June 30, 2026.

(2) After June 30, 2026, the fee for the initial permit to practice as a partnership or a corporation shall be \$520, and the fee for initial permit to practice as a certified public accountant shall be \$400.

(e) ~~(1) For permits expiring after June 30, 2024, the fee for renewal of a permit to practice as a partnership, or a corporation shall be \$400, and the fee for renewal to practice as a public accountant, or a certified public accountant shall be \$280~~(1) For permits expiring after June 30, 2024, the fee for renewal of a permit to practice as a partnership, or a corporation shall be \$400, and the fee for renewal to practice as a public accountant, or a certified public accountant shall be \$340. This subdivision shall be operative until June 30, 2026.

(2) For permits expiring after June 30, 2026, the fee for renewal to practice as a partnership or a corporation shall be \$520, and the fee for renewal to practice as a public accountant or a certified public accountant shall be \$400.

(f) The fee for the processing and issuance of a duplicate copy of a certificate of licensure or registration shall be \$10.

(g) The fee for processing and issuance of a duplicate copy of a registration, or permit or other form evidencing licensure or renewal of licensure shall be \$2.

~~(h)(1) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 with an authorization to sign attest reports shall be \$100.~~

~~(2) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 without an authorization to sign attest reports shall be \$50.~~

~~(3) This subsection shall be inoperative until January 1, 2019.~~

~~(i)(1) The fee to be charged a licensee for submission of an application for a license in a retired status pursuant to Section 15.1 shall be \$75.~~

~~(2) The fee to restore a license from a retired status to an active status shall be \$50.~~

NOTE: Authority cited: Sections 5010 and 5134, Business and Professions Code.  
Reference: Sections 122, 163, 5070.1, 5096, 5130, 5131 and 5134, Business and Professions Code.