



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
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DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY

QUALIFICATIONS COMMITTEE
MEETING NOTICE & AGENDA

Wednesday, January 20, 2016
11:00 a.m. – 5:00 p.m.

Hilton Irvine/Orange County Airport
18800 MacArthur Boulevard
Irvine, CA 92612
Telephone: (949) 833-9999
Facsimile: (949) 833-3317

Important Notice to the Public

All times indicated, other than those identified as “time certain,” are approximate and subject to change. Agenda items may be discussed and action taken out of order at the discretion of the committee Chair. The meeting may be cancelled without notice. For verification of the meeting, call (916) 263-3680 or access the California Board of Accountancy website at www.cba.ca.gov.

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks
(**Jenny Bolsky, Chair**).

- I. Chairperson’s Report (**Jenny Bolsky**).
 - A. Approval of the October 21, 2015, Qualifications Committee Minutes.
- II. Report of the California Board of Accountancy Liaison (**Alicia Berhow, California Board of Accountancy Member**).
 - A. Report on the November 19, 2015, California Board of Accountancy Meeting.
- III. Report on Activities for the Initial Licensing Unit (**Veronica Daniel, Licensing Manager**).
- IV. Public Comments.*
Break.
- V. Conduct Closed Hearings** [The Qualifications Committee will meet in closed session as authorized by Government Code sections 11126(c)(2) and (f)(3), and Business and Professions Code section 5023 to conduct closed hearings to interview individual applicants for Certified Public Accountant licensure.]
Adjournment.

**Action may be taken on any item on the agenda. The time and order of agenda items, including closed session, are subject to change at the discretion of the committee Chair and may be taken out of order.

In accordance with the Bagley-Keene Open Meeting Act, all meetings of the California Board of Accountancy are open to the public.

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

The meeting is accessible to individuals with physical disabilities. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Janet Zimmer at (916) 561-1756, or by email at janet.zimmer@cba.ca.gov, or send a written request to the California Board of Accountancy Office at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.

For further information regarding this meeting, please contact:

Janet Zimmer, Licensing Coordinator
(916) 561-1756 or janet.zimmer@cba.ca.gov

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**QC Item I.A.**

January 20, 2016

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

**MINUTES OF THE
 October 21, 2015
 QUALIFICATIONS COMMITTEE (QC) MEETING**

California Board of Accountancy Office
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815
 Telephone: (916) 263-3680

The regularly scheduled meeting of the QC was called to order at 10:34 a.m. on October 21, 2015, by QC Chair, Robert Ruehl.

QC Members

Robert Ruehl, CPA, Chair
 Jenny Bolsky, CPA, Vice-Chair
 Eric Borigini, CPA – Absent
 Saboohi Currim, CPA – Absent
 David Evans, CPA – Absent
 Christine Gagnon, CPA
 Tracy Garone, CPA
 Kristian George, CPA
 Chuck Hester, CPA
 Casandra Moore Hudnall, CPA
 Jose Palma, CPA
 David Papotta, CPA
 Nasi Raissian, CPA
 Kimberly Sugiyama, CPA – Absent

CBA Members

Kathleen Wright, CPA, CBA Member, QC Liaison (Northern California)
 Katrina Salazar, CPA, CBA Member

CBA Staff

Patti Bowers, Executive Officer
 Deanne Pearce, Assistant Executive Officer

Veronica Daniel, Licensing Manager
Ben Simcox, Licensing Coordinator
Janet Zimmer, Licensing Coordinator

I. Chairperson's Report.

Mr. Ruehl welcomed the QC Members and CBA members Katrina Salazar and Kathleen Wright to the meeting.

Mr. Ruehl announced that Erin Sacco Pineda and Jeremy Smith have resigned from the Qualifications Committee. Mr. Ruehl stated that he and Ms. Bolsky have been conducting interviews to fill these vacancies.

A. Approval of the July 29, 2015 QC Meeting Minutes.

It was moved by Ms. Bolsky and seconded by Mr. Hester to approve the minutes of the July 29, 2015 QC Meeting.

Yes: Mr. Ruehl, Ms. Bolsky, Ms. Gagnon, Ms. Garone, Ms. George, Mr. Hester, Ms. Moore Hudnall, Mr. Palma and Mr. Papotta.

No: None.

Abstain: Ms. Raissian.

Absent: None.

II. Report of the CBA Liaison.

A. Report on the September 17-18, 2015 CBA Meeting.

Ms. Wright provided a report for this item.

During the September CBA meeting, the CBA announced that the annual officer elections will take place at the November CBA meeting, which will be held on November 19, 2015 in Pasadena.

The CBA approved a comment letter in response to the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Continuing Professional Education Programs Exposure Draft. The proposed changes include the addition of nano-learning and blended learning. The CBA's comment letter states that the CBA is in support of the exploration of all forms of learning and new methodologies to benefit its licensees.

The CBA's Annual Report for Fiscal Year 2014-15 and the 2016-18 Strategic Plan were approved and can be viewed on the CBA's website.

The CBA took a support position on Assembly Bill (AB) 181, which was amended to include three provisions previously in Senate Bill (SB) 799, which was supported by the CBA. Since the September meeting, AB 181 was signed, as well as SB 467, the CBA's sunset review bill. Some of the provisions include:

- A legislative change to further clarify restoration requirements for licenses canceled pursuant to Business and Professions Code (BPC) section 5070.7 that were later placed into retired status.
- A change to recast and strengthen the requirements for out-of-state license from "valid and unrevoked" to mean "current, active, and unrestricted".
- Proposed language that clarifies that those authorized to practice with a practice privilege may use the Certified Public Accountant (CPA) designation in California.

The 2016 QC meeting dates were approved and the calendar on the CBA website has been updated to include these dates.

The CBA directed staff to initiate a rulemaking to amend CBA Regulations section 9.1 regarding foreign credential evaluation services. The proposed changes will strengthen the approval process of such services.

The CBA discussed the impact of the AICPA Statement on Standards for Accounting and Review Services No. 21, also known as SSARS 21. The CBA determined that additional information was needed, which will be provided at the November CBA meeting.

The CBA explored methods to identify sole proprietorships. It was determined that the CBA should track sole proprietorships and staff were directed to draft regulatory language for consideration at a future CBA meeting.

Lastly, the CBA directed staff to proceed with the legislative process to amend BPC section 5096.21(a) to provide for emergency regulations to remove states from the no notice, no fee practice privilege program. The CBA is required to make a determination as to whether allowing a certain state's licensees to practice in California, under a practice privilege, violates the CBA's duty to protect the public, and to remove states from the program if necessary.

III. Report on the Activities of the Initial Licensing Unit (ILU).

Ms. Daniel provided the licensing statistics through September 30, 2015. Ms. Daniel noted that the current processing time for individual CPA applicants is 24 days. Ms. Daniel noted that 4 staff vacancies have been filled in the ILU. Ms. Daniel stated that the ILU staff is currently working on the testing phase of the attest study which is set to close on October 31, 2015. As of today 9,529 participants have taken part in the attest study and the initial results will be made available at the November CBA meeting. Ms. Daniel stated that Pathway 1 and Pathway 2 will be expiring on December 31, 2015 and that the CBA continues its outreach efforts to all affected applicants.

IV. Public Comment for Items Not on the Agenda.

None.

V. CONDUCT CLOSED HEARINGS [Closed session in accordance with Government Code section 11126(c)(2) and (f)(3), and Business and Professions Code section 5023 to interview individual applicants for CPA licensure.]

C15-028 – The applicant and her employer appeared and presented work papers from her government accounting experience. She has 65 months of experience, with a 12-month experience requirement. She is currently licensed with general accounting experience.

The employer has an adequate understanding of the Certificate of Attest Experience (CAE). The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C15-029 – The applicant appeared and presented work papers from his private industry accounting experience. He has 12 months of experience, with a 12-month experience requirement.

The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C15-030 – The applicant appeared due to a family relationship and presented work papers from his public accounting experience. He has 12 months of experience, with a 12-month experience requirement.

The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure.

Recommendation: Approve.

C15-031 – The applicant and her employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 31 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

C15-032 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 20 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

C15-033 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 32 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

C15-034 – The applicant and her employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 32 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

C15-035 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 14 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and was inadequate to support attest licensure for the applicant. The employer has been placed on reappearance status.

Recommendation: Defer.

C15-036 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 83 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

C15-037 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 74 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed by the applicant was reviewed and no deficiencies were noted. The work was adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Approve.

The following Section 69 reviews took place on October 28, 2015, and are made a part of these minutes.

C15-038 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. He has 18 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate and the CAE was accurately prepared. The work performed by the applicant was reviewed and was adequate to support attest licensure for the applicant.

Recommendation: Approve.

C15-039 – The applicant and her employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 20 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate and the CAE was accurately prepared. The work performed by the applicant was reviewed and was adequate to support attest licensure for the applicant.

Recommendation: Approve.

C15-040 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. The applicant has 20 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate and the CAE was accurately prepared. The work performed by the applicant was reviewed and was adequate to support attest licensure for the applicant.

Recommendation: Approve.

C15-041 – The applicant and her employer appeared due to a family relationship and presented work papers from her public accounting experience. The applicant has 20 months of experience, with a 12-month experience requirement.

The employer's understanding of the CAE was adequate and the CAE was accurately prepared. The work performed by the applicant was reviewed and was adequate to support attest licensure for the applicant.

Recommendation: Approve.

C15-042 – The applicant appeared and presented work papers from his private industry accounting experience. He has 34 months of experience, with a 24-month experience requirement.

The work performed by the applicant was reviewed and was inadequate to support licensure.

Recommendation: Defer.

Adjournment.

There being no further business to be conducted, the meeting was adjourned at approximately 4:50 p.m. on October 21, 2015. The next meeting of the QC will be held on January 20, 2015 in Southern California.

Robert Ruehl, CPA, Chair

Prepared by: Ben Simcox, ILU Coordinator

**California Board of Accountancy
Report on the Activities for the Initial Licensing Unit
As of November 30, 2015**

Initial Licensing Unit Statistics

Individual License Applications	FY 2013/14	FY 2014/15	FY 2015/16 5 Months of Data
CPA Licensure Applications Received by Type			
Type A	3,819	2,417	1,240
Type B	219	168	106
Type C	473	503	276
Type D	52	44	16
Type E	37	26	11
Total Received	4,600	3,158	1,649
Total Approved	4,906	2,682	1,274
Average Days to Process	24	24	23
Method of Licensure			
Pathway 1 – attest	522	182	37
Pathway 1 – general	824	272	108
Pathway 2 – with attest	928	320	98
Pathway 2 – without attest	2,560	921	320
New Requirements – attest	17	245	181
New Requirements – general	55	742	566

Firm License Applications	FY 2013/14	FY 2014/15	FY 2015/16 5 Months of Data
Corporation			
Total Received	210	272	111
Total Approved	200	208	93
Average Days to Process	17	16	11

California Board of Accountancy
Report on the Activities for the Initial Licensing Unit
As of November 30, 2015

Firm License Applications (cont.)	FY 2013/14	FY 2014/15	FY 2015/16 5 Months of Data
Partnership			
Total Received	91	92	42
Total Approved	92	76	32
Average Days to Process	17	16	11
Fictitious Name Permit			
Total Received	183	120	55
Total Approved	139	87	33
Average Days to Process	17	16	11

Customer Service	FY 2013/14	FY 2014/15	FY 2015/16 5 Months of Data
Telephone Calls Received	27,889	22,993	10,887
Emails Received	14,098	14,160	7,624
Certifications			
Total Received	1,039	1,051	437
Total Processed	972	1,042	403
Average Days to Process	22	20	21

Initial Licensing Unit Highlights

- The Initial Licensing Unit (ILU) recently filled its Seasonal Clerk position.
- ILU staff recently updated contents on the CBA website to reference acceptance of academia experience toward CPA licensure and the expiration of previous pathways, both of which took effect January 1, 2016.