



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

**MINUTES OF THE**  
**JULY 21, 2011**  
**CBA MEETING**

The Hilton Pasadena  
 168 South Los Robles Ave.  
 Pasadena, CA 91101  
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Roll Call and Call to Order.

President Sally Anderson called the meeting to order at 9:44 a.m. on Thursday, July 21, 2011 at the Hilton Pasadena. The meeting adjourned at 3:36 p.m.

CBA Members

Sarah (Sally) Anderson, President	9:44 a.m. to 3:36 p.m.
Marshal Oldman, Vice President	9:44 a.m. to 3:36 p.m.
Leslie LaManna, Secretary-Treasurer	9:44 a.m. to 3:36 p.m.
Diana Bell	Absent.
Alicia Berhow	9:44 a.m. to 3:25 p.m.
Michelle Brough	9:44 a.m. to 3:36 p.m.
Donald Driftmier	9:44 a.m. to 3:36 p.m.
Herschel Elkins	9:44 a.m. to 3:36 p.m.
Laurence (Larry) Kaplan	9:44 a.m. to 3:36 p.m.
Louise Kirkbride	9:44 a.m. to 3:36 p.m.
Kitak (K.T.) Leung	9:44 a.m. to 3:36 p.m.
Manuel Ramirez	9:44 a.m. to 3:36 p.m.
Michael Savoy	9:44 a.m. to 3:36 p.m.
David Swartz	9:44 a.m. to 3:36 p.m.
Lenora Taylor	9:44 a.m. to 3:36 p.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer  
 Dan Rich, Assistant Executive Officer  
 Rich Andres, Information Technology Staff

Veronica Daniel, Board Relations Analyst  
Paul Fisher, Supervising Investigative CPA  
Dominic Franzella, Manager, Licensing Division  
Rafael Ixta, Chief, Enforcement Division  
Deanne Pearce, Chief, Licensing Division  
Kristy Shellans, Legal Counsel, Department of Consumer Affairs (DCA)  
Carl Sonne, Deputy Attorney General, Department of Justice  
Matthew Stanley, Legislation/Regulation Analyst

### Committee Chairs and Members

Nancy Corrigan, Chair, Peer Review Oversight Committee (PROC)  
Ruben Davila, Chair, Accounting Education Committee (AEC)  
Cheryl Gerhardt, Chair, Enforcement Advisory Committee (EAC)

### Other Participants

Seung Choe, CPA  
Kenny Denny, National Association of State Boards of Accountancy  
Ellen Glazerman, Ernst and Young  
Marsha Hinkley, KPMG  
Ed Howard, Center for Public Interest Law  
Kent Krehl, CPA  
Pilar Onate-Quintana, KP Public Affairs  
Joseph Petito, The Accountants Coalition  
Becky Scanlan, Deloitte  
Hal Schultz, California Society of Certified Public Accountants (CalCPA)  
Kathy Shoztic, Deloitte  
Jeannie Tindel, CalCPA  
Malcolm Wright, CPA

#### I. Report of the President.

Presentation on CPAVerify.

Mr. Denny stated that CPAVerify (developed by NASBA) is a central repository of CPA licensee information for consumer use. Mr. Denny stated that 20 states currently participate in the program. Mr. Denny then provided a visual overview of the CPAVerify Web site. Mr. Denny further stated that CPAVerify is scheduled to go live to the public in August 2011.

Ms. Kirkbride stated that the terminology “none provided” reflected next to the disciplinary action field may be confusing to consumers as it is unclear whether this means there is no disciplinary action against a licensee, or that the state has not provided such information. Mr. Denny stated that NASBA is working to differentiate between the two prior to the site being launched.

Ms. Bowers stated that the CPAVerify system is in its final stages of being

developed and that there is still opportunity for the CBA to provide comments or suggestions for improvements.

Ms. Kirkbride suggested implementing a one-stop-shop format to immediately inform consumers that there is action against a licensee.

Ms. Anderson stated that in her opinion, CPAVerify has come a long way and provides enough information for consumers to make an informed decision on whether to hire a licensee.

Mr. Elkins suggested an asterisk be added to the initial results screen to advise consumers that there is action against a licensee. Ms. Bowers stated that the current format is a result of compromise as NASBA could not get all states to agree to disclose such information.

Ms. Brough suggested definitions be established for the terms “none provided” and “contact state board.” Mr. Denny stated at this time, definitions are not provided on the site. Mr. Denny further stated that he would bring this suggestion along with all others back to NASBA for review.

Mr. Howard stated that the title “CPAVerify” may be misleading to consumers as it applies trust and accuracy of information.

Ms. Anderson thanked Mr. Denny for his presentation and acknowledged NASBA for its efforts with CPAVerify.

## II. Report of the Vice President.

### A. Recommendation for Appointments to the Enforcement Advisory Committee (EAC).

**It was moved by Mr. Driftmier, seconded by Ms. Taylor and unanimously carried by those present to accept the recommendation to appoint Mervyn J. McCulloch and K. Jeffrey De Lyser to the EAC.**

### B. Recommendation for Appointments to the Qualifications Committee (QC).

There was no report for this item.

### C. Resolution for Retiring QC Member, Bobbie Hales.

**It was moved by Ms. Taylor, seconded by Mr. Swartz and unanimously carried by those present to adopt the resolution for retiring QC member, Bobbie Hales.**

## III. Report of the Secretary/Treasurer.

Discussion of Governor's Budget.

Ms. LaManna provided an overview of agenda item III. **(see Attachment 1)**.

Mr. Swartz inquired if the state was current in interest payments on the outstanding loans. Mr. Rich stated that interest payments are being made into the CBA's account and shows up as revenue on an annual basis.

Mr. Ramirez inquired whether it was unconstitutional for there to be no repayment dates on loans to the General Fund. Mr. Ramirez stated that it was his recollection that this issue was highlighted in litigation involving the California Medical Association. Mr. Ramirez requested that legal counsel review the case and provide follow up regarding the outcome.

IV. Accounting Education Committee (AEC) and Ethics Education Committee (ECC) Reports.

A. Report of the June 7, 2011 AEC and ECC Joint Meeting.

Ms. Pearce provided an overview of the memorandum for this item, which included the purpose of the joint meeting **(see Attachment 2)**.

Mr. Ramirez stated that he was in agreement with Ms. Shellans' assessment in her legal opinion regarding the upper division course requirement to the CBA. Mr. Ramirez stated that upon establishment of the committee, the intention was that existing lower division education programs be included in the recommendation. Ms. Anderson concurred with Mr. Ramirez and stated that specific representatives were placed on the committee to ensure that community colleges were properly represented.

B. Discussion Regarding the Additional 30 Units of Education Required for CPA Licensure Beginning January 1, 2014.

1. History/Background Regarding the Requirement to Further Define the Additional 30 Units of Education.

Mr. Franzella provided an overview of the memorandum for this item **(see Attachment 3)**.

Ms. Anderson thanked Mr. Franzella for providing an excellent summary of this agenda item.

2. Report on the Development of and Recommendations for the 20 Units of Accounting Study.

Mr. Davila commended the efforts of the members of the AEC and CBA staff throughout the process and leading up to the committee's

recommendation.

Mr. Davila provided an overview of the memorandum for this item (**see Attachment 4**).

**It was moved by Mr. Elkins, seconded by Ms. Berhow and unanimously carried by those present to accept the AEC's proposal for the 20 units of accounting study, with exception of Recommendation # 1 regarding the upper division course requirement.**

Mr. Elkins stated the CBA should make a recommendation to the ECC to remove the upper division course requirement from its proposal as well.

Mr. Driftmier expressed his disappointment in the late discussions regarding upper division courses. Mr. Driftmier stated that the ECC will review such recommendation, and reminded the CBA that this matter needs to be addressed in an expeditious manner.

Mr. Davila stated he personally disagrees with the legal interpretation by Ms. Shellans, but that the way the requirement is currently set up, it would make sense to remove the upper division requirement given the controversy.

Mr. Ramirez stated his support for the motion to eliminate Recommendation #1. Mr. Ramirez stated concern with the specificity in Recommendation #3, and that it would be his preference to include all business established programs, such as MBAs and minors in accounting or finance.

**It was moved by Mr. Ramirez to accept the AEC's proposal for the 20 units of accounting study, with exception of Recommendation #1, and to include all business established programs, such as MBAs and minors in accounting or finance in Recommendation #3. Mr. Ramirez later withdrew this motion.**

Mr. Davila stated that the idea surrounding Recommendation #3 was that those with MBAs or minors in accounting or finance would presumptively meet the requirements.

Mr. Ramirez stated his concern with establishing a high requirement that would prohibit members in the community from becoming a CPA because they cannot afford to take an extra year of courses at an upper division level. Mr. Ramirez stated he would like to see the opportunity to allow the extra year be taken at a community college. Mr. Ramirez further stated the compromise would be to broaden the requirements and not be so specific.

Mr. Swartz stated he is in support of eliminating Recommendation #1.

Ms. Anderson recommended that all courses should be interchangeable in Recommendation #2. Mr. Davila stated that the AEC initially provided a broad recommendation; however, there was opposition by CPIL.

Mr. Howard stated such a change to Recommendation #2 would require review before CPIL could be in agreement. Mr. Howard further stated he is happy to go back and obtain further guidance on this matter if necessary.

Mr. Swartz stated he favored leaving Recommendation #2 as is.

Mr. Howard stated his support regarding the elimination of Recommendation #1. Mr. Howard further stated a better compromise would be to state the requirement is at upper division; however, courses taken at a community college level would be accepted.

Mr. Wright stated he opposes elimination of the upper division requirement.

3. Discussion and Possible Action to Initiate a Rulemaking to Adopt Title 16, California Code of Regulations (CCR) Sections 2.8, 11, 11.1, and to Amend Section 9.2 – Regarding the Additional 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Stanley provided an overview of the memorandum for this item **(see Attachment 5)**.

**It was moved by Mr. Ramirez, seconded by Mr. Swartz and carried by those present to approve the proposed language with elimination of the portion of proposed Section 11.1(a)(2) between the commas, inclusive, and to direct and authorize staff to initiate the rulemaking process and make any non-substantive changes as necessary. Ms. Brough and Mr. Oldman were temporarily absent.**

4. Report on the Development of and Guidelines for the 10 Units of Ethics Study.

Mr. Driftmier commended the efforts of the members of the ECC and CBA staff throughout the process and leading up to the committee's recommendation.

Mr. Driftmier provided an overview of the memorandum for this item

**(see Attachment 6).**

**It was moved by Mr. Elkins, seconded by Mr. Swartz and unanimously carried by those present to accept the ECC's proposal for the 10 units of ethics study, with exception of Recommendation # 1. The CBA requests that the ECC meet to reconsider its decision regarding the upper division course requirement.**

Mr. Howard stated that CPIL opposes inclusion of courses such as Political Science and Economics in Recommendation #3.

Ms. Anderson thanked Mr. Driftmier for his efforts and service on both the AEC and ECC.

5. Discussion and Possible Action to Initiate a Rulemaking to Adopt Title 16, CCR Sections 11 and 11.2 – Regarding the 10 Units of Ethics Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Stanley provided an overview of the memorandum for this item **(see Attachment 7).**

Ms. Shellans recommended that the CBA direct staff to initiate the rulemaking, pending the outcome of the ECC's vote (either way) regarding the requested language modification.

**It was moved by Mr. Ramirez, seconded by Ms. Brough and carried by those present to approve the proposed language with elimination of the words, "at an upper division level or higher" from proposed Section 11(a), and to direct staff to initiate the rulemaking process, pending the concurrence of the ECC at its upcoming meeting. Should the ECC not accept the CBA's recommendation, this item shall come back before the CBA for further deliberation.**

**Mr. Swartz opposed.**

Ms. Tindel stated that she supports Ms. Shellans recommendation that the CBA provide the latitude in allowing the rulemaking process to move forward in a timely matter.

Ms. Anderson stated this may not be an issue as she believes that accounting ethics courses may only be provided at an upper division level. Mr. Swartz concurred with Ms. Anderson and stated it is also likely that the ECC will accept the CBA's recommendation.

- C. Reconsideration of Position on SB 773 – Ethics Curriculum.

Mr. Stanley provided an overview of the memorandum for this item **(see**

**Attachment 8).**

Mr. Swartz inquired regarding why the CBA would want this to go through the legislative process and not through regulation. Mr. Stanley stated that the legislative process would make it effective January 1, 2012. Mr. Stanley further stated that the regulatory process would take up to 12 months to complete.

**It was moved by Mr. Ramirez, seconded by Ms. Brough and unanimously carried by those present to adopt a Support if Amended position on SB 773. The recommendation for amendment is to eliminate the upper division requirement and allow for course acceptance from any accredited institution; and to make further clarification to the language.**

Ms. Anderson took a moment to congratulate Mr. Swartz for being honored as recipient of CalCPA's Distinguished Service Award for 2011.

V. Report of the Executive Officer (EO).

A. Update on Hiring Freeze Exemption Requests.

Ms. Bowers stated the CBA has submitted new exemption requests for two Investigative CPA positions and one receptionist position. Ms. Bowers stated that she will keep the CBA updated as the requests go through the exemption approval process.

Ms. Bowers noted that there are significant vacancies in the Enforcement Division. Ms. Bowers further stated that the resources are needed in order to move forward with the CBA's enforcement priorities relating to the Peer Review Program.

Mr. Driftmier stated that the CBA has the financial resources to accomplish its enforcement priorities and expressed opposition regarding the hiring freeze.

Mr. Ramirez stated that it is important for the record to reflect that the CBA's Enforcement Division is currently understaffed by more than 50 percent.

B. Update on 2010/2012 CBA Communications and Outreach Plan.

Ms. Pearce provided an overview of the memorandum for this item (**see Attachment 9**).

Mr. Elkins acknowledged the cost savings associated with the transition to an electronic version of the UPDATE publication.

Mr. Ramirez questioned the decision to require an opt-in selection in order for interested parties to continue receiving hard copies of the UPDATE publication. Ms. Anderson stated that if interested parties fail to opt-in and would like to receive the hard copy version, it will be made available to them. Ms. Pearce added that the CBA will make every attempt to get the word out once the electronic version of UPDATE is available for viewing on the CBA's Web site.

VI. Report of the Enforcement Chief.

A. Enforcement Case Activity and Aging Report.

B. Citation and Fine Activity Report.

C. Reportable Events Report.

Mr. Ixta provided an overview of agenda items VI.A.-VI.C.

Mr. Ixta stated that the CBA recently hired three expert consultants to assist with the enforcement case inventory. Mr. Ixta further stated that the consultants are adding tremendous value to the CBA's Enforcement Division.

Mr. Ramirez inquired regarding the age of the oldest pending case. Mr. Ixta stated that that oldest case pending is from 2008 and it's a complex matter that is still in the investigation stage.

Mr. Ramirez stated that he would prefer to see six to twelve months of activity on the Enforcement Case Activity and Aging Report.

D. Update on Peer Review Implementation.

Mr. Ixta provided an overview of the memorandum for this item (**see Attachment 10**).

Mr. Ramirez stated that in the future he would like the CBA to consider programmatic action for non-reporters.

Ms. Anderson stated that the CBA should further educate and empower consumers by encouraging them to ask for peer review reports in advance of hiring a CPA. Mr. Ixta stated that the consumer handbook is being updated to include this information.

Mr. Ramirez stated his recollection that the PROC was to develop guidelines for failed peer review reports. Mr. Ramirez requested the minutes regarding the deliberation of PROC's charge.

**At this time, CBA members heard Agenda Items VIII.A.-IX.C.4.d. (see**

**pages 18706-18709).**

VII. Regulation Hearing and Possible Action on Proposed Regulations.

A. Regulation Hearing Regarding Title 16, CCR Sections 9, 11.5, 12, 12.5, and 98 – Supervision, Master’s Degree, and Disciplinary Guidelines.

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

“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 CBA’s requirements pertaining to supervision, master’s degrees, and disciplinary guidelines.

The CBA is contemplating this action pursuant to the authority vested by Sections 5010, 5018, 5092, 5093 and 5116 of the Business and Professions Code and Section 11400.20 of the Government Code, authorizing the CBA 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 July 21, 2011 and the time is approximately 2:02 p.m. This hearing is being held at The Hilton Pasadena, 168 South Los Robles in Pasadena, California.

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 CBA’s Web site and upon request by other members of the public. Copies of the proposed regulations are available at the back of the room.

If the CBA has received written comments on the proposal, those comments will be entered into the official record of the proceedings. The CBA shall be provided and shall consider all written comments received up until 5:00 p.m., July 18, 2011. 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 CBA an opportunity to address your comments directly when the CBA 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 regulation hearing at 2:05 p.m.

**B. Discussion and Possible Action to Adopt or Amend Proposed Text at Title 16, CCR Sections 9, 11.5, 12, 12.5, and 98 – Supervision, Master’s Degree, and Disciplinary Guidelines.**

Mr. Swartz stated the Certificate of General Experience should be revised to state “must” or “shall,” instead of “may” as it relates to the types of accounting services required. Ms. Bowers stated this concern could be addressed within the handbook to make sure it’s clear to applicants. Ms. Pearce stated she would review to ensure this language is clear in other areas as well.

Mr. Oldman suggested defining general accounting experience instead of stating what the experience may include.

**It was moved by Mr. Swartz, seconded by Mr. Oldman and unanimously carried to revise the first sentence of paragraph one of the Certificate of General Experience to state “General accounting experience is defined as any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills.”**

**It was moved by Ms. Berhow, seconded by Mr. Ramirez and unanimously carried by those present to accept staff’s recommendation to strike CCR Section 11.5 – Master’s Degree from**

**this regulatory proposal.**

**It was moved by Mr. Ramirez, seconded by Mr. Swartz and unanimously carried by those present to direct staff to take all steps necessary to complete the rulemaking process, including sending out the modified text for an additional 15-day comment period. If after the 15-day public comment period, no adverse comments are received, the EO is authorized to make any non-substantive changes to the proposed regulations, and adopt the proposed regulations as described in the modified text notice.**

VIII. Report of the Licensing Chief.

A. Report on Licensing Division Activity.

Ms. Pearce provided an overview of the memorandum for this item (**see Attachment 11**).

B. Further Discussion and Action on International Delivery of the Uniform CPA Examination (iExam).

Ms. Pearce provided an overview of the memorandum for this item (**see Attachment 12**).

Ms. Kirkbride stated there is still a concern as it is impossible to predict the security of iExam.

Ms. Pearce suggested that staff monitor the launch of iExam over the next six months and report back to the CBA regarding any issues. Ms. Anderson stated her approval of Ms. Pearce's suggestion.

IX. Committee and Task Force Reports.

A. Enforcement Program Oversight Committee (EPOC).

No Report.

B. Committee on Professional Conduct (CPC).

No Report.

C. Legislative Committee (LC).

1. Report of the July 21, 2011 LC Meeting.

**It was moved by Mr. Ramirez, seconded by Ms. Taylor and unanimously carried by those present to accept the report of the LC.**

2. Update on Bills on Which the CBA Has Taken a Position (AB 229, AB 675, AB 958, AB 991, AB 1193, SB 366, SB 541, SB 706).

Ms. Brough stated that the LC recommends that the CBA maintain its positions of Support on SB 541 relating to Expert Consultants and Neutral on SB 706, which will require the posting of accusations on the Web.

Ms. Brough stated that five other bills are dead for the year, but staff will continue to follow them as they may be revived after January 1, 2012.

Ms. Brough stated that AB 229 was gutted and no longer deals with the Controller or the CBA.

**It was moved by Mr. Swartz, seconded by Ms. Berhow and unanimously carried by those present to adopt the LC's recommendation to discontinue following AB 229.**

3. Discussion on Status of AB 431 – Retired Status.

Ms. Brough stated that AB 431 has passed the Senate Policy Committee and is now on the Senate Appropriations Committee's Suspense File. It is anticipated that AB 431 will be passed by the committee during the last full week of August.

Ms. Brough stated the LC decided that striking the age requirement from the bill would eliminate a potential future concern and ease passage of the bill. The CBA will continue to have authority via regulation to set minimum requirements for retired status.

**It was moved by Ms. Brough, seconded by Mr. Swartz and unanimously carried by those present to adopt the LC's recommendation to amend the language to eliminate reference of a minimum age requirement and minimum years as a licensee in Section 2, 5070.1.(e).**

4. Reconsideration of Positions on Legislation.

- a. AB 410 – Regulations: Narrative Descriptions.

Ms. Brough stated that AB 410 has been amended and is no longer applicable to the CBA.

**It was moved by Ms. Brough, seconded by Ms. Taylor and unanimously carried by those present to adopt the LC's recommendation to discontinue following AB 410.**

b. SB 103 – Teleconferencing.

Ms. Brough stated that the CBA originally took an Oppose position on SB 103 due to its concern that the privilege could be abused and makes it possible for a member to never physically attend a meeting. Staff worked with the author's office to craft an amendment stating that such a request may not be made solely for convenience. The LC however, believes that this amendment does not go far enough, and that abuse is still possible.

Ms. Brough stated that the LC recommends no change in position at this time on SB 103.

c. SB 306 – Safe Harbor Extension.

Ms. Brough stated that this bill still contains the Safe Harbor extension that the CBA supports; but it has been amended to also include provisions that will allow out-of-state CPAs to practice in California under very specific circumstances without being licensed by the CBA or obtaining a practice privilege. This was the sponsor's attempt to resolve the issues that occurred with the sunset of the temporary and incidental provisions in Section 5050(b) of the Accountancy Act.

Ms. Brough stated that legal counsel pointed out that this will be a change in the scope of the CBA's authority, but the LC determined that the change applied to such a narrow field that it was an acceptable change.

**It was moved by Ms. Brough, seconded by Mr. Ramirez and unanimously carried by those present to adopt the LC's recommendation to maintain a Support position on SB 306 and direct staff to convey to the sponsor that adding an urgency clause to the measure would be supported as well.**

d. SB 543 – Sunset Review.

Ms. Brough stated that SB 542 no longer affects the CBA, and its contents are now included in SB 543. In addition to the new sunset date of January 1, 2016, SB 543 also makes the Peer Review Program permanent, expands the Peer Review Report, and exempts restatements also filed with the Security Exchange Commission from the CBA's restatements reporting requirement.

**It was moved by Ms. Brough, seconded by Mr. Elkins and unanimously carried by those present to adopt the LC's recommendation to Support SB 543 and discontinue following**

**SB 542.**

**At this time, CBA members heard Agenda Items VII.A.-VII.B.  
(see pages 18704-18706).**

D. Peer Review Oversight Committee (PROC).

Report of the July 8, 2011 PROC Meeting.

Ms. Corrigan stated at its last meeting, the PROC worked on formalizing processes, and reviewing the responsibilities of the PROC to ensure the committee is on track to meeting its objectives. Ms. Corrigan stated the PROC also continues working on a procedures manual.

Ms. Corrigan stated that PROC members are attending peer review training courses for evaluation purposes.

Ms. Corrigan stated the potential conflict of interest matter is still pending with legal counsel. Ms. Corrigan further stated that NASBA representatives have stated the conflict of interest has not been an issue; however, based on survey results from a recent quick poll, states have reported conflicting information.

Ms. Corrigan stated that pending out-of-state travel approval, she plans to attend NASBA's PROC Summit on August 16, 2011 in Charleston, South Carolina. Ms. Corrigan further stated that the summit will provide insight on various matters associated with the peer review oversight process.

Ms. Corrigan stated the PROC will meet next on August 30, 2011 in Northern California.

Ms. Anderson thanked Ms. Corrigan and the PROC for its efforts.

Ms. Shellans clarified that the conflict of interest opinion is pending with DCA's Ethics Officer, and not with legal counsel.

E. Enforcement Advisory Committee.

No Report.

F. Qualifications Committee.

No Report.

X. Acceptance of Minutes

A. Draft Minutes of the May 19-20, 2011 CBA Meeting.

- B. Draft Minutes of the May 19, 2011 CPC Meeting.
- C. Draft Minutes of the May 19, 2011 LC Meeting.
- D. Minutes of the April 15, 2011 AEC Meeting.
- E. Minutes of the May 9, 2011 AEC Meeting.
- F. Minutes of the May 18, 2011 ECC Meeting.
- G. Minutes of the May 6, 2011 PROC Meeting.
- H. Minutes of the June 7, 2011 Joint AEC/ECC Meeting.

**It was moved by Mr. Swartz, seconded by Mr. Savoy and carried by those present to accept agenda items X.A. and X.C.-X.H. Mr. Elkins and Mr. Ramirez abstained.**

Agenda item X.B. was deferred to take place at a future CBA meeting.

XI. Other Business.

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

No Report.

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

- 1. Update on NASBA Committees.

- a. Accountancy Licensee Database Task Force.

There was no report for this item.

- b. Board Relevance & Effectiveness Committee.

There was no report for this item.

- c. Uniform Accountancy Act Committee (UAA).

Mr. Driftmier stated the UAA discussed its current draft of the policy regarding firm names. Mr. Driftmier stated the policy is nearly finalized.

XII. Closing Business.

- A. Public Comments for Items Not on the Agenda.

Mr. Kreh stated that he was before the CBA to address a letter written to Ms. Bowers regarding proposed legislation (**see Attachment 13**).

Ms. Anderson stated a copy of Mr. Kreh's letter will be provided to CBA members, along with the response letter from Ms. Bowers. Ms. Anderson further stated that this matter will be discussed and it will be determined whether to place on a future agenda.

B. Agenda Items for Future CBA Meetings.

No comments were received.

C. Press Release Focus.

Recent Press Releases.

Mr. Rich provided an overview of the memorandum for this item (**see Attachment 14**).

Mr. Rich stated that Ms. Hersh's proposed press release headline is "CBA approves proposals for new CPA education requirements and looks to keep CPA licensure attainable for community college and non-traditional students."

XIII. Closed Session. Pursuant to Government Code Section 11126(c)(3), the CBA Will Convene Into Closed Session to Deliberate on Disciplinary Matters (Stipulations, Default Decisions, and Proposed Decisions).

CBA members convened into closed session at 2:51 p.m., and the meeting reconvened into open session at 3:35 p.m.

Adjournment.

President Anderson adjourned the meeting at 3:36 p.m.

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Sally Anderson, CPA, President

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Leslie LaManna, CPA, Secretary-Treasurer

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