



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
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CBA MISSION: To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards

CALIFORNIA BOARD OF ACCOUNTANCY QUALIFICATIONS COMMITTEE

MEETING NOTICE & AGENDA

Wednesday, July 27, 2016
11:00 a.m. – 5:00 p.m.

Hilton Los Angeles Airport
5711 West Century Boulevard
Los Angeles, CA 90045
Telephone: (310) 410-4000

Important Notice to the Public

All times indicated 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 January 20, 2016, Qualifications Committee Minutes.
 - B. Proposed 2017 Qualifications Committee Meeting Dates.
- II. Report of the California Board of Accountancy Liaison (**Alicia Berhow, California Board of Accountancy Vice-President**).
 - A. Report on the January 21-22, March 17-18, and May 19-20, 2016 California Board of Accountancy Meetings.
- 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.

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.
July 27, 2016

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

MINUTES OF THE
January 20, 2016
QUALIFICATIONS COMMITTEE (QC) MEETING

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

The regularly scheduled meeting of the QC was called to order at 11:01 a.m. on January 20, 2016, by QC Chair, Jenny Bolsky.

QC Members

Jenny Bolsky, CPA, Chair
David Evans, CPA, Vice-Chair
Eric Borigini, CPA
Saboochi Currim, CPA
Christine Gagnon, CPA - Absent
Tracy Garone, CPA
Kristian George, CPA
Chuck Hester, CPA
Casandra Moore-Hudnall, CPA - Arrived at 11:10
Jose Palma, CPA - Absent
David Papotta, CPA - Absent
Nasi Raissian, CPA
Robert Ruehl, CPA
Thomas Sauer, CPA
Virginia Smith, CPA
Kimberly Sugiyama, CPA

CBA Members

Alicia Berhow, CBA Member, QC Liaison (Southern California)

CBA Staff

Gina Sanchez, Licensing Division Chief
Veronica Daniel, Licensing Manager
Ben Simcox, CPA, Enforcement Manager
Janet Zimmer, Licensing Coordinator

I. Chairperson's Report.

Ms. Bolsky welcomed the QC Members, introduced Ms. Berhow as the newly appointed QC liaison and introduced Mr. Sauer and Ms. Smith as new appointees to the QC.

Ms. Bolsky announced that after serving two terms on the QC, Mr. Hester is retiring from the committee.

A. Approval of the October 21, 2015 QC Meeting Minutes.

Mr. Simcox stated that there is a recommended amendment to the October 21, 2015 QC meeting minutes on page 2205. Case C15-042 states that the applicant has private industry accounting experience. The minutes should be corrected to state that the applicant has public accounting experience.

It was moved by Mr. Hester and seconded by Ms. Raissian to approve the corrected minutes of the October 21, 2015 QC Meeting.

Yes: Mr. Borigini, Ms. Currim, Ms. Garone, Ms. George, Mr. Hester, Ms. Raissian, Mr. Ruehl, Ms. Smith, Ms. Sugiyama, Ms. Bolsky

No: None.

Abstain: Mr. Sauer, Mr. Evans

Absent: Ms. Gagnon, Ms. Moore-Hudnall, Mr. Palma, Mr. Papotta.

II. Report of the CBA Liaison.

A. Report on the November 19, 2015 CBA Meeting.

Ms. Berhow provided a report for this item.

During the November CBA meeting, the CBA elected the 2016 leadership, which includes Katrina Salazar as President, Alicia Berhow as Vice-President and Michael Savoy as Secretary/Treasurer.

The CBA appointed the new committee chair, Jenny Bolsky, and Vice-Chair, David Evans. They will serve as Chair and Vice-Chair for one-year terms, effective January 1, 2016.

The CBA adopted the proposed changes to Title 16, California Code of Regulations Division 1, section 42 to remove compilations where no report is issued and include the new service preparation engagements in the peer review exclusions. This change was necessary as a result of Statement on Standards for Accounting and Review Services No. 21 (SSARS 21), which clarified compilations and defined a new service of preparation engagements.

The CBA also considered the impact of SSARS 21 as it relates to the 24-hour accounting and auditing (A&A) and four-hour fraud continuing education (CE) requirement. After discussion, the CBA directed staff to initiate the rulemaking to require licensees that perform only preparation engagements to complete the eight hours of A&A and four hours of fraud. This change will not impact the requirement of 24 hours of A&A and four hours of fraud CE for a licensee who plans, directs, performs a substantial portion of the work, or reports on audit, review, compilation, or attestation service on a non-governmental entity.

Lastly, the CBA was provided with an update on the study of California's attest experience requirement. Preliminary data shows there were 10,162 total responses. The CBA will receive a comprehensive report of the study in early 2016 and will begin deliberation on the attest experience requirement for CPA licensure and determine if changes are needed.

The next CBA meeting will be held January 21-22, 2016 at the Wyndham Irvine-Orange County Airport.

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

Ms. Daniel provided the licensing statistics through November 30, 2015. Ms. Daniel noted that the current processing time for individual CPA applicants is 23 days. The CBA website was recently updated to include information regarding the allowance of academia teaching experience as qualifying experience for CPA licensure. As of January 1, 2016, all licensure applicants are now subject to the current education requirements. Ms. Daniel noted that the ILU is now fully staffed and Janet Zimmer is now acting as the staff liaison for the QC.

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.]

C16-001 – The applicant and her employer appeared and presented work papers from her public accounting experience. The applicant has 2,384 hours of attest experience, with a 500 attest hour experience requirement.

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.

C16-002 – The applicant and his employer appeared due to a family relationship and presented work papers from his public accounting experience. The applicant has 562 hours of attest experience, with a 500 attest hour experience requirement.

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

Recommendation: Approve.

C16-003 – The applicant and his employer appeared and presented work papers from his public accounting experience. The applicant has 536 hours of attest experience, with a 500 attest hour experience requirement. He is currently licensed with general accounting experience.

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

Recommendation: Approve.

C16-004 – The applicant was unable to attend the meeting, however his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 542 hours of attest experience, with a 500 attest hour experience requirement.

The employer's understanding of the CAE was inadequate and the CAE was inaccurately prepared. The work performed was not adequate to support licensure. The employer has been placed on reappearance status.

Recommendation: Defer.

C16-005 – The applicant and her employer appeared due to a family relationship and presented work papers from the applicant's public accounting experience. The applicant has 6,598 hours of attest experience, with a 500 attest hour requirement.

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

Recommendation: Approve.

C16-006 – The applicant and his employer appeared and presented work papers from the applicant's public accounting experience. The applicant has 740 hours of attest experience, with a 500 attest hour experience requirement.

The employer has an adequate understanding of the CAE. The work performed by the applicant was reviewed and no deficiencies were noted. Some of the hours were incorrectly categorized on the CAE and the employer will be providing the CBA with a revised CAE.

Recommendation: Approve pending submission of a revised CAE.

C16-007 – The applicant was unable to attend, however his employer appeared due to a family relationship and presented work papers from the applicant's public accounting experience. The applicant has 9,516 hours of attest experience, with a 500 attest hour 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.

Recommendation: Approve.

The following Section 69 reviews took place on January 27, 2016, and are made a part of these minutes.

C16-008 – The applicant was unable to attend, however her employer appeared and presented work papers from the applicant's government accounting experience. The applicant has 1,720 hours of attest experience, with a 500 attest hour 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 and advised they should not submit CAE forms in the future unless the nature of their operation changes to include auditing.

Recommendation: Defer.

C16-009 – The applicant and her employer appeared and presented work papers from the applicant’s public accounting experience. The applicant has 611.57 attest hours with a 500 attest hour requirement. The applicant is currently licensed with general accounting experience.

The employer has an adequate understanding of the CAE. The work performed by the applicant was reviewed and no deficiencies were noted. Some of the hours were incorrectly categorized on the CAE and the employer will be providing the CBA with a revised CAE

Recommendation: Approve pending submission of a revised CAE.

C16-010 – The applicant and his employer appeared and presented work papers from the applicant’s public accounting experience. The applicant has 519.75 hours of attest experience, with a 500 attest hour experience requirement. The applicant is currently licensed with general accounting experience.

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 licensure.

Recommendation: Approve.

C16-011 – The applicant and her employer appeared and presented work papers from the applicant’s public accounting experience. The applicant has 881 hours of attest experience, with a 500 attest hour experience requirement. The applicant is currently licensed with general accounting experience.

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 licensure.

Recommendation: Approve

C16-012 – The applicant appeared and presented work papers from his foreign public accounting experience. He has 3,550 hours of attest experience, with a 500 attest hour 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 licensure.

Recommendation: Approve.

C16-013 – The applicant and her employer appeared and presented work papers from her government accounting experience. The applicant has 3,177.9 hours of attest experience, with a 500 attest hour experience requirement. The applicant is currently licensed with general accounting experience.

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 licensure.

Recommendation: Approve.

Adjournment.

There being no further business to be conducted, the meeting was adjourned at approximately 4:00 p.m. on January 20, 2016. The next meeting of the QC will be held on April 27, 2016 in Northern California.

Jenny Bolsky, CPA, Chair

Prepared by: Janet Zimmer, ILU Coordinator



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QC Item I.B.
July 27, 2016

Proposed 2017 Qualifications Committee Meeting Dates

Presented by: Jenny Bolsky, CPA, Chair, Qualifications Committee

Purpose of the Item

The purpose of this item is to provide the Qualifications Committee (QC) with proposed meeting dates for 2017. The QC meets approximately four times annually to assist the California Board of Accountancy (CBA) in its licensure activities and consumer protection mandate.

Action(s) Needed

The QC may choose to adopt or modify the 2017 QC meeting dates and locations (**Attachment**).

Background

None.

Comments

The proposed 2017 QC meeting dates and locations are identified below. The Northern California meetings will be held at the CBA office.

- January 25, 2017 Southern California
- April 26, 2017 Northern California
- July 26, 2017 Southern California
- October 25, 2017 Northern California

QC members may conduct additional "off-cycle" personal appearance reviews typically within one month of each QC meeting for those individuals not in the geographic area of the above scheduled dates and locations.

Fiscal/Economic Impact Considerations

There are no fiscal/economic impact considerations.

Action and Recommendation

Staff recommends the QC adopt or modify the proposed dates. After adoption, the dates will be submitted to the CBA for approval.

Attachment

CBA 2017 Meeting Dates/Locations Calendar

**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
2017 MEETING DATES/LOCATIONS CALENDAR
(CBA MEMBER COPY)**

JANUARY 2017

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	SC	SC	SC	28
29	30	31				

FEBRUARY 2017

S	M	T	W	Th	F	S
			1	2	2	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH 2017

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	NC	NC	25
26	27	28	29	30	31	

APRIL 2017

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	NC	27	28	29
30						

MAY 2017

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	SC	SC	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE 2017

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY 2017

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	NC	21	22
23	24	25	SC	27	28	29
30	31					

AUGUST 2017

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER 2017

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	SC	SC	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER 2017

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	NC	26	27	28
29	30	31				

NOVEMBER 2017

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	NC	NC	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER 2017

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

COMMITTEES

- EAC - Enforcement Advisory Committee
- QC - Qualifications Committee
- PROC - Peer Review Oversight Committee
- MSG-Mobility Stakeholder Group

GENERAL LOCATION

- NC-NORTHERN CALIFORNIA
- SC-SOUTHERN CALIFORNIA

	CBA OFFICE CLOSED
	CBA MEETING
	EAC MEETING
	PROC MEETING
	QC MEETING
	MSG MEETING

**California Board of Accountancy
Report on the Activities for the Initial Licensing Unit
As of June 30, 2016**

Initial Licensing Unit Statistics

Individual License Applications	FY 2013/14	FY 2014/15	FY 2015/16
CPA Licensure Applications Received by Type			
Type A	3,819	2,417	2,821
Type B	219	168	246
Type C	473	503	589
Type D	52	44	45
Type E	37	26	24
Total Received	4,600	3,158	3,725
Total Approved	4,906	2,682	3,470
Average Days to Process	24	24	24
Method of Licensure			
Pathway 1 – attest	522	182	115
Pathway 1 – general	824	272	336
Pathway 2 – with attest	928	320	224
Pathway 2 – without attest	2,560	921	618
New Requirements – attest	17	245	567
New Requirements – general	55	742	1,610

Firm License Applications	FY 2013/14	FY 2014/15	FY 2015/16
Corporation			
Total Received	210	272	270
Total Approved	200	208	228
Average Days to Process	17	16	15

California Board of Accountancy
Report on the Activities for the Initial Licensing Unit
As of June 30, 2016

Firm License Applications (cont.)	FY 2013/14	FY 2014/15	FY 2015/16
Partnership			
Total Received	91	92	87
Total Approved	92	76	72
Average Days to Process	17	16	18
Fictitious Name Permit			
Total Received	183	120	157
Total Approved	139	87	132
Average Days to Process	17	16	13

Customer Service	FY 2013/14	FY 2014/15	FY 2015/16
Telephone Calls Received	27,889	22,993	25,772
Emails Received	14,098	14,160	17,947
Certifications			
Total Received	1,039	1,051	991
Total Processed	972	1,042	788
Average Days to Process	22	20	21

Initial Licensing Unit Highlights

- The Initial Licensing Unit (ILU) is currently recruiting to fill an Associate Governmental Program Analyst (Limited Term) position.
- ILU staff is working toward implementation of changes to the ethics study educational requirement for CPA licensure. Effective January 1, 2017, the ethics study requirement will include a minimum of three semester or four quarter units in courses devoted to accounting ethics or accountants' professional responsibilities.