



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

MINUTES OF THE
July 24, 2014
JOINT CBA MEETING &
MOBILITY STAKEHOLDER GROUP MEETING (MSG)

Tsakopoulos Library Galleria
 828 I Street
 Sacramento, CA 95814
 Telephone: (916) 264-2920

Roll Call and Call to Order.

CBA President Michael Savoy and MSG Chair, Katrina Salazar, called the meeting to order at 10:49 a.m. on Thursday, July 24, 2014 at the Tsakopoulos Library Galleria.

CBA Members

July 24, 2014

Michael Savoy, President	10:49 a.m. to 11:57 a.m.
Jose Campos, Vice President	10:49 a.m. to 11:57 a.m.
Katrina Salazar, Secretary-Treasurer	10:49 a.m. to 11:57 a.m.
Sarah (Sally) Anderson	10:49 a.m. to 11:57 a.m.
Diana Bell	10:49 a.m. to 11:57 a.m.
Alicia Berhow	10:49 a.m. to 11:57 a.m.
Herschel Elkins	10:49 a.m. to 11:57 a.m.
Laurence (Larry) Kaplan	10:55 a.m. to 11:57 a.m.
Louise Kirkbride	Absent
Kay Ko	10:49 a.m. to 11:57 a.m.
Leslie LaManna	10:49 a.m. to 11:57 a.m.
K.T. Leung	10:53 a.m. to 11:57 a.m.
Manuel Ramirez	10:49 a.m. to 11:57 a.m.
Mark Silverman	10:53 a.m. to 11:57 a.m.

MSG Members

Katrina Salazar, Chair	10:49 a.m. to 11:57 a.m.
Harold Schultz, Vice-Chair	10:49 a.m. to 11:57 a.m.

Jose Campos	10:49 a.m. to 11:57 a.m.
Edward Howard	10:49 a.m. to 11:57 a.m.
Rafael Ixta	10:49 a.m. to 11:57 a.m.
Joseph Petito	10:49 a.m. to 11:57 a.m.
Stuart Waldman	10:49 a.m. to 11:57 a.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Emmanuel Estacio, Information Technology Staff
Dominic Franzella, Chief, Licensing Division
Lauren Hersh, Information and Planning Manager
Rafael Ixta, Chief, Enforcement Division
Vincent Johnston, Enforcement Manager
Nicholas Ng, Administration Manager
Corey Riordan, Board Relations Analyst
Kristy Schiedge, Legal Counsel, Department of Consumer Affairs (DCA)
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)
Matthew Stanley, Regulation and Legislation Coordinator

Committee Chairs and Members

Jeffrey De Lyser, Vice-Chair, Enforcement Advisory Committee (EAC)
Robert Lee, Chair, Peer Review Oversight Committee (PROC)

Other Participants

Bruce Allen, California Society of Certified Public Accountants (CalCPA)
Ken Bishop, President and CEO, National Association of State Boards of
Accountancy (NASBA)
Maria Caldwell, NASBA
Jason Fox, CalCPA
Kasey O'Connor, CalCPA
Pilar Oñate-Quintana, KP Public Affairs
Jon Ross, KP Public Affairs

- I. Presentation from the National Association of State Boards of Accountancy (NASBA) Regarding Mobility and the NASBA Enforcement Guidelines.

Mr. Bishop and Ms. Caldwell provided an overview of mobility and the NASBA Enforcement Guidelines.

Mr. Bishop stated NASBA is taking unilateral efforts to measure the quality of compliance of accounting boards around the United States. He stated that NASBA has reviewed the CBA's survey and is committed to incorporate the questions into NASBA's survey, as surveys can be duplicative and states

may not have the time or resources to respond to multiple surveys. Mr. Bishop stated that states that do not reply to the survey would be removed for California's mobility law, which may result in states with quid pro quo not recognizing California's licensee's in their jurisdiction. Mr. Bishop stated that the premise of mobility is about allowing consumers and stakeholders to use the CPA that they know and trust.

Mr. Bishop stated that NASBA cannot take a one size fits all approach when determining if states meet a certain bar of disciplinary capabilities. He noted that rather than condemn a state, NASBA would be dedicated to providing resources, training and funds to help them meet the bar.

Mr. Savoy inquired how the National Enforcement Standards are being developed.

Ms. Caldwell stated that NASBA was finalizing an Enforcement Resources Guide, which would provide guidelines and sample forms for state boards to use. Additionally, she stated that they were developing a Guiding Principles of Enforcement, which would determine what principles of good enforcement are. Further, she stated that NASBA's Enforcement Resources Committee was developing an interview script that would provide the specificity for the Guiding Principles. She noted that the interviews would be conducted between August and October 2014.

Mr. Savoy inquired into when NASBA anticipated that the National Enforcement Standards would be released.

Ms. Caldwell stated that NASBA is finalizing the initial draft of the interview script in the next few weeks and interviews will be conducted between August and October. She stated that once the interviews are completed the Enforcement Resources Committee will review the interview data and use the information to pinpoint examples for the Guiding Principles of Enforcement.

Mr. Bishop stated that NASBA has adopted California's timeline as their timeline. He stated that they have committed to dates with Ms. Bowers that would allow adequate time for the CBA to receive and assess the work.

Mr. Savoy inquired if the Enforcement Standards would be in the form of an Exposure Draft.

Mr. Bishop stated that they would not be standards, but best practices and a series of benchmarks.

Mr. Savoy inquired what type of outreach would be used to provide boards with the information.

Ms. Caldwell stated that NASBA would provide the information in the

quarterly newsletters, on the enforcement tools section on NASBA's website, and provide presentations at the NASBA conferences.

Mr. Howard stated that the task of the CBA is to review the enforcement practices of other states. He suggested that NASBA provide examples of the kinds of things that NASBA is looking at for the Best Practices Guidelines.

Ms. Caldwell stated that the guidelines would include:

- Timeframes for processing a complaint, from intake to the final disposition
- Enforcement resources to adequately staff investigations
- Case management
- Disciplinary guidelines
- Internet disclosure

Mr. Petito suggested the review process, referred to by Mr. Howard, could be treated like peer review; with a pass, fail, or pass with caveats.

Mr. Savoy suggested that the CBA should delay sending the survey to the each state until NASBA provides the results of their survey.

Mr. Ramirez stated that he understands delaying the survey if it is completely duplicative; however he asked Ms. Bowers if the CBA, given its board responsibilities, should move forward with its own survey.

Mr. Campos stated that he thought the plan of action was to proceed with the survey in coordination with NASBA and that the CBA's questions would be merged with NASBA's survey.

Ms. Bowers stated that she has no hesitation in waiting until October, when the interviews will be concluded, as the results may reveal additional modifications to the questions the CBA has posed. Ms. Bowers stated that Mr. Bishop has agreed that any questions identified, at the May CBA meeting, will be included in the interview process if they were not included in NASBA's survey. She further stated that her concern is making sure that the CBA is well prepared to meet the deadline to present the report to the Legislature.

Mr. Ramirez stated that the CBA has obligations legislatively and many things NASBA is doing are mission critical to the CBA. He stated that the CBA's inability to travel outside the state has prohibited the CBA from being as involved with NASBA. Mr. Ramirez requested that NASBA and the CBA work more proactively together to prevent duplicative efforts.

Mr. Bishop stated that interaction between states in regards to mobility is a nationwide effort and the states need to hear other states concerns and how

to make it better. Lastly, he stated that NASBA agrees to work with Mr. Bowers in any way that they can.

President Savoy adjourned the meeting at 11:57 a.m. on Thursday, July 24, 2014.

_____ Michael M. Savoy, CPA, President

_____ Katrina Salazar, CPA, MSG Chair

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.