



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

MINUTES OF THE
May 28, 2015
JOINT CBA &
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

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

Roll Call and Call to Order.

CBA President Jose Campos and MSG Chair, Katrina Salazar, called the meeting to order at 9:03 a.m. on Thursday, May 28, 2015 at the Hilton Los Angeles Airport.

CBA Members

May 28, 2015

Jose Campos, CPA, President	9:03 a.m. to 10:34 a.m.
Katrina Salazar, CPA, Vice-President	9:03 a.m. to 10:34 a.m.
Alicia Berhow, Secretary/Treasurer	9:03 a.m. to 10:34 a.m.
Sarah (Sally) Anderson, CPA	9:03 a.m. to 10:34 a.m.
Herschel Elkins, Esq.	9:03 a.m. to 10:34 a.m.
Laurence (Larry) Kaplan	9:03 a.m. to 10:34 a.m.
Louise Kirkbride	Absent
Kay Ko	9:03 a.m. to 10:34 a.m.
Leslie LaManna, CPA	9:03 a.m. to 10:34 a.m.
Xochitl León	9:03 a.m. to 10:34 a.m.
Jian Ou-Yang, CPA	9:03 a.m. to 10:34 a.m.
Michael Savoy, CPA	9:03 a.m. to 10:34 a.m.
Mark Silverman, Esq.	9:22 a.m. to 10:34 a.m.
Kathleen Wright, CPA	9:03 a.m. to 10:34 a.m.

MSG Members

Katrina Salazar, CPA, Chair	9:03 a.m. to 10:34 a.m.
Joseph Petito, Esq., Vice-Chair	9:03 a.m. to 10:34 a.m.
Donald Driftmier, CPA	Absent.

Dominic Franzella	9:03 a.m. to 10:34 a.m.
Edward Howard, Esq.	Absent
Michael Savoy, CPA	9:03 a.m. to 10:34 a.m.
Stuart Waldman, Esq.	9:03 a.m. to 10:34 a.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Pat Billingsley, Regulations Analyst
Dominic Franzella, Chief, Enforcement Division
Kathryn Kay, Legislation Analyst
Dorothy Osgood, Enforcement Supervising ICPA
Corey Riordan, Board Relations Analyst
Gina Sanchez, Chief, Licensing Division
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs (DCA)
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)
Matthew Stanley, Examination and Practice Privilege Manager

Committee Chairs and Members

Robert Lee, Chair, Peer Review Oversight Committee
Jeffrey De Lyser, Chair, Enforcement Advisory Committee
Robert Ruehl, Chair, Qualifications Committee

Other Participants

Bruce Allen, California Society of Certified Public Accountants (CalCPA)
Ken Bishop, President and Chief Executive Officer, National Association of State Boards of Accountancy (NASBA)
Maria Caldwell, Chief Legal Counsel and Director of Compliance Services, NASBA
Loretta Doon, Chief Executive Officer, CalCPA
Jason Fox, CalCPA
Stacey Grooms, Regulatory Affairs Manager, NASBA
Jon Ross, KP Public Affairs

- I. Discussion on the National Association of State Boards of Accountancy's (NASBA) Guiding Principles of Enforcement and its Comparison to the California Board of Accountancy's Enforcement Practices, Pursuant to Business and Professions Code Section 5096.21.

Mr. Campos welcomed NASBA's staff: Ken Bishop, Maria Caldwell, and Stacey Grooms.

Mr. Bishop provided an overview of the NASBA's Guiding Principles of Enforcement.

Ms. Caldwell provided the background of the process to complete the NASBA's Guiding Principles of Enforcement (NASBA Enforcement Guidelines). She stated that the process began approximately three years ago with NASBA's Enforcement Resources Committee producing an enforcement resources guide, which provides, components, guides, and sample forms. The Enforcement Resource Guide can be accessed by state boards via NASBA's website. She stated that after completing the resource guide, NASBA produced the NASBA Enforcement Guidelines by focusing on what the day-to-day operations of a good enforcement program look like. Lastly, she reviewed the five components that comprise the NASBA Enforcement Guidelines.

Ms. Salazar inquired if NABSA will continue to monitor states enforcement program and provide updates on the changes.

Mr. Bishop stated that NASBA is aware that the process will be continuous and NASBA is committed to continuing to monitor states' programs.

Mr. Franzella reviewed the comparison of NASBA Enforcement Guidelines to the CBA's Enforcement Program. Mr. Franzella stated that the time frames outlined in the NASBA Enforcement Guidelines align closely to the performance measures adopted by the CBA and that overall, staff believes that the CBA's enforcement practices meet the NASBA Enforcement Guidelines.

Mr. Franzella provided an overview of the CBA's enforcement resources to adequately staff investigations, including the CBA's process to increase or decrease staffing resources and the CBA's ratios of CPA licensees to enforcement staff.

Mr. Campos requested that NASBA provide additional information regarding the ratios, as it is difficult to compare to the CBA's practices.

Ms. Caldwell stated that this area was the most difficult to put into a number and it was determined that the ratios were an over-simplified measure of what the investigative process is and it was not a good measurement of effective enforcement. She stated that after the Enforcement Resources Committee's review, NASBA recommended that the ratios be removed and instead focus on the measures, including workload, the time it takes to complete an investigation, and factors that warrant modification in staffing.

Mr. Elkins suggested the NASBA may want to examine how easy it is to make a complaint with various states.

Mr. Franzella reviewed various resources used by the CBA to perform and complete its investigations, including the qualifications and training of the investigators. He stated that staff believe the CBA enforcement practices

meets the NASBA Enforcement Guidelines as it relates to enforcement resources to adequately staff investigations. Mr. Franzella noted that staff did have some concerns with respect to the ratios identified in this section of the NASBA Enforcement Guidelines, however, after the dialogue from Ms. Caldwell to address the issue and to remove the ratios he did not have any other concerns.

Mr. Franzella reviewed the CBA's case management, review of discipline from other agencies, and probationer tracking. He stated that the CBA has recently began assessing risk factors for licensees placed on probation and staff will conduct practice investigations to further ensure compliance with probationers. Mr. Franzella stated that staff believe the CBA's enforcement practices meets the principles associated with case management.

Mr. Franzella reviewed the CBA's disciplinary guidelines, including the factors in assessing penalties, mitigation, and aggravating factors. Mr. Franzella stated that staff believes the CBA's enforcement practices meets the NASBA Enforcement Guidelines as it relates to the principles for disciplinary guidelines.

Mr. Franzella stated that in regards to the internet disclosure section of the guidelines, the CBA participates in NASBA's Accountancy Licensee Database and CPAVerify. Additionally, the CBA maintains information on its website for consumers including a license lookup feature and publishing disciplinary actions. Mr. Franzella stated that staff believes the CBA's enforcement practices meets the NASBA Enforcement Guidelines as it relates to the internet disclosure requirements.

Mr. Petito inquired if in its totality, the NASBA Enforcement Guidelines meet or exceed the California's standards.

Mr. Campos stated that the CBA will deliberate on the question and that staff's observations were that the CBA's program is at least equal to what is being framed in the NASBA Enforcement Guidelines, with the exception of the ratio aspect in section 2.

II. Public Comments.

There were no comments.

President Campos adjourned the meeting at 10:34 a.m. on Thursday, May 28, 2015.

_____ Jose A. Campos, CPA, President

_____ Katrina Salazar, CPA, MSG Chair

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