

**State of California
Office of Administrative Law**

In re:
Board of Accountancy

Regulatory Action:

Title 16, California Code of Regulations

Amend sections: 43, 45

**NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,
Section 100**

OAL Matter Number: 2022-0816-01

OAL Matter Type: Nonsubstantive (N)

In this change without regulatory effect, the Board amends the Peer Review Reporting Form, a document incorporated by reference, to remove a repetitive title that became unnecessary after the form became a one-page document.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

Date: September 26, 2022



**Ashita Mohandas
Attorney**

**For: Kenneth J. Pogue
Director**

**Original: Patti Bowers, Executive Officer
Copy: Sarah Benedict**

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2022-0816-01	N

For use by Office of Administrative Law (OAL) only

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 26 2022

1:51 pm

OFFICE OF ADMIN. LAW
2022 AUG 16 PM 1:11

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
California Board of Accountancy

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Peer Review		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
		AMEND	
TITLE(S) 16		43, 45	
		REPEAL	
3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))			
<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)			
<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____			
<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON Sarah Benedict		TELEPHONE NUMBER (916) 809-4028	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional) sarah.benedict@cba.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <u>Patti Bowers</u> <small>Patti Bowers 2-Aug-14, 2022 (12:23 PM)</small>	DATE 8/11/2022
TYPED NAME AND TITLE OF SIGNATORY Patti Bowers, Executive Officer	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

SEP 26 2022

Office of Administrative Law

Proposed Regulatory Language
Title 16, California Board of Accountancy Regulations
Sections 43, 45

Article 6. Peer Review

§ 43. Extensions.

(b) If the extension granted extends past the firm's reporting date, the firm shall notify the Board of the extension and provide proof of the extension. The firm shall report the results of the peer review to the Board on Form PR-1 (Rev. ~~44/477/22~~), as referenced in Section 45, within 45 days of the peer review report being accepted by a Board-recognized peer review program.

Note: Authority cited: Sections 5010 and 5076, Business and Professions Code.
Reference: Section 5076, Business and Professions Code.

§ 45. Reporting to the Board.

(a) At the time of renewal, a firm, as defined in Section 5035.1 of the Accountancy Act, shall report to the Board specific peer review information as required on Form PR-1 (Rev. ~~9/497/22~~), which is hereby incorporated by reference.

(b) A licensee's or firm's willful making of any false, fraudulent, or misleading statement, as part of, or in support of, the firm's peer review reporting shall constitute cause for disciplinary action pursuant to Section 5100(g) of the Accountancy Act. Failure to submit a completed Form PR-1 (Rev. ~~9/497/22~~) shall be grounds for non-renewal or disciplinary action pursuant to Section 5100(g) of the Accountancy Act.

Note: Authority cited: Sections 5010 and 5076, Business and Professions Code.
Reference: Sections 5035.1, 5076 and 5100, Business and Professions Code.

**PEER REVIEW REPORTING FORM
FIRM INFORMATION**

1. **Accounting Firm Name:** _____
(If operating as a sole proprietorship (and not registered with the CBA as a corporation) complete using your individual license information.)
2. **Business Telephone #:** _____
3. **Business E-mail Address:** _____
4. **License Number:** _____
5. **License Expiration Date:** _____
6. **Select the type of accounting firm below:**
(If you are working independently as a sole proprietor, check sole proprietorship.)

- ☐ Sole Proprietorship
- ☐ General Partnership
- ☐ Limited Liability Partnership
- ☐ Corporation

- 7a. **Has the firm performed accounting and auditing services, as defined in Section 39(a) of Title 16 of the California Code of Regulations, that require a peer review since the last license renewal?**

- ☐ **Yes** (Go to number 7b.)
- ☐ **No** (Sign and date the form.)

- 7b. **If the firm completed its first accounting and auditing service within 18 months prior to the expiration date of the license, indicate the date the service was completed:**

(NOTE: The firm must have a peer review report accepted by a Board-recognized peer review program provider within 18 months of this date and report the results at the time of the next renewal.)

(If applicable, sign and date the form. If not applicable, go to number 8.)

PEER REVIEW INFORMATION

8. **Date Last Peer Review Report Accepted:** _____

- 9a. **Peer Review Report Rating:**

- ☐ Pass (sign and date the form)
- ☐ Pass w/deficiencies (sign and date the form)
- ☐ Substandard (Fail) (Go to question 9b.)

PEER REVIEW INFORMATION (continued)

- 9b. **Did your firm submit the peer review report to the Board within the required 45-day reporting period?**

- ☐ **Yes**
- ☐ **No** (Please attach a written explanation as to why the report was not submitted timely.)

I hereby certify, under penalty of perjury under the laws of the State of California, that all statements, answers, and representations on this form, including supplementary information attached hereto, are true, complete and accurate.

Signature

Date

PERSONAL INFORMATION COLLECTION AND ACCESS

The information provided in this form will be used by the California Board of Accountancy (CBA), to determine qualifications for a Certified Public Accountant License. Section 5076 of the Business and Professions Code and Title 16 of the California Code of Regulations section 45 authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the application as being incomplete.

Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the CBA, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24.

Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act. The Executive Officer of the CBA is responsible for maintaining the information in this application, and may be contacted at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833, telephone number (916) 263-3680 regarding questions about this notice or access to records.

PEER REVIEW REPORTING FORM INSTRUCTIONS

In accordance with Title 16 California Code of Regulations Section 45, this form must be submitted to the California Board of Accountancy no later than the expiration of the license.

FIRM INFORMATION

- 1-5. Enter the information for the accounting firm for which the report is being submitted.
6. Select the type of accounting firm. Business and Professions Code Section 5035.1 defines a firm as a sole proprietorship, a corporation, or a partnership.
- Sole Proprietorship: A business entity which is owned by one individual and where there is no legal distinction between the owner and the business. A single shareholder corporation is not a sole proprietorship.
 - General Partnership: A partnership comprised of two or more licensees which has not filed articles of incorporation with the Secretary of State's office.
 - Limited Liability Partnership: A partnership comprised of two or more licensees which has filed articles of incorporation with the Secretary of State's office.
 - Corporation: A business entity which has filed articles of incorporation with the Secretary of State's office.
7. (a) Indicate if the firm has been performing accounting and auditing services that require the firm to undergo a peer review since January 1, 2010 or since the last license renewal.

Accounting and Auditing Services that require you to undergo a peer review are any services performed using the following professional standards:

- Statements on Auditing Standards (SASs),
- Statements on Standards for Accounting and Review Services (SSARS),
- Statements on Standards on Attestation Engagements (SSAEs),
- Government Auditing Standards,
- Audits of non-Security Exchange Commission (SEC) issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB).

Exclusions from peer review are provided for the following two circumstances:

- Any of a firm's engagements subject to inspection by the Public Company Accounting Oversight Board as part of its inspection program.
 - Firms, which as their highest level of work, perform only compilations where no report is issued in accordance with the provisions of the Statements on Standards for Accounting and Review Services (SSARS).
- (b) If the firm has not been performing accounting and auditing services since January 1, 2010, indicate the date the firm completed its first accounting and auditing engagement that requires a peer review.

PEER REVIEW INFORMATION

8. Enter the date the peer review report was accepted by a Board-recognized peer review program provider, not the date the peer review was performed.
9. (a) Check the box that corresponds to the rating received on your firm's peer review report. If your firm's peer review report was accepted under the American Institute of Certified Public Accountants' *Standards for Performing and Reporting on Peer Reviews, 2005*, for unmodified select pass, for modified select pass w/deficiency, and for adverse select fail.
 - ☐ Pass – Sign and date the form;
 - ☐ Pass with deficiencies – Sign and date the form;
 - ☐ ~~s~~Substandard (fail) – Go to 9(b)

(b) If your firm received a rating of substandard on its peer review report, you are required to submit a copy of the peer review report, including any materials documenting the prescription of remedial or corrective actions imposed by the Board-recognized peer review program provider, within 45 days of the peer review report being accepted.

If you complied with this requirement, please answer "yes". If you did not comply with this requirement, please answer "no" and attach a written explanation as to why the report was not submitted timely.

Sign and date the document.