

CALIFORNIA BOARD OF ACCOUNTANCY

INITIAL STATEMENT OF REASONS

Second Signature Removal-Experience Forms

Hearing Date

No hearing date has been scheduled.

Subject Matter of Proposed Regulations

Second signature requirement for verifying an applicant's experience on the Certificate of General Experience or Certificate of Attest Experience forms for licensure as a Certified Public Accountant (CPA).

Section(s) Affected

Title 16, California Code of Regulations¹ (CCR), Division 1, sections 12 and 12.5.

Introduction

The California Board of Accountancy (CBA) is a board within the Department of Consumer Affairs (DCA) responsible for regulating the practice of public accounting in the State. Pursuant to Business and Professions Code (BPC) section 5000.1, the protection of the public is the CBA's highest priority in exercising its licensing, regulatory, and disciplinary authority. BPC section 5010 authorizes the CBA to adopt, repeal, or amend regulations as may be reasonably necessary and expedient for the orderly conduct of the CBA's affairs and for the administration of the Accountancy Act. Additionally, BPC section 5095 authorizes the CBA to adopt regulations to implement this section including, but not limited to, a procedure for applicants under section 5092 or section 5093 to qualify.

CPA Licensure Requirements

Applicants for CPA licensure must complete a minimum of 12 months of general accounting experience as described in Title 16 CCR section 12 and those seeking the authority to sign reports on attest engagements must complete a minimum of 500 hours of attest experience as described in Title 16 CCR section 12.5. All applicants must have their respective experience documented on a Certificate of General Experience and, if seeking attest authority, a Certificate of Attest Experience.

¹ All CCR references are to Division 1 of Title 16, unless otherwise specified.

Currently, there are four forms incorporated by reference, two Certificate of General Experience forms and two Certificate of Attest Experience forms that differ based on where the applicant completes their experience. Two forms are designated for applicants completing general accounting or attest experience in a public accounting firm, and the other two forms are designated for applicants completing general accounting or attest experience in private industry or government.

The different Certificates of General and Attest Experience forms are required based on where the applicant completed their experience. This is due to differing requirements for the second person signing the form. Experience completed in a public accounting firm requires the second person signing the form to be a licensed CPA. Experience completed in a private industry company or a government agency does not require the second person signing the form to be a licensed CPA and instead requires this individual to have a higher level of responsibility than the supervisor.

Review of the Second Signature Requirement

Title 16 CCR sections 12 and 12.5 were first implemented in 2002 with the adoption of BPC sections 5092 and 5093, which created the options to obtain a CPA license with or without the authority to sign reports on attest engagements. A review of historical records related to the consideration and adoption of the new Title 16 CCR sections indicate that the second signature requirement was not in the first draft of the proposed regulations but was added during the rulemaking process. The second signature requirement was added to address a concern that there would be instances when the direct supervisor signing the experience form would not be a partner or shareholder in the firm.

In 2021, the CBA received input from stakeholders expressing concern regarding the requirement to obtain two signatures on the experience forms. It was indicated that the current requirement no longer fits with how CPA firms operate and has become a cumbersome process for candidates and licensees. Specifically, the direct supervisor has the firsthand knowledge of the work performed by the staff and is responsible for assigning and reviewing their work. This person would have the knowledge to determine whether the work was sufficient to meet the experience requirement. Logistically, requiring a second signature can delay the process for the applicant.

Upon staff review of the requirements of other state boards of accountancy, no other state requires a second supervisor to verify experience. A single signature requirement would be more consistent with other state boards of accountancy requirements.

This proposal seeks to:

- Eliminate the second signature requirement from Title 16 CCR sections 12 and 12.5,
- Update the Certificate of General Experience and Certificate of Attest Experience forms to reflect this elimination, and
- Repeal two experience forms, resulting in one form for general accounting experience and one for attest experience.
- Make additional clarifying and grammatical changes to existing Title 16 CCR sections 12 and 12.5.

Problem Agency Intends to Address

Requiring two signatures on the Certificate of General Experience and Certificate of Attest Experience forms as described in Title 16, Division 1, CCR sections 12 and 12.5 places an unnecessary burden on candidates and licensees to obtain the signature from a second licensee at a public accounting firm or a second person with higher authority at a private industry company or government agency. This requirement no longer fits with industry standards as the second signer may not be directly involved with the supervised experience, but must sign the experience form certifying that the experience indicated on the form is accurate. The two-signature requirement also adds additional forms to the submittal, which can cause applicant and employer confusion over which of the four forms to complete and submit to the CBA. When the incorrect form is submitted to the CBA for review, the CBA must request the appropriate form to be submitted. Until the correct form is received, the applicant's file remains in a pending status. This delays the processing time for the application and delays the issuance of the applicant's CPA license.

Benefits Anticipated from Regulatory Action

Eliminating the second signature requirement will enable the CBA to accept an experience form with only one supervisor signature, and will allow the CBA to more closely align with industry standards and the CPA licensure requirements of other state boards of accountancy. This will not only eliminate a burdensome step for both candidates and licensees, but will also reduce potential delays in the application process.

The four experience forms will be reduced to two forms by repealing two forms, so that there will be one form for each type of authority (general and attest). Separate experience forms will no longer be required after eliminating the second signature requirement. This is because there will no longer be a need to distinguish between the second person signing the experience form being either a licensed CPA in a public accounting firm, or having a higher level of responsibility in a private industry company or government agency. This will reduce confusion over which experience form to submit by reducing the number of forms available to applicants and supervisors.

Additionally, the changes to the Certificate of General Experience and Certificate of Attest Experience forms will include technical revisions to no longer reference outdated Title 16 CCR citations and to remove the requirement that supervisors do not use black ink when signing the form. This ensures accuracy with the experience forms and will improve clarity and understanding of the forms for both candidates and licensees.

Specific Purpose/Factual Basis/Rationale

The proposed amendments would remove the second signature requirement in the regulations and two forms incorporated by reference, as well as repeal two forms incorporated by reference. In addition, grammatical changes were made to the proposed regulations and gender-specific pronouns are replaced with gender-neutral ones.

Section 12

Section 12 is amended to remove “s 5092 and” from the title. This deletion is necessary as Business and Professions Code (BPC) section 5092 became inoperative on January 1, 2014. A reference to this section is no longer necessary in the regulations.

Section 12(a) is amended to remove “Section 5092 or” and “subdivision (d) of Section 5092 or.” BPC section 5092 became inoperative on January 1, 2014. Therefore, these deletions are necessary to promote consistency and clarity for the reader.

Section 12(a)(1) is amended to delete “person” and replace with “licensee.” This amendment is necessary to clarify that the supervisor signing the form must be a licensed CPA, as required by existing Title 16 CCR section 12(a).

Section 12(a)(1) is amended to remove “and by a second person with a higher level of responsibility in the public accounting firm, private industry company, or governmental agency. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm or private industry company signing the verification is also the person supervising the experience, no second signature is required.” These amendments are necessary to eliminate the requirement for a second signer on the certificate of general experience form. Requiring a second signer on a certificate of experience is a burden for candidates and licensees and does not reflect industry standards.

Section 12(a)(3)(A) is being amended to remove “All” and replace with “The.” This amendment is necessary to promote consistency and clarity for the reader. The amended regulations will only require one verification signature. Therefore, only one verification needs to be submitted to certify general accounting experience.

Section 12(a)(3)(A) is being amended to remove the “s” after verification. This deletion is necessary to promote consistency and clarity for the reader. The amended regulations will only require one verification signature. Therefore, only one verification needs to be submitted to certify general accounting experience.

Section 12(a)(3)(A) is being amended to remove “29” and replace with “30.” This amendment is being proposed following the CBA approval of the regulatory text and incorporated forms in March of 2022. This amendment is necessary to avoid confusion with the existing forms that might occur if the form number was not changed.

Section 12(a)(3)(A) is amended to remove (11/17) and replace with “(1/22).” This amendment is needed to reflect the date Form 11A-29 was revised.

Section 12(a)(3)(A) is amended to remove “for public accounting experience or Form 11A-29A (11/17) for private industry and governmental.” By removing the second signature requirement, two separate forms for general experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. As such, this deletion is necessary to no longer require Form 11A-29A by incorporation.

Section 12(a)(3)(A) is amended to add “general”, and remove “are” and replace with “is.” These proposed edits promote accuracy. Form 11A-30 will be the name of the only form required for verification of general accounting experience..

Section 12(a)(3)(B) is amended to remove “other forms” and replace with “another form” and amended to remove “they contain” and replace with “it contains.” These amendments are necessary to promote consistency and clarity for the ready. The amended regulations will only require one verification signature. These amendments harmonize this provision with that amended requirement.

Section 12(b) is amended to remove “Section 5092 or.” This deletion is necessary as BPC section 5092 became inoperative on January 1, 2014. A reference to this section is no longer necessary in the regulations.

Section 12(c) is amended to remove “Section 5092 or,” “at least two years of full-time employment for an applicant qualifying under Section 5092 or,” and “for an applicant qualifying under Section 5093.” These deletions are necessary as BPC section 5092 became inoperative on January 1, 2014. As such, two years of experience is no longer required for licensure, and a reference to this section is no longer necessary in the regulations. Similarly, the language clarifying “for an applicant qualifying under Section 5093” is no longer necessary, as Section 5093 is the only statute with relevant qualification criteria, unless the applicant has been licensed in another state for at least four years out of the previous 10 years as described under BPC section 5087 and Title 16 CCR section 36.1. Applicants applying under BPC section 5087 are not required to

submit a certificate of experience form to the CBA if it has been determined that they are licensed in a state that is substantially equivalent to California's requirements.

Section 12(c) is amended to remove "full- time," and replace with "full-time." This amendment is necessary to correct an error which included an additional space.

The Reference notation is amended to remove "s 5092 and". This deletion is necessary to promote accuracy and clarity for the reader. BPC section 5092 is no longer operative. Therefore, this regulation cannot be implementing, interpreting, or making specific BPC section 5092.

Section 12.5

Section 12.5(a) is amended to remove "5092,". BPC section 5092 became inoperative on January 1, 2014. Therefore, this deletion is necessary to promote consistency and clarity for the reader. BPC section 5092 is no longer operative. Therefore, BPC section 5092 no longer provides a statutory basis for an applicant for a CPA license in California.

Section 12.5(a) is amended to remove "he or she" and replace with "they," and remove "s" from "meets." These amendments are necessary to remove a gender specific reference in this section and make the sentence grammatically correct with the change from plural to singular. Assembly Concurrent Resolution No. 260 of 2018 provided that "state agencies should ... use gender-neutral pronouns and avoid the use of gendered pronouns when drafting policies, regulations, and other guidance."

Section 12.5(a)(1) is amended to remove "s 5092 or." This amendment is necessary to promote consistency and clarity for the reader. BPC Section 5092 is no longer operative.

Section 12.5(a)(2) is amended to remove "he or she" and replace with "they," and remove "has" and replace with "have." As described above, these amendments are necessary to remove a gender specific reference in this section and make the sentence grammatically correct with the change from plural to singular.

Section 12.5(d)(1) is amended to remove "person" and replace with "licensee." This amendment is necessary to clarify that the supervisor signing the form must be a licensed CPA.

Section 12.5(d)(1) is amended to remove "and by a second person with a higher level of responsibility in the public accounting firm, private industry company, or governmental agency. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm or private industry company signing the verification is also the person supervising the experience, no second signature is required." These

amendments are necessary to eliminate the requirement for a second signer on the certificate of attest accounting experience form. Requiring a second signer on a certificate of experience is a burden for candidates and licensees and does not reflect industry standards. Removing the second signature requirement will enable the CBA to accept an experience form with only one supervisor signature, and will allow the CBA to more closely align with other state boards of accountancy.

Section 12.5(d)(3)(A) is amended to remove “Form 11A-6A (4/20) for public accounting experience or on.” By removing the second signature requirement, two separate forms for attest experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. As such, this deletion is necessary to no longer require Form 11A-6A by incorporation.

Section 12.5(d)(3)(A) is being amended to remove “6” and replace with “7.” This amendment is being proposed following the CBA approval of the regulatory text and incorporated forms in March of 2022. This amendment is necessary to avoid confusion with the existing forms that might occur if the form number was not changed.

Section 12.5(d)(3)(A) is amended to remove “(4/20) and replace with “(1/22).” This amendment is needed to reflect the date Form 11A-6 was revised.

Section 12.5(d)(3)(A) is amended to add “attest,” and remove “are” and replace with “is.” These proposed edits promote accuracy. Form 11A-7 will be the name of the only form required for verification of general accounting experience.

Section 12.5(d)(3)(A) is amended to remove “All” and replace with “The.” The letter “s” is also deleted. These amendments are necessary to promote consistency and clarity for the reader. The amended regulations will only require one verification signature. Therefore, only one verification needs to be submitted to certify general accounting experience. **Section 12.5(d)(3)(B)** is amended to remove the “lower case s” after verification. This section is further amended to remove “other forms” and replace with “another form” and amended to remove “they contain” and replace with “it contains.” These amendments are necessary to promote consistency and clarity for the ready. The amended regulations will only require one verification signature. These amendments harmonize this provision with that amended requirement.

Section 12.5(e) is amended to remove “his or her” and replace with “their.” As described above, this amendment is necessary to remove a gender specific reference in this section and make the sentence grammatically correct with the change from plural to singular.

Section 12.5(h) is amended to remove “5092,”. BPC section 5092 became inoperative on January 1, 2014. Therefore, this deletion is necessary to promote consistency and clarity for the reader.

Section 12.5(h) is amended to remove “at least two years of full-time employment for an applicant qualifying under Section 5092 or.” This amendment is necessary as BPC section 5092 became inoperative on January 1, 2014. As such, two years of experience is no longer required for licensure, and a reference to this section is no longer necessary in the regulations.

The Reference notation is amended to remove “s 5092 and”. This amendment is necessary to promote accuracy and clarity for the reader. BPC section 5092 is no longer operative. Therefore, this regulation cannot be implementing, interpreting, or making specific BPC section 5092.

Form 11A-6 Rev. 4/20 Certificate of Attest Experience (Private Industry or Government)

Form 11A-6 is repealed. By removing the second signature requirement in Title 16 CCR section 12.5., two separate forms for attest experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. As such, this repeal is necessary.

Form 11A-6A, which will be renamed Form 11A-7, contains the same information as Form 11A-6 that the CBA requires in order to demonstrate satisfactory evidence of an applicant’s supervised experience. The text within these forms, unless described further in the Initial Statement of Reasons, is identical to the current regulatory requirements.

Form 11A-6A Rev. 4/20 Certificate of Attest Experience (Public Accounting)

Form 11A-6A (title) is amended to remove “(Public Accounting).” This amendment is necessary due to the repeal of Form 11A-6 and the elimination of the second signature requirement. Two separate forms for attest experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. For these reasons, it’s no longer necessary to indicate whether the Certificate of Attest Experience is for public accounting on the form.

Form 11A-6A (subtitle) is amended to remove “ MAILED directly to the California Board of Accountancy (CBA) by the Employer.” Due to the existing requirement in Title 16 CCR section 12.5(d)(3)(A) which describes that verifications of attest experience are to be submitted to the Board, it is unnecessary to include this instruction on the form.

Form 11A-6A (Period of Employment) is amended to remove “(MO/DAY/YR)” and replace with “(mm/dd/yyyy)” in the “From” and “To” sections under both “Full Time Dates” and “Part-Time Dates”. This technical amendment is necessary to change from the reporting of two digit years to four digit years and to maintain consistency with reporting dates on all forms and applications.

Form 11A-6A (text box above Qualifying Experience) is amended to remove “(see Instructions, Section 2).” This technical amendment is necessary, as the instructions are not incorporated by reference nor a part of the incorporated form. Therefore, reference to the instructions is not needed.

Form 11A-6A (text box above Qualifying Experience) is amended to include “of Title 16” after “Section 12.5.” This non-substantive amendment is necessary to specify which title of the CCR is being referenced.

Form 11A-6A (text box above Qualifying Experience) is amended to remove “CBA” and replace with “California Code.” This amendment is necessary to specify that the attest experience requirement is pursuant to Title 16 CCR section 12.5. This removes any possible confusion over what CBA Regulations might have referred to and maintains consistency with other DCA boards and bureaus.

Form 11A-6A (text box above Qualifying Experience) is amended to remove “(see Instructions, Sections 1 and 2).” This technical amendment is necessary, as the instructions are not incorporated by reference nor are they a part of the incorporated form.

Form 11A-6A (Number of Hours) is amended to remove “(see Instructions, Section 3).” This technical amendment is necessary, as the instructions are not incorporated by reference nor are they a part of the incorporated form.

Form 11A-6A (footer) is being amended to remove “6A” and replace with “7.” This non-substantive edit is being proposed to this incorporated form following the CBA approval of the regulatory text and incorporated forms in March of 2022. This amendment is necessary to avoid confusion that might occur if the form number was not changed.

Form 11A-6A (footer) is amended to remove “4/20” and replace with “01/22.” This technical amendment is necessary to specify when the Certificate of Attest Experience was last revised. This will prevent any potential confusion from candidates or supervisors over which form is the most current version.

Form 11A-6A (Notes to Employer section) is amended to remove “(Public Accounting).” This amendment is necessary due to the repeal of Form 11A-6 and the elimination of the second signature requirement. Two separate forms for attest experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. For these reasons, it’s no longer necessary to indicate whether the Certificate of Attest Experience is for public accounting on the form.

Form 11A-6A (Notes to Employer section) is amended to remove “See Instructions Sections 1, 2, and 3.” This technical amendment is necessary, as the instructions are not incorporated by reference nor are they a part of the incorporated form.

Form 11A-6A (first paragraph under Notes to Employer) is amended to remove “applying for licensure under either Pathway 1 or Pathway 2.” This amendment is necessary, as pathway 1 was repealed as a result of Senate Bill 819 (Yee, Chapter 308, Statutes of 2009) to ensure that California maintained its National Association of State Boards of Accountancy’s designation as a “substantially equivalent” state. Effective January 1, 2014, pathway 1 was eliminated and as such, a reference to the outdated pathways is no longer needed.

Form 11A-6A (second paragraph under Notes to Employer) is amended to remove “CBA” and replace with “California Code.” This non-substantive amendment is necessary to specify that the requirement for an explanation from the supervisor regarding the applicant’s attest experience is pursuant to Title 16 CCR section 69. This removes any possible confusion over what CBA Regulations might have referred to and maintains consistency with other DCA boards and bureaus.

Form 11A-6A (second paragraph under Notes to Employer) is amended add “California Board of Accountancy(” prior to CBA and place an ending ”)” around CBA. This non-substantive edit is necessary to indicate the full name of the CBA as the acronym is no longer established under the title of the form due to the removal of the instructions to submit the form to the CBA. The CBA’s title is not referenced elsewhere on the form.

Form 11A-6A (third paragraph under Notes to Employer) is amended to remove “CBA” and replace with “California Code.” This amendment is necessary to specify that the requirement for an explanation from the supervisor regarding the applicant’s attest experience is pursuant to Title 16 CCR section 12.5. This removes any possible confusion over what CBA Regulations might have referred to and maintains consistency with other DCA boards and bureaus.

Form 11A-6A (third paragraph under Notes to Employer) is amended to remove “person” and replace with “licensee.” This non-substantive edit is necessary to clarify that the supervisor signing the form must be a licensed CPA. Also, this amendment aligns with the proposed changes to Title 16 CCR section 12.5(d)(1) which removes “person” and replaces with “licensee.”

Form 11A-6A (third paragraph under Notes to Employer) is amended to remove “and by a second person with a higher level of responsibility in the public accounting firm. The second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm signing the verification is also the person supervising the experience, no second signature is required.” This amendment is necessary due to the elimination of the second signature requirement in Title 16 CCR section 12(d)(1). As such, a reference to a second signer on the Certificate of Attest Experience is no longer needed.

Form 11A-6A (text above business contact information) is amended to remove “(Public Accounting)” and to add a period. This amendment is necessary due to the repeal of Form 11A-6 and the elimination of the second signature requirement. Two separate forms for attest experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. For these reasons, it’s no longer necessary to indicate whether the Certificate of Attest Experience is for public accounting on the form. A colon is also added after ‘firm name’ in the business information box for consistency with the punctuation for other information asked for in the same box.

Form 11A-6A (signature #1 box) is amended to remove “#1” from the supervisor’s signature line. This amendment is necessary, as only one signature is required with the elimination of the second signature required from Title 16 CCR section 12.5. As such, there is no need to indicate that the supervisor’s signature is the first.

Form 11A-6A (signature #1 box) is amended to remove “(DO NOT USE BLACK INK).” This amendment is necessary to clarify that the CBA no longer requires the supervisor to sign in a color other than black ink; the CBA will accept the supervisor’s signature in any color. The CBA determined that it is an unnecessary requirement for supervisors to sign the form in a color other than black ink, and disqualifying the form submitted to the CBA for this reason results in an unnecessary burden on the supervisor and delays the application for CPA licensure.

Form 11A-6A (right of the signature #1 box) is amended to remove “(Second signature required)” next to the “Other” designation. This amendment is necessary due to the elimination of the second signature requirement from Title 16 CCR section 12.5. As such, a reference to a second signature requirement is no longer needed.

Form 11A-6A (signature #2 box) is amended to remove the entire section of the form indicating “Signature #2” and the corresponding areas where the second signer would have filled out the form including Printed Name, Date, designation within the firm or company, and license number. These amendments are necessary due to the elimination of the second signature requirement from Title 16 CCR section 12.5. By removing the requirement for a second signer on the Certificate of Attest Experience if the supervisor is not the owner, partner, or shareholder within the firm, a section for the second signer to complete is no longer necessary.

Form 11A-6A (second office use only box) is amended to remove the second box labeled Office Use Only. This technical amendment is necessary, as staff do not require the second box when verifying whether the public accounting firm has appeared before the Qualifications Committee for a Section 69 review while reviewing a Certificate of Attest Experience. The first Office Use Only box is sufficient for staff review of the form.

Form 11A-29A Rev. 11/17 Certificate of General Experience (Private Industry or Government)

Form 11A-29A is repealed. By removing the second signature requirement in Title 16 CCR section 12, two separate forms for general accounting experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. As such, this repeal is necessary, as Form 11A-29A is no longer required by incorporation.

Form 11A-29, which will be renamed Form 11A-30, contains the same information as Form 11A-29A that the CBA requires in order to demonstrate satisfactory evidence of an applicant's supervised experience. The text within these forms, unless described further in the Initial Statement of Reasons, is identical to the current regulatory requirements.

Form 11A-29 Rev. 11/17 Certificate of General Experience (Public Accounting)

Form 11A-29 (title) is amended to remove "(Public Accounting)." This amendment is necessary due to the repeal of Form 11A-29A and the elimination of the second signature requirement. Two separate forms for general accounting experience are no longer required to identify when the second signer is licensed in a public accounting firm or not licensed in a private industry or government agency. For these reasons, it's no longer necessary to indicate whether the Certificate of General Experience is for public accounting on the form.

Form 11A-29 (subtitle) is amended to remove "This form is to be COMPLETED and MAILED directly to the California Board of Accountancy (CBA)." Due to the existing requirement in Title 16 CCR section 12(a)(3)(A) which describes that verifications of attest experience are to be submitted to the Board, it is unnecessary to include this instruction on the form. For this reason, this amendment is necessary.

Form 11A-29 (Period of Employment) is amended to remove "(MO/DAY/YR)" and replace with "(mm/dd/yyyy)" in the "From" and "To" sections under both "Full Time Dates" and "Part-Time Dates". This technical amendment is necessary to change from the reporting of two digit years to four digit years and to maintain consistency with reporting dates on all forms and applications.

Form 11A-29 (text above business contact information) is amended to include "of Title 16" after "Section 12.5." This non-substantive amendment is necessary to specify which title of the CCR is being referenced.

Form 11A-29 (text above business contact information) is amended to remove "CBA" and replace with "California Code." This amendment is necessary to specify that the attest experience requirement is pursuant to Title 16 CCR section 12.5. This removes

any possible confusion over what CBA Regulations might have referred to and maintains consistency with other DCA boards and bureaus.

Form 11A-29 (text above business contact information) is amended to add “California Board of Accountancy(” prior to CBA and place an ending ”)” around CBA. This non-substantive edit is necessary to indicate the full name of the CBA as the acronym is no longer established under the title of the form due to the removal of the instructions to submit the form to the CBA. The CBA’s title is not referenced elsewhere on the form.

Form 11A-29 (text below business contact information) is amended to remove “CBA Regulations” and replace with “California Code of Regulations.” This amendment is necessary to specify that the general accounting experience requirement is pursuant to Title 16 CCR section 12. This removes any possible confusion of what CBA Regulations might have referred to and maintains consistency with other DCA boards and bureaus.

Form 11A-29 (text below business contact information) is amended to remove “person” and replace with “licensee.” This non-substantive edit is necessary to clarify that the supervisor signing the form must be a licensed CPA. Also, this amendment aligns with the proposed changes to Title 16 CCR section 12.5(a)(1) which removes “person” and replaces with “licensee.”

Form 11A-29 (text below business contact information) is amended to remove “, and by a second person with a higher level of responsibility in the public accounting firm. The second person signing the verification shall be an owner of the public accounting firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm signing the verification is also the person supervising the experience, no second signature is required.” This amendment is necessary due to the elimination of the second signature requirement in Title 16 CCR section 12(a)(1). As such, a reference to a second signer on the Certificate of General Experience is no longer needed.

Form 11A-29 (signature #1 box) is amended to remove “#1” from the supervisor’s signature line. This amendment is necessary, as only one signature is required with the elimination of the second signature required from Title 16 CCR section 12. As such, there is no need to indicate that the supervisor’s signature is the first.

Form 11A-29 (signature #1 box) is amended to remove “(DO NOT USE BLACK INK).” This amendment is necessary to clarify that the CBA no longer requires the supervisor to sign in a color other than black ink; the CBA will accept the supervisor’s signature in any color. The CBA determined that it is an unnecessary requirement for supervisors to sign the form in a color other than black ink, and disqualifying the form submitted to the CBA for this reason results in an unnecessary burden on the supervisor and delays the application for CPA licensure.

Form 11A-29 (right of the signature #1 box) is amended to remove “(Second signature required)” next to the “Other CPA” designation. This amendment is necessary due to the elimination of the second signature requirement from Title 16 CCR section 12. As such, a reference to a second signature requirement is no longer needed.

Form 11A-29 (signature #2 box) is amended to remove the entire section of the form indicating “Signature #2” and the corresponding areas where the second signer would have filled out the form including Printed Name, Date, designation within the firm or company, and license number. These amendments are necessary due to the elimination of the second signature requirement from Title 16 CCR section 12. By removing the requirement for a second signer on the Certificate of General Experience if the supervisor is not the owner, partner, or shareholder within the firm, a section for the second signer to complete is no longer necessary.

Form 11A-29 (footer) is being amended to remove “29” and replace with “30.” This non-substantive edit is being proposed to this incorporated form following the CBA approval of the regulatory text and incorporated forms in March of 2022. This amendment is necessary to avoid confusion that might occur if the form number was not changed.

Form 11A-29 (footer) is amended to remove “11/17” and replace with “01/22.” This technical amendment is necessary to specify when the Certificate of General Experience was last revised. This will prevent any potential confusion from candidates or supervisors over which form is the most current version.

Economic Impact Assessment per Gov. Code Section 11346.3(B)

The CBA has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The CBA presently requires the submission of either a Certificate of General Experience or a Certificate of Attest Experience as part of the application process for CPA licensure. The proposed amendments would eliminate the requirement for a second signer to verify an applicant’s general accounting or attest experience.

Creation or Elimination of Jobs within the State of California:

The regulatory proposal will not create or eliminate jobs within the State of California because the proposed changes impact individuals seeking to demonstrate satisfactory completion of an experience requirement for CPA licensure. The CBA presently requires the submission of either a Certificate of General Experience or a Certificate of Attest Experience as part of the application process for CPA licensure. The proposed amendments do not change the requirement for applicants to submit the appropriate experience form to the CBA as part of the application process.

Creation of New or Elimination of Existing Businesses within the State of California:

The regulatory proposal will not create new businesses or eliminate existing businesses within the State of California because the proposed changes impact individuals seeking to demonstrate satisfactory completion of an experience requirement for CPA licensure. The CBA presently requires the submission of either a Certificate of General Experience or a Certificate of Attest Experience as part of the application process for CPA licensure. The proposed amendments do not change the requirement for applicants to submit the appropriate experience form to the CBA as part of the application process.

Expansion of Businesses or Elimination of Businesses Currently Doing Business within the State of California:

The regulatory proposal would have no significant impact to the expansion of businesses or elimination of businesses currently doing business within the State of California. The regulations are designed to improve and simplify the application process relating to the Certificate of General Experience and the Certificate of Attest Experience. Adoption of the regulations will not expand or eliminate existing businesses within the State of California; the regulations apply to and impact only individuals seeking to demonstrate satisfactory completion of an experience requirement for CPA licensure and do not apply to or impact businesses within California.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment – Gov. Code Section 11346.1(b)(1):

The regulatory proposal benefits the health and welfare of California residents because it will allow the CBA to meet its mandate to protect consumers by streamlining and improving the qualification process for licensees to practice public accountancy in accordance with established professional standards.

These proposed regulations will have no adverse effect nor benefit on worker safety or the State's environment because these regulations address neither.

Reasonable Alternatives that Would Lessen the Impact on Small Businesses – Gov. Code Section 11346.2(b)(4)(B):

The proposed regulations only apply to individuals seeking to demonstrate satisfactory completion of an experience requirement for CPA licensure and would have no significant impact on the private sector, including small businesses.

Evidence Relied Upon to Support the Initial Determination that the Regulations Will Not Have a Significant Adverse Economic Impact on Business – Gov. Code Section 11346.2(b)(5):

The proposed regulations would not have a significant adverse economic impact on any

business because the proposed additions only affect individuals seeking to demonstrate satisfactory completion of an experience requirement for CPA licensure, not the private sector.

Materials Relied Upon and Reasonable Alternatives

Studies, Reports or Documents Relied Upon – Gov. Code. Section 11346.2(b)(3):

Technical, theoretical, or empirical studies, reports, or documents relied upon:

- Minutes of the March 25, 2022 CBA Meeting.
- March 25, 2022: CBA Item XV.A.2. – Discussion and Possible Action to Initiate a Rulemaking to Amend California Code of Regulations, Title 16, Sections 12 – General Experience Required Under Business and Professions Code Sections 5092 and 5093 and 12.5 – Attest Experience Under Business and Professions Code Section 5095.
- Minutes of the July 23, 2021 CBA Meeting.
- July 23, 2021: CBA Item XV.A.2. – Discussion and Possible Action Regarding the Elimination of the Second Signature Requirement from the Certificates of General and Attest Experience.
- Fiscal Workload Analysis Data.

Reasonable Alternatives Considered or Agency’s Reasons for Rejecting Those Alternatives – Gov. Code Section 11346.2(b)(4)(A):

No other alternatives were presented to or considered by the CBA. The public is encouraged to propose alternatives.

Analysis of Whether the Regulations are an Efficient and Effective Means of Implementing the Law in the Least Burdensome Manner – Gov. Code Section 11346.3(e):

The proposed regulations have been determined to be the most efficient and effective means of implementing the law in the least burdensome manner.

Determination of Inconsistent/Incompatible Existing Regulations – Gov. Code Section 11346.5(a)(3)(D):

An evaluation of the proposed regulations has determined they are not inconsistent/incompatible with existing regulations, pursuant to Government Code section 11346.5(a)(3)(D).