

Annual *Report*

CALIFORNIA BOARD OF ACCOUNTANCY

The Mission of the California Board of Accountancy is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.



Fiscal Year 2015-16

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EXECUTIVE OFFICER'S STATEMENT

I am pleased to present the California Board of Accountancy (CBA) Annual Report for Fiscal Year (FY) 2015-16. This past year, the CBA has strived to fulfill its mission and statutory mandate of consumer protection while at the same time providing excellent service to all of its stakeholders, including licensees, applicants and consumers.



Patti Bowers
Executive Officer

Detailed in this report are the CBA's many successes as well as information about the outcome of the CBA's study of the Attest experience requirement for Certified Public Accountant (CPA) licensure, information on the activities of the Department of Labor in regards to employee benefit plan audits, the CBA's ongoing work in overseeing practice privilege holders, and an increased focus on outreach activities. These activities are in concert with its recently adopted 2016-18 Strategic Plan. Below are some of the highlights and accomplishments from FY 2015-16:

Consumer Protection

The CBA took disciplinary action on 83 matters in FY 2015-16. This represents an increase of 32 percent over FY 2014-15. Disciplinary actions are the most direct way that the CBA ensures only qualified licensees practice public accountancy in accordance with established professional standards.

Outreach

The CBA over the past fiscal year, and in working with President Katrina L. Salazar, CPA, has significantly increased its outreach efforts. In FY 2015-16, CBA Members and/or staff shared information regarding the CBA with students from at least six colleges and universities, four National Association of State Boards of Accountancy (NASBA) meetings, four California Society of Certified Public Accountants (CalCPA) events, a financial literacy fair, and an accounting conference. In addition, the website underwent a comprehensive and complete redesign, including new features to make it more user friendly. Additionally, the subscriptions to the CBA's social media accounts increased significantly.

Enforcement

In FY 2015-16, the Enforcement Division received 2,735 complaints, of which 2,040 were assigned for investigation. Enforcement referrals to the Attorney General's Office increased by more than 15 percent over the previous fiscal year. The CBA ended the fiscal year with 110 licensees on probation, a 15 percent increase over the prior year.

Licensing

The Licensing Division processed 8,381 first-time Uniform CPA Examination (CPA Exam) applications and 19,135 repeat CPA Exam applications while issuing 3,470 CPA licenses and 432 firm registrations in FY 2015-16. In addition, the Licensing Division processed 44,091 license renewal applications, approving 1,113 of those for retired status, and registered or renewed 231 out-of-state accounting firms. Finally, the Licensing Division implemented regulations that proved applicants to satisfy the general accounting experience requirement via academia.

Administration

This year, the Administration Division launched a “paperless CBA meeting” project and purchased tablets for use at CBA meetings to replace bulky meeting binders and reduce the monetary and ecological cost of reliance on paper. The CBA also implemented closed captioning of its CBA meetings to ensure all stakeholders can participate.

CBA Budget

The CBA secured a General Fund loan repayment of \$10,270,000 at the end of June 2016 and is scheduled to receive a remaining \$21,000,000 General Fund loan repayment during FY 2016-17. The CBA revised its budget reports to ensure clearer information and provide more relevant information for the CBA and stakeholders.

The CBA’s mission of consumer protection guides every activity undertaken by CBA members and staff. We strive to assist all stakeholders and provide the highest level of customer service possible. The 2015-16 fiscal year has proven to be very successful and that success and vigor will continue into FY 2016-17.

Patti Bowers
Executive Officer

THE CBA ORGANIZATION

The CBA's legal mandate is to regulate the accounting profession for the public interest. The CBA establishes and maintains standards of qualification and conduct within the accounting profession, primarily through its authority to license. The CBA's practice act is found at section 5000 *et seq.* (Accountancy Act) of the Business and Professions Code (BPC), and the CBA's regulations appear in Title 16, Division 1 of the California Code of Regulations (CBA Regulations).

The CBA has the authority to regulate, license, and discipline individuals, partnerships, and CPA corporations. As accounting practitioners, the CPA and the public accountant (PA) are sole proprietors, partners, shareholders, and staff employees of public accounting firms. They provide professional services to individuals; private and publicly-held companies; financial institutions; nonprofit organizations; and local, state, and federal government entities. CPAs and PAs also are employed in business and industry, in government, and in academia. The CBA performs its consumer protection mission for many stakeholders, including:

- Consumers of accounting services who require audits, reviews, and compilations of financial statements, tax preparation, financial planning, business advice and management consultation, and a wide variety of related tasks
- Lenders, shareholders, investors, and small and large companies who rely on the integrity of audited financial information
- Governmental bodies, donors, and trustees of not-for-profit agencies, which require audited financial information or assistance with internal accounting controls
- Regulatory bodies such as the Securities and Exchange Commission, the Public Company Accounting Oversight Board, the Public Utilities Commission, Department of Insurance, Department of Labor, the Government Accountability Office, and federal and state banking regulators; and local, state, and federal taxing authorities
- Retirement systems, pension plans, capital markets and stock exchanges
- Other state boards of accountancy

Current law mandates that the CBA consist of 15 members, seven of whom must be CPAs, and eight of whom must be public members, not licensed or registered by the CBA. The Governor appoints four of the public members and all seven licensee members. The Senate Rules Committee and the Speaker of the Assembly each appoint two public members.

The members of the CBA appoint an Executive Officer to oversee the daily operations of the CBA and implement the various policy decisions made by the CBA. The CBA is comprised of three divisions, Administration, Licensing, and Enforcement. There are approximately 95 staff members that serve throughout the CBA in various capacities. Although the CBA is comprised of three divisions, the CBA operates as a single entity, knowing that each Division is working in the interest of consumer protection.

CBA MEMBERS

LEADERSHIP



Katrina L. Salazar, CPA
President
Governor Appointee



Alicia Berhow
Vice President
Governor Appointee



Michael M. Savoy, CPA
Secretary/Treasurer
Governor Appointee

CURRENT MEMBERS



Jose A. Campos, CPA
Governor Appointee



Herschel T. Elkins, Esq.
Senate Rules Committee
Appointee



George Famalett, CPA
Governor Appointee



Karriann Farrell Hinds, Esq.
Governor Appointee



Laurence (Larry) Kaplan
Speaker of the Assembly
Appointee



Kay Ko
Governor Appointee



Leslie LaManna, CPA
Governor Appointee



Xochitl A. León
Senate Rules Committee
Appointee



Jian Ou-Yang, CPA
Governor Appointee



Deidre Robinson
Governor Appointee



Mark J. Silverman, Esq.
Governor Appointee



Kathleen K. Wright, JD,
CPA, LLM, MBA
Governor Appointee

FORMER MEMBERS



Sarah "Sally" Anderson, CPA



Louise Kirkbride

STRATEGIC PLANNING

The 2016-18 Strategic Plan (Plan), adopted in September 2015, has provided clear, relevant, and consumer-focused goals to guide the CBA. The goals include Enforcement, Licensing, Customer Service, Outreach, Laws and Regulations, Emerging Technologies, and Organizational Effectiveness. These goals provided a framework for the Plan's 23 objectives. During the three-year time period covered by the Plan, the CBA will strive to successfully achieve the goals and complete the objectives. Each objective has been assigned to staff and a project outline developed detailing how it will be accomplished over the next three years. The individual objectives are currently at various stages. Provided below is an overview of some of the activities:

Goal 1 – Enforcement

Maintain an active, effective, and efficient program to maximize consumer protection.

Staff are creating flowcharts of the current work flow associated with intake, citation desk and other functions to aid them in identifying opportunities to improve the processes and implement industry best practices. Staff is implementing workflow changes that reduce overall processing timeframes. The Enforcement Division detailed the priority of work for technically skilled staff and reassigned routine activities to other staff. This realignment of work will maximize the abilities of technically skilled staff.

Goal 2 – Licensing

Maintain an active, effective, and efficient program that maximizes customer service to Uniform CPA Examination candidates, applicants for CPA licensure, and licensees.

The Licensing Division continues to identify opportunities to improve processes and implement best practices. Documentation of all identified changes will be incorporated in desk manuals for future reference by staff. In addition, the Licensing Division is undertaking cross training associated with examinations, licensure, and renewal processes to ensure sufficiently trained staff and opportunities for upward mobility.

Goal 3 – Customer Service

Deliver the highest level of customer service.

In May 2016, the CBA's new website was launched to make it easier for stakeholders to access important information, including a new feature on the homepage for announcements. An important new feature on the CBA website allows stakeholders to search for enforcement actions in one location. Previously, stakeholders had to scroll through three different lists to identify actions related to licensees; this new feature not only saves time but ensures the consumer has complete information related to a licensee.

Goal 4 – Outreach

Provide and maintain effective and timely outreach to all CBA stakeholders.

The CBA has identified partners to assist in its efforts to increase its outreach to CBA stakeholders. The Department of Business Oversight is one new stakeholder that has goals that align with the CBA's mission and regulatory oversight responsibilities. Of recent, the CBA participated in a financial literacy event and anticipates further collaboration in the coming years. The CBA will continue its successful partnership with the California Society of Certified Public Accountants by continuing to participate in "So, You Want to Be a CPA?" events at various universities, which focus on educating students on the examination and licensure process. In college and university outreach, staff continue to send out invitations to selected colleges and universities offering to provide information to their students on how to become a CPA. Staff also coordinated for the CBA to participate in Accounting Day 2016 and will continue to explore other events that can further the CBA's mission of consumer protection.

Goal 5 – Laws and Regulations

Maintain an active presence and leadership role that efficiently leverages the CBA's position of legislative influence.

Each year, staff identify members of the Business and Professions Committees and schedule opportunities for CBA members and staff to meet and discuss issues of importance with the Legislative members. As appropriate, staff will continue to schedule meetings to outline the CBA position regarding bills or CBA legislation scheduled for hearing by the Business and Professions Committees or meet to share the CBA's mission and offer to be a resource to their constituents. Staff or CBA Members will testify as needed on bills affecting the CBA.

Goal 6 – Emerging Technologies

Improve efficiency and information security through use of existing and emerging technologies.

Staff acquired tablets to implement a "paperless CBA meeting" for use at CBA meetings to replace bulky meeting binders and reduce the monetary and ecological cost of reliance on paper. CBA members will be able to participate in using these new tools that will significantly reduce preparation time and the use of paper.

Goal 7 – Organizational Effectiveness

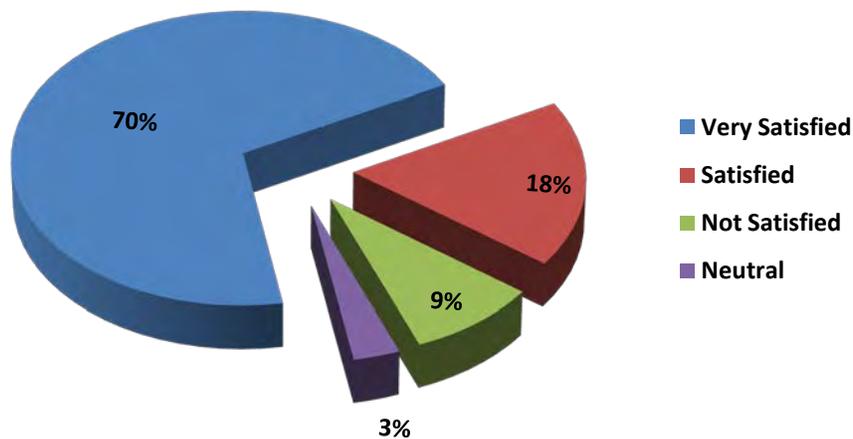
Maintain an efficient and effective team of leaders and professionals by promoting staff development and retention.

The CBA fosters a learning environment both encouraging and supporting staff's desire to expand their knowledge. There is a 'Grow Your Career' section of the CBA intranet site, a one stop shop website for sample interview questions, tips on interviewing, and links to available positions. Periodic reminders are sent to staff to remind them to review the site to assist in advancing their career.

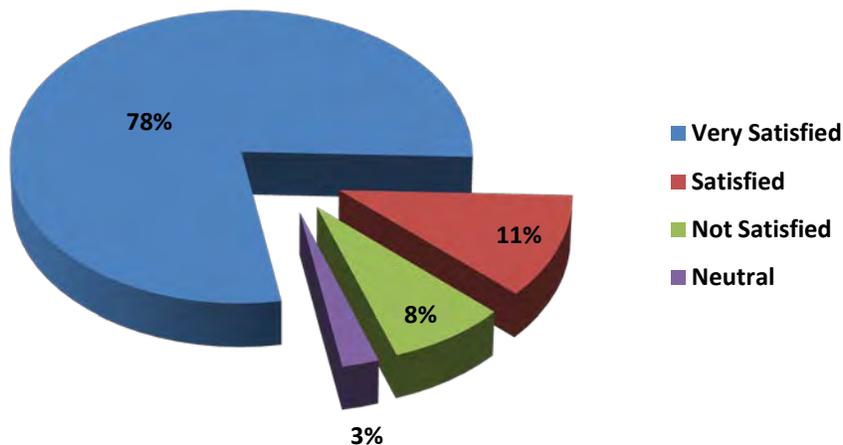
STAKEHOLDER SATISFACTION

The CBA Stakeholder Satisfaction Survey offers a significant source of feedback from stakeholders on their experiences with the CBA. The CBA uses the results to further improve its customer service to all CBA stakeholders. On average, more than 88 percent of those responding to the survey report that CBA service met their expectations. Additionally, 89 percent of the respondents were satisfied with the service received, and more than 93 percent reported being satisfied with how quickly staff responded to their inquiries as recorded in the accompanying survey results charts.

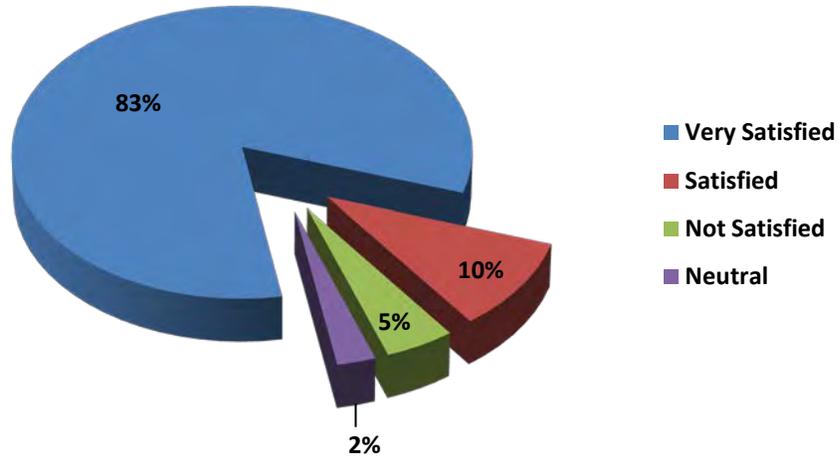
Did CBA Service Meet Your Expectations?



How Satisfied Were You with the Service Received from CBA Staff?



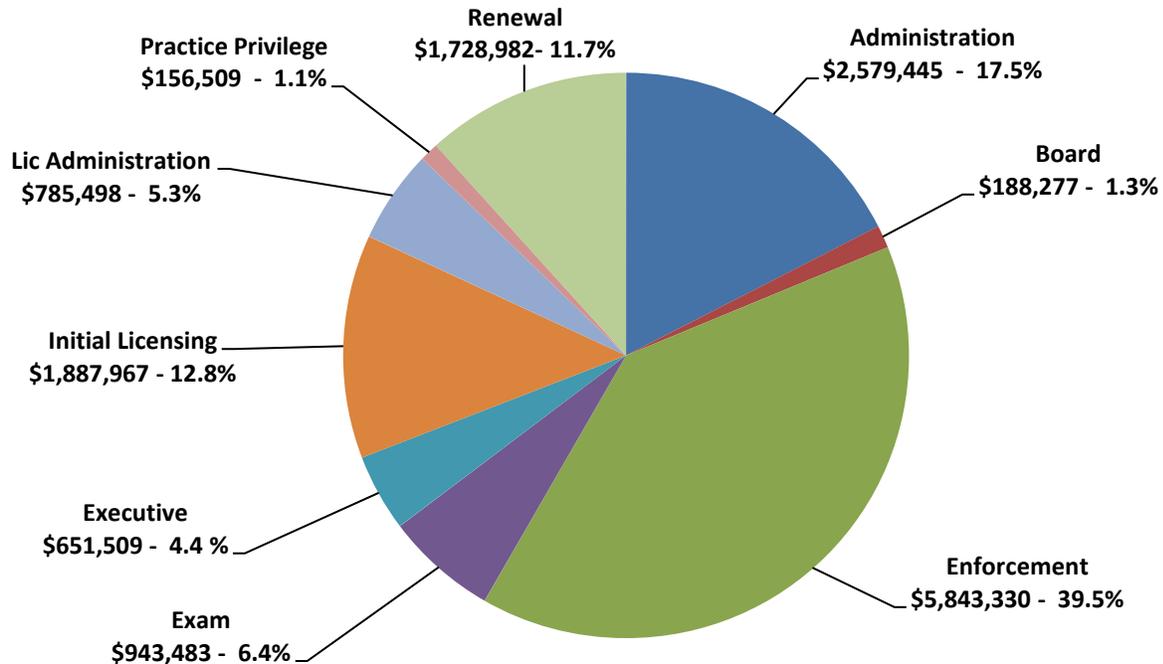
Were You Satisfied with the CBA's Response Time to Your Inquiry?



CBA BUDGET

Fiscal Year 2015-16 Allocations

Total Budget: \$14,765,000



The CBA's budget in FY 2015-16 was \$14,765,000, which represents the maximum amount of money that the CBA was authorized to spend on annual operations. The chart above illustrates the resources allotted within the CBA. The CBA Administration Division, in consultation with Department of Consumer Affairs (DCA), is responsible for determining the budgets for each program with the number and classification of personnel, specific contracts, and expected equipment purchases all considered when determining these amounts.

BUDGET REPORTING

The CBA is kept apprised of its budget and year-to-date expenditure and revenue data via financial reports at CBA meetings. The format of the CBA budget reporting documents was significantly revised in March, in order to ensure that the budget documents were more comprehensive and user-friendly for the CBA and all its stakeholders. These reports reflect revenues, expenditures, and reimbursements for the current quarter, and are compared to the same quarter of the prior year. Charts included in the quarterly budget reports show historical CBA data with year-end expenditure projections reflecting revenue and expenditure levels.

The CBA is also kept apprised of any other relevant matters relating to the CBA budget, and this information is shared throughout the year in the monthly Executive Officer report.

The CBA publishes a budget summary in the Spring edition of the UPDATE containing a breakdown of the CBA budget and how the funds are allocated.

Internally, detailed monthly budget reports that contain all revenue collections and expenditures, are reviewed for accuracy and then summarized to provide year-to-date financial information for all budget line items. The reports are used to monitor spending levels and determine whether adjustments in purchases or spending should be made in a given area.

RESERVE LEVEL

The following table provides a general summary of the CBA Reserve including statistics for FY 2015-16 and staff projections for the next two years.

CBA Reserve Summary

ANALYSIS OF FUND CONDITION	FY 2015-16 (Actual) ¹	FY 2016-17 (Projected) ²	FY 2017-18 (Projected)
Total Reserves, July 1	\$6,818,000	\$12,457,650	\$34,973,795
Total Revenues	\$5,091,354	\$13,129,000²	\$13,173,000
Total Transfers	\$13,219,933	\$23,719,145³	n/a
Total Resources	\$25,129,287	\$49,305,795	\$48,146,795
Total Expenditures	\$14,130,808	\$14,762,000	\$14,828,000
Scheduled Reimbursements	\$78,304	\$296,000	\$296,000
Investigative Cost Recovery	\$1,380,867	\$134,000	\$134,000
Reserve, June 30	\$12,457,650	\$34,973,795	\$33,748,795
MONTHS IN RESERVE	10.5	28.4	27.4

¹As of Fiscal Month 12 data from Department of Consumer Affairs Budget Reports

²The revenue figures for FY 2016-17 reflect revenue increases from restoration of License, Renewal, and Initial Permit fees, effective July 1, 2016

³A total of \$21 million in General Fund Loans is scheduled to be repaid in FY 2016-17. It is projected that the interest which is required to be repaid at the time of loan repayment, will amount to \$2,719,145.

FEE RESTORATION

The second year of the CBA's two-year fee reduction ended on June 30, 2016.

Effective July 1, 2016, fees were restored to pre-FY 2014-15 levels. This fee restoration was implemented in order to increase the CBA's Reserve levels, to more closely align revenues and expenditures, and to ensure the CBA would have sufficient resources to carry out its consumer protection mandate. With General Fund loan repayments secured, the CBA will be determining any necessary fee adjustments in the coming year.

GENERAL FUND LOANS

The CBA received the fiscal year (FY) 2015-16 loan repayment of \$10,270,000 at the end of June 2016. Interest received on these loans totaled \$2,949,933. The CBA presently has \$21,000,000 in loans to the General Fund outstanding. It is anticipated that the remaining \$21,000,000 will be received in June 2017, with interest.

Updates regarding the General Fund loans are provided during the financial reports presented during the CBA meetings.

Department of Finance General Fund Loan Repayments

Fiscal Year 2015-16	\$10,270,000
Fiscal Year 2016-17¹	\$21,000,000

¹Information based on the Department of Finance Loan Obligation Report, dated July 16, 2016

PROJECTS, ACTIVITIES, AND CURRENT EVENTS

CALIFORNIA PRACTICE PRIVILEGE AND MOBILITY

The Mobility Stakeholder Group (MSG) was established by the Legislature with the passage of Senate Bill 1405 in 2012. The MSG is a seven-member committee comprised of two representatives of the accounting profession, two consumer representatives, two CBA members and one CBA staff member. The MSG advises the CBA on important issues related to the practice privilege provisions (commonly referred to as mobility provisions), including whether the practice privilege law is consistent with the CBA's duty to protect the public and satisfies the objectives of stakeholders in this state, including consumers.

In FY 2015-16, the MSG held five meetings to discuss important issues and make periodic reports to the CBA. The following highlight some of the major accomplishments of the MSG during the past year:

- Recommended that the CBA select the NASBA to assist the CBA in comparing the enforcement practices of other states to the NASBA Guiding Principles of Enforcement
- Recommended that the CBA approve a legislative proposal to grant emergency rulemaking authority related to its no notice, no fee practice privilege provisions
- Recommended that the CBA direct staff to conduct an assessment of 15 percent of the jurisdictions out of 43 jurisdictions identified as substantially equivalent by NASBA and concurrently review the Internet portion of all states identified as substantially equivalent

In the coming year, the MSG, as directed by the CBA, will continue working with NASBA to assess the remainder of the states that are not yet determined to be substantially equivalent. If the CBA determines allowing a licensee of a particular state to practice in California under the mobility law violates its duty to protect the public, the licensee of those particular states, would, following a rulemaking by the CBA, revert back to using the prior practice privilege program with its notice and fee provisions.

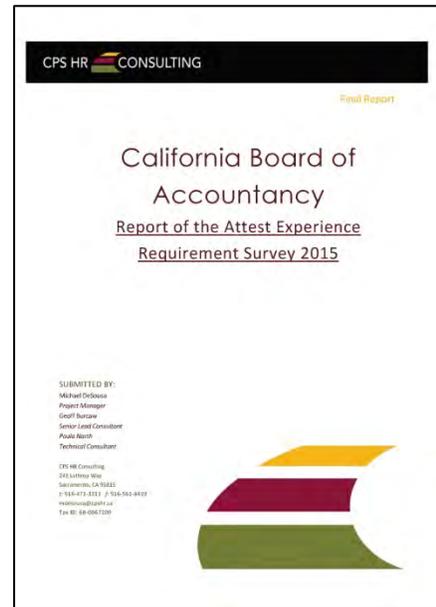
STUDY OF CALIFORNIA'S ATTEST EXPERIENCE REQUIREMENT FOR CPA LICENSURE

In September 2013, after the conclusion of the Taskforce to Examine Experience for CPA Licensure completed preliminary work on examining California's attest experience requirement, the CBA adopted a position to perform a more comprehensive study, both statewide and nationally. In 2014, the CBA secured an outside vendor, CPS HR Consulting (CPS), to assist in both developing and conducting the statewide study in collaboration with the Committee on Professional Conduct and CBA.

The study, Report on the Attest Experience Requirement Survey 2015, issued by CPS HR Consulting, which took place in FY 2015-16, involved surveying a wide range of groups in California, including consumers, applicants, new and experienced licensees, hiring managers, licensees who supervise and sign-off on attest experience, and accounting department faculty at various colleges and universities. The study also included a national survey of the other state boards of accountancy.

The conclusion of the study resulted in a report compiling all the data and responses received from the 10,163 respondents.

In March 2016, the CBA was provided an in-depth presentation on the study as well as an overview of the final report. Following an in-depth review and discussion, the CBA concluded that the current 500-hour attest experience requirement for CPA licensure is necessary and sufficient in supporting the CBA's mission to protect consumers.



LITTLE HOOVER COMMISSION

The Little Hoover Commission (Commission) conducted hearings in February, March, and June of 2016 on the impact of occupational licensing on upward mobility and opportunities for entrepreneurship and innovation for Californians, particularly those of modest means. The Commission also examined the connection between licensing and the underground economy. Finally, it explored the balance between protecting consumers and enabling Californians to enter the occupation of their choice. Staff attended each of the hearings and subsequently provided updates at the CBA meetings regarding the various testimonies at each hearing. The Commission will finalize its finding and prepare a report, which may include suggested legislation during FY 2016-17.

OFFICE RELOCATION

In FY 2015-16 the CBA continued its work on relocating its headquarters office. The new facility is conveniently located close to major highways, is approximately two miles north of downtown Sacramento and nine miles southeast of Sacramento International Airport. It is anticipated the CBA will begin occupying this space in 2017. The new facility will have the space to accommodate Northern California CBA and committee meetings, resulting in reduced costs associated with



Future California Board of Accountancy Headquarters

facility rental and staff travel. The facility will allow the CBA to be located in one building, improve communication, increase functionality, productivity, and allow for staffing growth as the CPA profession continues to expand. Staff is working to ensure the move occurs without any impact to consumers, licensees, and other CBA stakeholders.

LEGISLATION

LEGISLATIVE BEST PRACTICES

To ensure consistent communication with the Legislature, staff follow the CBA's Legislative Best Practices, which include increased communications with the author of the bill, inviting the authors or their legislative staff to attend CBA meetings, providing the CBA's legislative analysis to the author's office, and proactively expressing the CBA's willingness to meet and discuss the bill.

2016 LEGISLATION

The CBA continues to maintain an active role with the Legislature by tracking legislation and meeting with legislators regarding bills that impact consumers of accounting services and/or directly relates to the CBA's mission of consumer protection. Below is an overview of the Assembly Bills (AB), Assembly Concurrent Resolution (ACR), and Senate Bills (SB) on which the CBA took a position during the second year of the 2015-2016 legislative session:

AB 507

This bill required the DCA to submit a report to the Legislature and the Department of Finance (DOF) each year that details its plan for implementing a new online licensing technology called BreEZe for the 19 boards and bureaus that have not yet transitioned into the new system. The CBA took a Support position. The author cancelled the committee hearing in August 2015. If passed and signed by the Governor, it will take effect January 1, 2017.

AB 1566

This bill required a written report, as defined, submitted by any state agency or department to the Legislature, a Member of the Legislature, or any state legislative or executive body to include a signed statement by the head of the agency or department declaring that the factual contents of the written report are true, accurate, and complete to the best of his or her knowledge. The CBA took a Support if Amended position. This bill failed to pass 2016 legislative deadlines.

AB 1707

This bill required that a public agency's written denial of a request for public records to provide a more specific explanation when it withheld requested public records. The CBA took a Watch position. This bill failed to pass 2016 legislative deadlines.

AB 1939

This bill required the Director of the DCA to conduct a study on whether there were unnecessary occupational licensing requirements that produced a barrier to labor entry or labor mobility, with a focus on dislocated workers, service members, and military spouses and submit a report to the Legislature by July 1, 2017. The CBA took a Watch position. This bill failed to pass 2016 legislative deadlines.

ACR 131

This bill encouraged the DCA and its licensing entities to create policies that promote fairness and equity to guarantee that each licensee pays a fair amount, especially in regards to initial and ongoing license fees. The CBA took a Watch position. This bill failed to pass 2016 legislative deadlines.

AB 2560

This bill would authorize the CBA to adopt emergency regulations, when it determines that allowing individuals from a particular state to practice in California pursuant to a practice privilege violates the board's duty to protect the public. The CBA is the sponsor of this bill. If passed and signed by the Governor, it will take effect January 1, 2017.

AB 2853

This bill would authorize a public agency that posts a public record on its Internet website to refer a member of the public that requests to inspect the public record to the public agency's Internet website where the public record is posted. The CBA took a Support if Amended position on this bill. If passed and signed by the Governor, it will take effect January 1, 2017.

AB 2859

This bill would authorize any of the boards, bureaus, commissions, or programs within the DCA to establish, by regulation, a system for a retired category of licensure for persons not actively engaged in the practice of their profession. The CBA took a Support if Amended position. If passed, it will take effect January 1, 2017.

SB 1155

This bill would require every board under the DCA to grant a waiver for the application and initial licensing fee to an honorably discharged veteran. The CBA took a Support position. If passed and signed by the Governor, it will take effect January 1, 2017.

SB 1195

This bill (the provision that relates to the CBA) would grant authority to the Director of the DCA to review decisions and other actions by boards within the Department to determine if the action restrains trade. The bill would require the Office of Administrative Law to perform additional reviews of regulations proposed by boards within the Department. The CBA took a Watch position. This bill failed to pass 2016 legislative deadlines.

SB 1251

This bill would establish the California Financial Transparency Act (CFTA) of 2016 and require the Legislative Analyst's Office to create and maintain separate and dedicated Internet websites that list specific state financial obligations. This bill also requires the Secretary of State to print the requisite material in the ballot pamphlet. The CBA took a Watch position on this bill. This bill failed to pass 2016 legislative deadlines.

SB 1348

This bill would require regulatory boards and bureaus within the DCA to indicate on a license application that veterans may be able to apply military experience and training

toward licensure requirements. The CBA took a Support position. If passed and signed by the Governor, it will take effect January 1, 2017.

SB 1445

This bill would state legislative findings regarding California's tax climate and would state that the intent of the bill is to make three changes to the taxation within the state, including broadening the tax base by imposing a modest sales tax on services. This bill would also establish the Retail Sales Tax on Services Fund in the State Treasury and state the intent of the Legislature that moneys in the fund would be appropriated to, among other things, provide tax relief to middle- and low-income Californians to offset the effect of a sales tax on services, among other purposes. The CBA took a Watch position. This bill failed to pass 2016 legislative deadlines.

SB 1479

This was one of the Senate Business Professions and Economic Development Committee's omnibus bills and it contains one provision requested by the CBA which would amend the CBA's ethics study education requirements for Certified Public Accountant licensure to provide a level of flexibility by changing the current course title requirement to a subject requirement. The CBA took a Support position. If passed and signed by the Governor, it will take effect January 1, 2017.

THE HONORABLE SENATOR JOHN MOORLACH

The Honorable Senator John Moorlach, the only CPA serving in the California Legislature, spoke about his career and the profession at the January 2016 CBA meeting. He was elected into office on March 22, 2015 and serves the 37th California Senate District. He has served as the Orange County Treasurer-Tax Collector and two terms on the Orange County Board of Supervisors. His main focus is on transparency in government financial operations.

REGULATIONS

In an effort to provide clear and concise regulatory direction to licensees and consumers, the CBA considered the following regulations in FY 2015-16. The primary goal of implementing these regulations is to ensure the protection of the public.

Disciplinary Guidelines and Model Orders

This regulatory proposal provided CBA staff and Administrative Law Judges updated Disciplinary Guidelines and Model Orders, including factors to be considered in aggravation and mitigation; standard probationary terms; and guidelines for specific offenses. The guidelines for specific offenses are referenced to the statutory and regulatory provisions violated. *(Approved July 2015)*

Practice Privilege Notification of Pending Criminal Charges Form

This regulatory proposal incorporated a Practice Privilege Notification of Pending Criminal Charges Form. The form is required to be completed by individuals practicing in California under a practice privilege who attain pending criminal charges. The form must be submitted to the CBA within 30 days and may be used to initiate an investigation regarding the criminal charges. The CBA will use the information obtained during the investigation to determine whether continuation of practice rights will ensure consumer protection. *(Approved July 2015)*

Continuing Education for Stale Dated Experience

This regulatory proposal modified the timeframe in which experience can be obtained for CPA licensure applicants whose experience was obtained five or more years prior to application and for reissuance of a cancelled license. *(Approved August 2015)*

Experience in Academia

This regulatory proposal established guidelines for experience in academia to qualify as general accounting experience for licensure as authorized by BPC section 5093(d)(3). Specifically, this regulatory proposal equates 48 semester units of instruction, or its equivalent in quarter units, to one year of general accounting experience. *(Approved September 2015)*

Fee Increase

This regulatory proposal would have restored initial permit and biennial renewal fees to \$200, bringing revenues and expenditures more closely aligned. *(Disapproved May 2016)*

Peer Review – Exclusion

This regulatory proposal would clarify language regarding firms that are excluded from the mandatory peer review requirement; specifically it would exclude licensees who, as their highest level of service, perform preparation engagements. *(In review by the Department of Finance)*

Credentials Evaluation Service

This regulatory proposal would require Credentials Evaluation Service providers to submit an application and attest to certain activities and policies in evaluating foreign education transcripts for CPA applicants. *(Final Statement of Reasons is being prepared)*

Continuing Education – Preparation Engagements

This regulatory proposal would amend the number of specific hours of continuing education (CE) required of licensees who, as their highest level of service perform preparation engagements to complete eight hours of CE in preparation engagements or accounting and auditing and four hours of CE specifically related to the prevention, detection, and/or reporting of fraud affecting financial statements. (*Hearing held July 2016*)

Out-of-State Licensees Status (Section 100)

This regulatory proposal amends the description of the Out-of-State licensees' status. The proposed changes to California Code of Regulations (CCR) section 36.1 maintain consistency with the language of BPC section 5087 as amended by AB 181. The proposed change does not have regulatory effect pursuant to CCR section 100(a)(6). (*Approved by the Office of Administrative Law*)

Peer Review Reporting – Firms

This regulatory proposal would amend the reporting form and requirement for licensees who are not firms from participating in peer review. (*Public hearing anticipated in November 2016*)

OUTREACH, SOCIAL MEDIA, AND STAKEHOLDER CONTACT

PRESENTATIONS AND SPEAKING ENGAGEMENTS

During the past fiscal year, there has been an increased focus on outreach and how it can assist the CBA in its mission of consumer protection by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. The CBA has furthered its message to stakeholders on the role, requirements, and responsibilities of CPAs, has worked to educate consumers on checking for the existence and status of a license, ensured applicants are aware of the qualifications for licensure, and that licensees are following professional standards.

CBA Leadership, management, and staff participated in several varied outreach events during FY 2015-16. These events provided a platform to share the consumer protection mission of the CBA, discuss the CBA's structure, and provide information regarding the requirements for examination, licensure, and license renewal.

The following is an overview of the outreach events and speaking engagements in which the CBA participated.

October 2015

California State University, Sacramento

Staff attended a workshop hosted by the Accounting Society at California State University (CSU), Sacramento held on October 8, 2015. The CBA presented information regarding CPA Exam and licensure requirements at one of five stations set up for the workshop. In addition, it provided students with an excellent opportunity to ask questions regarding the process. Roughly 100 students were reached at this event.

NASBA Annual Meeting

NASBA held its 108th Annual Meeting in Dana Point, California. Representing the host state, Jose A. Campos, CPA, 2015 CBA President, provided the welcoming remarks for the meeting. The meeting had one of the highest attendance records, by number of board representatives.



***Jose A. Campos, CPA,
2015 CBA President***

November 2015

National University

On November 2, 2015, Staff participated in a webcast event hosted by National University, a predominately online school. Staff provided information on CPA Exam and licensure requirements to approximately 20 online attendees and answered their various questions.

California State University, Sacramento

On November 10, 2015, CalCPA hosted an Accounting Student Luncheon at CSU, Sacramento for the students of that university as well as several surrounding schools. The CBA was invited to provide an information table at the event. Staff at the table were asked numerous questions and handed out several handbooks and information sheets to the approximately 120 students in attendance.



Veronica Daniel, Licensing Manager

Santa Clara New Licensee Reception

2015 CBA President, Jose A. Campos, CPA, spoke to new licensees welcoming them to the profession at a reception hosted by CalCPA in Santa Clara.

California State University, Chico

Staff was invited to present information regarding the CPA Exam and licensure requirements on November 17, 2015, to the Accounting Society at CSU, Chico. The event had approximately 40 students in attendance.

California Society of CPAs, Sacramento

2015 CBA Vice-President Katrina L. Salazar, CPA, spoke to the Sacramento chapter of CalCPA to give them an overview of the CBA and its functions and priorities.

December 2015

University of Redlands

Following her election as President in November 2015, Katrina L. Salazar, CPA was able to attend a gathering of accounting students at the University of Redlands on December 4, 2015. She spoke to approximately 35 students regarding the process and requirements for obtaining a CPA license in California.



January 2016

Council of the California Society of CPAs

On January 21, 2016, President Salazar addressed the CalCPA Council in Sacramento. It was an excellent opportunity to share the CBA's mission and priorities for 2016 with the 150 leaders of CalCPA from across the state.

March 2016

NASBA Legal Counsel Conference

The CBA's Enforcement Chief, Dominic Franzella, attended the NASBA Legal Counsel Conference in Tucson, Arizona as a speaker. He presented information regarding how the CBA investigates referrals from the United States Department of Labor.

April 2016

University of Southern California

Alicia Berhow, CBA Vice-President and Staff visited the University of Southern California on April 1, 2016, to present information on the CPA Exam and licensure process to a group of approximately 85 accounting students. The students had a large number of questions, providing an indepth exchange of information. Due to the volume of questions received, students were also provided question cards for staff to answer individually by email.



**Alicia Berhow
CBA Vice-President**



**Veronica Daniel,
Licensing Manager and
Matthew Stanley,
Information and Planning
Officer**

California State University, Fullerton

The CBA was invited to participate in a special two-day event on April 21-22, 2016 at CSU, Fullerton. On the first day, staff presented information on the CPA Exam and licensure process and requirements and the next version of the CPA Exam. The students then had almost one hour to ask questions. When the scheduled time for the event was finished the remaining questions were provided on comment cards. The event was so successful that the Chair of the Accounting Department has already asked the CBA to return next year.



**Suzanne Gracia, Exam Coordinator
Janet Zimmer, Licensing Coordinator
Alicia Berhow, CBA Vice-President
Veronica Daniel, Licensing Manager**

The second day involved a presentation by Vice-President Berhow and staff to the faculty of CSU, Fullerton. The faculty was provided with an overview of the educational requirements and information on the next version of the CPA exam in order that they may better assist their accounting students and answer their questions.

Department of Business Oversight's Financial Literacy Fair

The CBA hosted a booth at the Department of Business Oversight's Financial Literacy Fair on April 26, 2016. The booth was staffed by President Katrina L. Salazar, CPA, CBA Executive Officer Patti Bowers, and other staff. The fair lasted two hours, and the booth was set up to allow consumers to check their CPA's license online and to subscribe to E-News and the CBA's social media accounts. Attendees were able to learn about the CBA's mission of consumer protection and to receive various informational materials.



**Betty Yee, California State Controller
Katrina L. Salazar, CPA, CBA President**



**Patti Bowers, Executive Officer
Katrina L. Salazar, CPA, CBA President**

May 2016

Accounting Day 2016

On May 16, 2016, Accounting Day 2016 was held in San Diego. This annual conference is a gathering of accounting professionals providing them with a chance to learn and obtain continuing education hours at various breakout sessions. Vice-President Berhow spoke at one of the breakout sessions to roughly 10 attendees regarding the CBA's license renewal process. There were several questions from the attendees that were answered by Vice-President Berhow and staff.



**Cindi Fuller, Renewal and Continuing
Competency Manager
Rebecca Reed, Board Relations Analyst
Alicia Berhow, CBA Vice-President**

June 2016

NASBA Regional Meetings

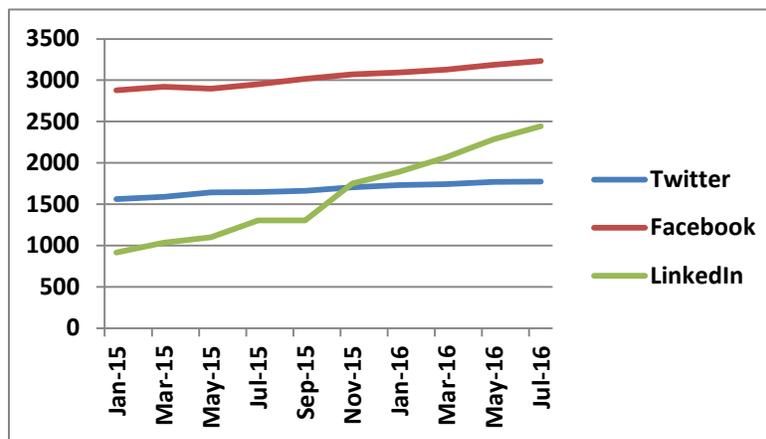
President Salazar gave presentations at both the Eastern and Western Regional Meetings in June. The Eastern Regional Meeting was held June 7-9, 2016 in Asheville, North Carolina. The Western Regional Meeting was held in Denver, Colorado on June 22-24, 2016. President Salazar gave a presentation discussing the CBA's comparison of other states' enforcement programs to the NASBA Guiding Principles of Enforcement and the importance of working with NASBA to establish substantial equivalency. This was an excellent opportunity for the CBA to share its message of consumer protection at a national level with the other state boards of accountancy.

SOCIAL MEDIA

The CBA continues to use social media to deliver key messages. The CBA has seen a continuing increase in the number of its followers on social media, including Facebook, Twitter, and LinkedIn. The following represents the number of followers on the CBA's social media platforms:

Platform	Number of Followers
Facebook	3,234
LinkedIn	2,442
Twitter	1,774

As shown on the following chart, the CBA's number of followers has been steadily climbing for Facebook and Twitter, while at the same time, experiencing a dramatic increase in the number of followers on LinkedIn.



In early April, the AICPA released information regarding the next version of the CPA Exam. The CBA targeted social media posts for an entire week to deliver key portions of this information to stakeholders along with links to the complete information. These were some of the CBA's most successful social media postings of the year due to the heightened interest in the topic among students, one of the largest user groups of social media.

In addition, during 2015-16, the CBA used social media to deliver information regarding the Study of the Attest Experience requirement, the ending of prior educational pathways for CPA licensure, and many other topics important to stakeholders.

COMMUNICATION WITH STAKEHOLDERS

The CBA's Website

One of the most significant accomplishments in outreach in 2015-16 was the CBA's launch of its redesigned website. The biggest change involves how the public is able to view enforcement documents. On the old website, in addition to using the License Lookup

feature to see the current status of a license, a user needed to search through lists for disciplinary actions on one webpage, pending accusations on another page, and citations on a third page. On the new website, the user still uses the License Lookup feature to view the licensee's current license status, but all enforcement documents are now in a single, searchable database making enforcement actions easier to find and, therefore, providing better consumer protection.

Other features that have been upgraded include the E-News subscription lists, English language assistance, and the new Communications & Outreach tab. The E-News interface has been redesigned to make it easier for users to subscribe to their favorite topics. English language assistance is now more available through the inclusion of the Google Translate feature which allows most of the website, including the consumer complaint form, to be viewed in 90 different languages. The new Outreach tab hosts the UPDATE archive, press releases, and other items that are important to the CBA's efforts to get its message out to stakeholders. It provides a one-stop location for users who want to know what is going on and emphasizes the CBA's priority of communicating with its stakeholders.

Finally, the new website uses a responsive design. This means the website is compatible with any screen size for ease of viewing on any electronic device.

UPDATE Newsletter

The CBA issues a triennial newsletter publication, UPDATE, which contains informative articles for consumers, applicants, licensees and other stakeholders. The articles, prepared by staff, are often proactive efforts in addressing feedback received via the stakeholder satisfaction survey, frequently asked questions, or issues facing the CBA. Articles are also based upon objectives identified in the Strategic Plan regarding educating licensees.

The UPDATE newsletter is mailed to over 80,000 licensees and maintained on the CBA website for access by consumers and other stakeholders. Social media and E-News are used to announce the availability of the newsletter.

Some highlights of the information that was shared in the 2015-16 issues of UPDATE include the following:

- Completing the Peer Review Form (Fall 2015 - #79)
- When to Complete the Accounting and Auditing Continuing Education Requirement (Fall 2015 - #79)
- Mobility (Fall 2015 - #79)
- Firm Names (Fall 2015 - #79)
- Committee Recruitment (Winter 2016 - #80)
- Interviews with Current and Former Committee and CBA Members (Winter 2016 - #80)
- Common Renewal Pitfalls (Winter 2016 - #80)
- Top Three Causes of Discipline (Winter 2016 - #80)

- Next Version of the CPA Exam (Spring/Summer 2016 - #81)
- Results of the Attest Study (Spring/Summer 2016 - #81)
- The FTB Intercept Program (Spring/Summer 2016 - #81)
- The Launch of the CBA's Redesigned Website (Spring/Summer 2016 - #81)

E-News

The CBA utilizes an email notification service – E-News – that allows interested persons to subscribe to receive notifications regarding one or more areas of interest, including:

- Consumer Interest
- Examination Applicant
- Licensing Applicant
- California Licensee
- Out-of-State Licensee
- Statutory/Regulatory
- CBA Meeting Information and Agenda Materials
- Update Publication

When information is posted on the CBA website, an email is sent to the subscriber with a notification message and direct link on where to access the information. The following provides information on the number of subscribers who presently participate in the E-News service:

E-News Subscriptions	Total
Consumer Interest	4,610
Examination Applicant	3,006
Licensing Applicant	3,650
California Licensee	9,720
Out-Of-State Licensee	2,433
Statutory/Regulatory	7,904
CBA Meeting Information & Agenda Materials	3,771
Update Publication	7,501
Total Subscriptions	42,595
Total Subscribers	13,832

CBA AND COMMITTEE ACTIVITIES

APPOINTMENTS

During FY 2015-16, Governor Edmund G. Brown Jr. (Governor Brown) appointed George Famalett, CPA, and Karriann Farrell Hinds, Esq. to the CBA.

For the second year, in July 2015, CBA Members had the opportunity to meet with representatives from the Governor's Office. This provided a valuable opportunity for members to express appreciation regarding their service on the CBA and its role in protecting consumers.

REAPPOINTMENTS

The CBA consists of four statutory committees, including the Enforcement Advisory Committee (EAC), Peer Review Oversight Committee (PROC), Qualifications Committee (QC), and the Mobility Stakeholder Group which will be discussed separately. The CBA is responsible for appointing and reappointing committee members to the statutory committees. Each member serves for a two-year term and may serve for a maximum of eight years.

Prior to each appointment, the CBA Vice-President recommends committee appointments and reappointments. The EAC, PROC, and QC are comprised of licensees, the CBA Vice-President performs a compliance check, which verifies that the potential appointee has met the appropriate requirements for license renewal and confirms that there are no pending enforcement actions. For members that are seeking reappointment, in addition to completing a compliance check, all mandatory training must be completed. Further, the member's attendance records and performance evaluations are reviewed.

The Mobility Stakeholder Group is slightly different from the other three committees. Its members are appointed by and serve at the pleasure of the CBA President.

In FY 2015-16, the CBA appointed three new members and reappointed an additional seventeen members to the CBA committees. In November 2015 new leadership was selected for the statutory committees.

CBA LEADERSHIP AND COMMITTEE CHAIRS

Each November, the CBA elects new CBA and committee leadership, including a CBA President, Vice-President, Secretary/Treasurer, and committee chairs and vice-chairs. Members interested in serving in a leadership capacity submit a Statement of Qualifications and a resume or curriculum vitae to the CBA for review. Members serving in a leadership role are responsible for carrying out the mission of the CBA and ensuring the CBA and committees adhere to all statutory and regulatory requirements.

Shortly after the election of CBA leadership, a meeting is coordinated with senior staff to discuss priorities for the upcoming year, review annual meeting topics, overview activities involving CBA leadership, and receive guidance regarding CBA leadership goals, priorities and discussion topics.

STAFF SUPPORT ACTIVITIES

At the start of each year, staff coordinates a new committee leadership orientation with new chairs and vice chairs and CBA leadership, senior management, and DCA Legal Counsel. The meeting assists the new leaders in understanding their role in conducting meetings. CBA Leadership opens the meeting by providing their expectations and then additional topics are covered, including roll call, establishing a quorum, voting, open and closed session, minutes, and public comment.

To assist new CBA member liaisons and new appointees to CBA statutory committees, staff coordinates an orientation meeting. The orientation, which includes committee leadership, provides an overview of the purpose of the committee, the member's role, participation by the CBA liaison, and an overview of a committee meeting. Additional information regarding the member's mandatory training requirements is also discussed as well as annual reporting requirements and personnel and travel information.

To further assist chairs of both the CBA committees and statutory committees, staff conducts pre-meeting calls to go over agenda materials and answer any questions. Further, talking points are prepared by staff to assist chairs when presenting an agenda item or when providing their committee report to the CBA. Staff also prepares talking points for CBA liaisons to assist in their report during the various committee meetings.

ADMINISTRATION DIVISION

The Administration Division is responsible for all CBA day-to-day business operations. Many of the activities and functions that are identified in this report involve some component of Administration whether its budgets, contracts, business services, personnel, mail, or handling in-person or over the phone consumer and licensee inquiries at the reception counter. Below is an overview of services performed by the Administration Division:

Budget Reporting and Monitoring

The budget is monitored internally by staff and reports are provided to management consistently throughout the month and to members throughout the year at CBA meetings. The CBA's budget for FY 2015-16 was \$14.765 million. The CBA ended the fiscal year with a reversion of approximately \$634,000, while still ensuring sufficient funding was in place to cover regular operations and costs for its upcoming relocation.

Cashiering and Mailroom

Approximately 30,000 applications and other miscellaneous items and fees (fingerprint cards, certification requests, and duplicate license requests) are received in the mailroom annually. Licensees, applicants for licensure, consumers, state agencies, and other stakeholders submit applications and supplemental documents along with their accompanying fee(s) to the CBA in order to apply for the CPA Exam, renew a license or registration, request initial licensure (individual and firms), as well as submit payments for penalties, fines, and reimbursements to the CBA Enforcement Division to recover costs associated with litigating cases.

The monies for these various items are subsequently processed by the cashiering unit. Annually, the cashiering unit process approximately \$6 million.

Contracts

The CBA uses goods and services from many vendors to provide support to the three divisions making up the CBA. These goods and services are also necessary to maintain the day-to-day business operations of the CBA. Vendors can only be used after a contract has been established, which entails research, bid requests, cost justification, and overseeing contract execution and fulfillment. Staff must follow stringent policies, procedures, and guidelines in accordance with the State Contracting Manual and DCA to promote sound business decisions and practices in securing the necessary goods and services for operating the CBA. Staff executed 15 new multi-year contracts, 41 short-term contracts, four expert consultant contracts, and 10 training contracts for a total of 70 contracts in FY 2015-16.

Business Services

All business services and facility-related issues are handled within the Administration Division. These functions include ordering office supplies, furniture, paper and toner, records management, property and asset management, and participating in the Small Business and Disabled Veteran Business Enterprise programs. In addition, staff worked with DCA Facilities and Planning Unit and the Department of General Services-Real Estate

Services Division to coordinate space planning and leasing activities as well as to address building/office maintenance and lease management issues.

During FY 2015-16, staff revamped the CBA's Emergency Preparedness and Evacuation Plan with a new look and revised and added emergency procedures to aid staff in the event of an active shooter or terrorist situation. Staff also coordinated meetings with the CBA's Emergency Response Team, conducted training on building evacuation procedures and proper evacuation routes, coordinated evacuation drills, and implemented a monthly health and safety newsletter.

Personnel and Travel

Administrative Division staff serves in a consultative role for CBA staff, CBA management, and CBA and Committee Members in assisting with personnel and travel-related issues. Understanding the various complexities of state personnel policies and state travel guidelines is key to overseeing the merit-based, job-related recruitment and selection process for the hiring of CBA employees, assisting staff with payroll and benefits, as well as obtaining travel approval, coordinating travel arrangements, and rendering assistance with the reimbursement of travel expenses, to name a few.

Information Technology

With a growing need for automation and access to relevant information via the Internet, the CBA Information Technology (IT) staff work proactively on ways to make information readily available to staff, stakeholders, and the public. It is their commitment to excellence that assists CBA staff in using technology to streamline and improve functionality and increase productivity. Further, IT staff have proposed and made significant enhancements to the CBA meeting webcasts. In addition to the capability of having the option of watching the webcasts via tablet or mobile devices, closed captioning was added to ensure that viewers who are hearing impaired have full access to the CBA meeting webcasts.

CBA continues to explore an alternative database system that will allow on-line functionality, including the ability to accept credit card payments. Preliminary discussions have occurred and initial work is anticipated to take place later this year.

Legislation and Regulations

Administrative Division staff serve as liaison with the Legislature and the CBA regarding pending legislation and regulatory changes. Each of these areas has its own section on page 19 for legislation and page 23 for regulations.

Outreach

The Information and Planning Officer, as a member of the administration management team, directs and supervises the implementation of CBA Outreach. These topics have their own section on page 25`.

Workforce Succession

The CBA recognizes the need to initiate proactive steps to address specific succession issues that may develop in the future. In November 2015 the CBA reviewed and approved the FY 2016-2018 Workforce Succession Plan (Plan). The Plan encompasses all of the major program components of daily operations at the CBA. The Plan provides a blueprint

for CBA Members to select a new Executive Officer if needed, and for the Executive Officer to address a vacancy in the Assistant Executive Officer or Enforcement Chief positions.

PROGRAM ENHANCEMENTS

During FY 2015-16, the Administration Division made positive enhancements that will benefit CBA stakeholders and staff, including:

- Updated the look of the CBA website
- Purchased tablets for use at CBA meetings which will eliminate bulky binders and cut down on the use of paper
- Secured our Virtual Private Network (VPN) connection. An upcoming security test will examine CBA operating systems and network equipment for vulnerabilities. Staff will be using these results to identify additional security measures that will be implemented with the new equipment going into the CBA's new office location

CBA MEMBER PARTICIPATION

Staff has been successful in securing travel approval during the past two years for CBA, Committee Members and management, who participated in seven events in and out-of-state. This level of participation has allowed the CBA to gain and provide insight into regional and national issues and allowed the CBA to be represented both regionally and nationally. The members and managers have not only attended these events, but on several occasions have been key presenters outlining the actions and policies of the CBA.

- **November 2014 – Michael M. Savoy, CPA, CBA Member**
NASBA 107th Annual Meeting
Washington, DC
- **June 2015 – Jose A. Campos, CPA, Leslie LaManna, CPA, and Mark S. Silverman, Esq., CBA Members**
NASBA Western Regional Meeting
Coronado, CA
- **June 2015 – Michael M. Savoy, CPA, CBA Member**
NASBA Strategic Planning Conference
Dallas, TX
- **July 2015 – Robert Lee, CPA, PROC Chair**
PROC Summit 2015
Nashville, TN
- **March 2016 – Dominic Franzella, Enforcement Chief**
NASBA Conference for Legal Counsel
Tucson, AZ
- **June 2016 – Katrina L. Salazar, CPA, President**
NASBA Western Regional Meeting
Denver, CO

- **June 2016 – Katrina L. Salazar, CPA, President**
NASBA Eastern Regional Meeting
Asheville, NC

ENFORCEMENT

The Enforcement Division's primary responsibility is to oversee the enforcement of California laws and rules governing the practice of public accountancy. It does this by:

- Conducting complex investigations regarding practice issues that require the expertise of a licensed CPA
- Conducting investigations for administrative violations and unlicensed activity
- Issuing citations and fines for violations that do not rise to the level of discipline
- Filing accusations and imposing discipline
- Assigning and monitoring referrals to the Attorney General's (AG's) Office.
- Monitoring licensees on probation
- Monitoring compliance with the mandatory peer review program

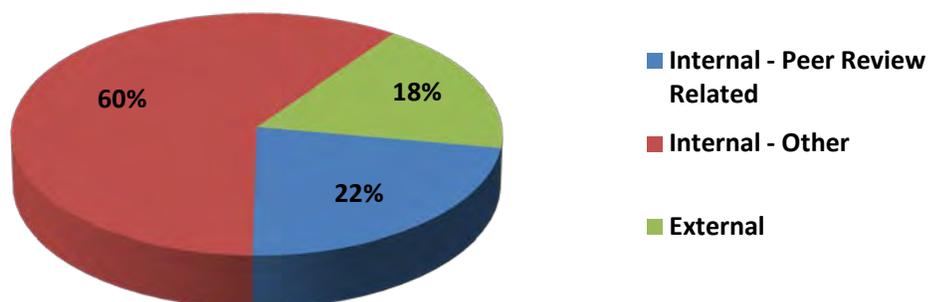
COMPLAINTS

Staff receive complaints from consumers, licensees, professional societies, law enforcement agencies, other government agencies and internal referrals. Also, staff regularly monitor social media outlets for information that may suggest licensees' violations of the California Accountancy Act and CBA Regulations. While historically consumers have been the main origin of complaints, over the past few years the Enforcement Division has experienced an increase in the number of complaints being opened as a result of internal referrals.

Much of the increase being realized in CBA Enforcement can be attributed to important consumer protection initiatives instituted by the CBA since 2010. These initiatives have included mandatory peer review, enhancements to the CE requirements, and the requirement for fingerprinting of licensees without fingerprint records on file with the Department of Justice (DOJ).

In FY 2015-16, the CBA received 2,735 complaints.

Complaints Fiscal Year 2015-16



Approximately 53 percent or 1,191 of the internal complaints originated from the CBA Licensing Division during FY 2015-16. These include various licensing renewal-related deficiencies; including CE; unlicensed activity, potential discrepancies in peer review reporting that may indicate the licensee was required to undergo and complete a peer review; and conviction and subsequent arrest notifications.

INVESTIGATIONS

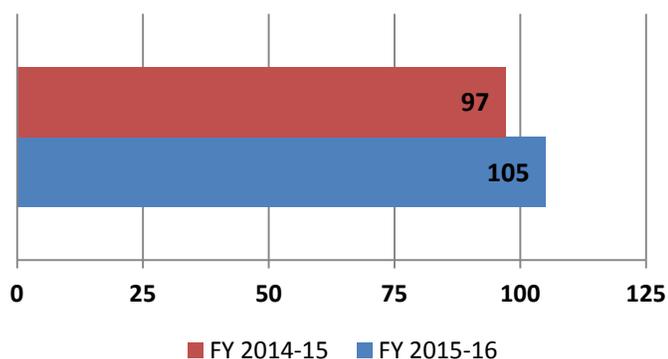
Approximately 75 percent, or 2,040, of the 2,735 complaints received were assigned for investigation during FY 2015-16. This is consistent to the total of assigned investigations for FY 2014-15, which was 1,953. The Enforcement Division was successful in closing a higher volume of cases in comparison to the prior fiscal year. For FY 2014-15, the CBA closed 1,773 cases, while for FY 2015-16, the CBA closed 2,150 cases representing a 21 percent increase.

Investigations	FY 2015-16
Assigned for Investigation	2,040
Investigations Closed	2,150
Average Days to Close	177

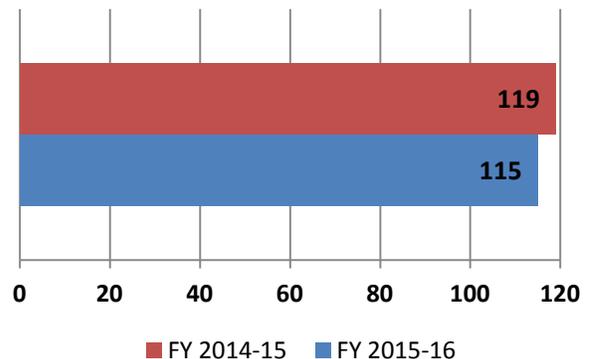
DISCIPLINARY ACTIONS

The CBA works to fulfill its consumer protection mandate by referrals of matters to the AG’s Office, imposition of discipline, and issuance of citations. The number of referrals to the AG’s Office increased from 97 in FY 2014-15 to 105 in FY 2015-16. The number of cases pending at the AG’s Office decreased slightly from 119 to 115.

Referrals to the AG's Office



Cases Pending at the AG's Office



For the second consecutive year, the CBA saw an increase in the total number of disciplinary orders. For FY 2015-16 the CBA took action on 82 matters, the majority of which were through stipulated settlements. This represents a 32 percent increase over FY 2014-15 when the CBA took action on 63 matters. Staff anticipate maintaining or increasing this level over the coming year with the high volume of pending matters presently at the AG's Office.

Disciplinary Orders



CITATIONS

The CBA uses its citation and fine authority for violations that do not rise to the level of discipline and as a mechanism to gain compliance from licensees. For FY 2015-16 the CBA realized a decrease in the total number of citations issued. For FY 2015-16 the CBA issued 256 citations compared to 348 in FY 2014-15, which represents a 36 percent decrease. Over the past fiscal year, staff revised various letters and increased communication efforts, especially in the area of email communications, designed to obtain compliance on enforcement matters which resulted in fewer citations.

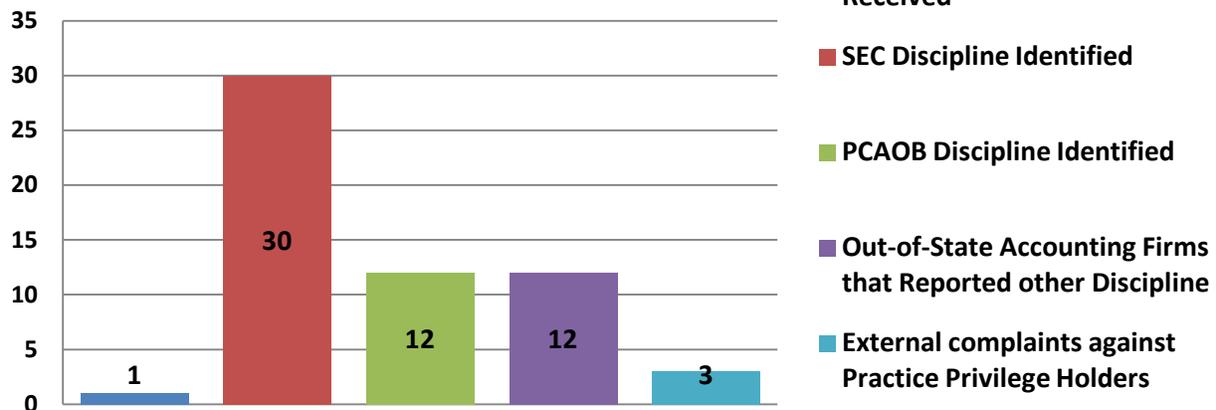
The top three violations for which the CBA issued the 256 citations include:

- Continuing Education Rules (CBA Regulations section 87)
- Response to CBA inquiry (CBA Regulations section 52)
- Fingerprinting & Disclosure (CBA Regulations section 37.5)

PRACTICE PRIVILEGE REPORTING

Effective July 1, 2013, the CBA implemented a no notice, no fee practice privilege model in California. The following table depicts the enforcement aspects of mobility, including the receipt and investigation of Practice Privilege Pre-Notification Forms, Security and Exchange Commission (SEC) Discipline, Public Company Accounting Oversight Board (PCAOB) Discipline, Out-of-State other Discipline and External Complaints for FY 2015-16.

Practice Privilege Enforcement



PROBATION

When a licensee is disciplined and the CPA license is placed on probation for a designated period of time, staff monitors the licensee to ensure adherence to all conditions of probation contained in the disciplinary order. Should the licensee deviate from the probationary terms in the disciplinary order, staff refer the matter to the AG's Office for preparation of a petition to revoke probation carrying out the disciplinary order that was stayed. If the licensee complies with all terms of probation, the license is fully restored at the end of the probationary period.

Probation monitoring is a vital and important program. It allows the CBA to discipline a licensee without full revocation or suspension of a license. While the licensee is on probation, staff has the ability to monitor compliance with all probationary terms and rehabilitation. Probation monitoring is essential to assist the CBA in achieving the mission of protecting consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

Each licensee that is placed on probation is assigned a low, medium, or high risk factor based on factors such as the type of violation that led to the discipline, the length of time the violation occurred, and potential for future consumer harm or violation of probation.

- Low risk violations are more administrative in nature such as failing to complete the proper type or amount of CE. In these cases the licensee is more likely to be monitored based on quarterly written reports with fewer personal appearances
- Medium risk violations are more substantive such as renewing a license without undergoing peer review when one was required. In these cases the disciplinary order would likely include a probationary term restricting practice activities, which requires close monitoring to ensure the licensee is not performing the restricted services. Absent the practice restriction, this licensee would be categorized as high risk

- High risk violations represent the most egregious violations such as gross negligence or repeated acts of negligence on an audit, where the final order allows the licensee to continue to perform audits while serving out the term of probation. In these cases the licensee will be selected for a practice investigation, an Investigative CPA will review samples of work performed, and more frequent personal appearances will be required

The CBA ended FY 2015-16 with 110 licensees on probation. This is a 15 percent increase from the prior fiscal year (95). In FY 2015-16, the CBA filed six petitions to revoke probation.

CRIMINAL OFFENDER RECORD INFORMATION

The CBA first began mandating fingerprinting and obtaining a state- and federal-level criminal offender record background check for licensure in 1998. Beginning January 1, 2014, licensees renewing their license in an active status were required to complete a state- and federal-level criminal offender record background check if: (1) the licensee had not previously submitted fingerprints as a condition of licensure, or (2) the DOJ did not have an electronic record of licensee's fingerprints in its criminal offender record identification database.

The CBA instituted the retroactive fingerprint requirement as it determined that it was a crucial element of its mission to protect consumers. In conjunction with its mission, and to ensure that consumers are receiving services from qualified practitioners, the CBA concluded it was of paramount importance to be informed of past and current criminal convictions that are related to the qualifications, functions, or duties of its licensees.

The CBA estimated that there were approximately 47,000 licensees that had not been fingerprinted as part of the requirement to obtain licensure. Of this group, the CBA estimated 28,000 licensees would need to complete the Criminal Offender Record Information (CORI) process as part of an active license renewal.

To aid in this increased workload, the CBA established a CORI Unit with nine staff to implement the retroactive fingerprint requirement, including a manager, analysts, and clerical support, all of which are limited term and expired June 30, 2016 or are set to expire June 30, 2017.

The CORI Unit is responsible for:

- sending notification letters informing select licensees of the requirement to submit fingerprints
- updating records to reflect CORI completion
- auditing notified licensees to ensure fingerprints were submitted
- reviewing and investigating convictions resulting from CORI
- referring matters to the AG's Office

CORI FINGERPRINTS	FY 2015/16
Notification Letters Sent	4,723
CORI Compliances Received	6,103
Non-Compliance Notifications Sent	546

CORI ENFORCEMENT CASES	FY 2015/16
Received	442
Assigned for Investigation	371
Closed – No Action	164
Non-Compliance Citation and Fine Issued	62
Referred to the Attorney General’s Office	22

At the midpoint of the fiscal year, the CBA completed its notification process to licensees. Over an 18-month period, the CORI Unit sent over 24,000 notification letters.¹ The CORI Unit is now focused on completing various audits to ensure that individuals who renewed their license in an active status have properly completed the fingerprint requirement and reviewing criminal offender notifications received.

ENFORCEMENT COMMITTEES

Enforcement Program Oversight Committee

The Enforcement Program Oversight Committee (EPOC) assists the CBA members in the consideration of issues relating to the Enforcement Program. During FY 2015-16, the EPOC met three times and discussed the following issues:

- Discussion of whether to seek legislation to add authority to examine licensees for mental and physical illness affecting competency
- Discussion and approval of a revision schedule for the CBA’s Disciplinary Guidelines and Model Orders (Guidelines)
- Discussion on approval of a model order for permanent restricted practice for inclusion in future amendments to the Guidelines
- Discussion on proposed changes to the Guidelines, including the establishment of a new section to the Guidelines on Rehabilitation Evidence, for future inclusion in a rulemaking to amend the Guidelines

¹ Prior to July 1, 2014, the CBA Licensing Division handled the initial notification letters.

Enforcement Advisory Committee

The Enforcement Advisory Committee (EAC) assists the CBA Enforcement Division in an advisory capacity by providing technical expertise and assistance with investigations. During FY 2015-16, the EAC met five times and assisted with 22 investigative hearings and provided guidance and direction on 14 open investigations. The EAC also reviewed 130 closed investigations.

Peer Review Oversight Committee

The Peer Review Oversight Committee (PROC) provides recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review.

During FY 2015-16, the PROC met four times. In addition, the PROC conducted several oversight activities outside of its regularly scheduled meetings including:

- Conducting a site visit of the CalCPA Peer Review Program
- Participating in CalCPA Peer Review Committee meetings
- Participating in CalCPA Report Acceptance Body meetings
- Participating in American Institute of CPAs (AICPA) Peer Review Committee meetings

In March 2016, the PROC provided its fourth Annual Report to the CBA on the results of its oversight. The PROC also discussed highlights and issues during the year, including:

- The June 17-19, 2015 NASBA Western Regional Meeting in Coronado, CA, attended by PROC Chair Robert Lee, CPA
- The NASBA October 25-28, 2015 108th Annual Meeting in Dana Point, CA, attended by PROC Chair Lee
- The NASBA PROC Summit held on July 10, 2015 in Nashville, TN (for which Mr. Lee received authorization to travel out-of-state), attended by PROC Chair Lee
- The United States Department of Labor report titled "Assessing the Quality of Employee Benefit Plan Audits," released May 2015
- The AICPA Exposure Draft on "Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews, Improving Transparency and Effectiveness of Peer Reviews," released November 10, 2015

PERFORMANCE MEASURES

DCA posts on its website Enforcement Performance Measures for each board and bureau within the department. Below are the CBA's FY 2015-16 Enforcement Performance Measures.

Enforcement Performance Measure	Target	Result
Number of Complaints and Convictions Received.	N/A	2,733
Average Cycle Time from Complaint Receipt, to the Date the Complaint was Assigned to an Investigator.	10 days	4 days
Average Cycle Time from Complaint Receipt to Closure of the Investigation Process. (Does not include cases sent to the AG's Office or other forms of formal discipline).	180 days	158 days
Average Number of Days to Complete the Entire Enforcement Process for Cases Resulting in Formal Discipline. (Includes intake and investigation by the CBA and prosecution by the AG's Office).	540 days	887 days
Average Number of Days from Monitor Assignment, to the Date the Monitor Makes First Contact with the Probationer.	5 days	1 day
Average Number of Days from the Date a Violation of Probation is Reported, to the Date the Assigned Monitor Initiates Appropriate Action.	15 days	2 days

Since the inception of the Enforcement Performance Measures, the CBA has met all of the established timeframes, with the exception of the Performance Measure associated with Formal Discipline. For FY 2015-16, the CBA's average number of days for the Formal Discipline Performance Measure was 887 days. The CBA realized a slight decrease when compared to last fiscal year, 887 from 895, for a total of eight days.

The Performance Measure associated with Formal Discipline calculates the average number of days to complete the entire enforcement process from the date the complaint was received until the effective date of the final discipline for decisions that took effect during that quarter. As the Enforcement Division works to address its aging case inventory and the CBA takes action on these matters, it will have a direct impact on this Performance Measure.

Staff are committed to continuing to identify program and operational efficiencies, both internally and externally, to reduce this timeframe. The following section, Program Enhancements, includes detailed information on steps the Enforcement Division has taken and will continue taking to improve overall efficiencies.

PROGRAM ENHANCEMENTS

Over the past several years, the CBA has experienced a continued increase in case inventory. Staff have worked diligently to implement changes internally within the Enforcement Division to streamline workflow. Recognizing the immediate and future needs

of the Enforcement Division, in December 2015, CBA Senior Management took proactive steps to reorganize positions throughout the CBA to ensure that the CBA takes all necessary measures to meet its legislative mandate of consumer protection. This resulted in several positions being redirected to the Enforcement Division.

One of the most significant benefits associated with the reorganization is that it provided increased opportunities for cross-training. This has allowed various staff within the Enforcement Division to become familiar with various Division functions and expanding skill sets for staff.

Concurrent with the redirection of staffing resources to the Enforcement Division, Enforcement management instituted a project to continue efforts to streamline workflow. Management and staff met routinely to develop best practices related to case intake and case management, including:

- Developed new resources to assign and track cases
- Developed new checklists associated with case management
- Streamlined reports for administrative violations
- Revised communications associated with potential administrative violations designed to obtain increased compliance
- Developed comprehensive desk manuals designed to communicate expectations and provide useful training tools
- Instituted weekly meetings with non-technical analysts to discuss cases in a group setting and provide case direction and management, and to share information regarding recent updates and changes
- Instituted bi-monthly meetings with technical investigators (the majority of which work remotely throughout California) to discuss case direction and management and to share information regarding recent updates and changes

OTHER ENFORCEMENT ACTIVITIES

Administrative Penalties

Pursuant to BPC section 5116, the CBA uses criteria to assess administrative penalties, including, but not limited to, actual and potential consumer harm, nature and severity of the violation, the role of the person in the violation, the person's ability to pay the administrative penalty and the level of administrative penalty necessary to deter future violations. The CBA issued administrative penalties in FY 2015-16 totaling \$1,062,000.

Interim Suspension Orders

During FY 2015-16, the Enforcement Division was successful in issuing two interim suspension orders. These proactive enforcement measures provide immediate consumer protection by restricting a licensee from continuing to practice public accountancy while a formal accusation is prepared and filed.

LICENSING DIVISION

The Licensing Division's primary charge is to regulate entry and continuing practice in the profession by ensuring that only those who are qualified are licensed to practice public accountancy. Its three units – Examination, Initial Licensing, and Renewal and Continuing Competency – act as gatekeepers for the profession by ensuring:

- Applicants meet education requirements prior to taking the CPA Exam
- Applicants for licensure who have passed the CPA Exam meet the education and experience requirements necessary for licensure
- Accountancy partnerships and corporations are registered so they can offer services in California
- Licensees have paid the required fees and have completed the required CE hours to renew their license and demonstrate minimum competency
- Out-of-state licensed accounting firms that intend to perform specified accounting services for entities headquartered in California meet the minimum registration requirements

Although the main focus of the Licensing Division is to regulate entry and continuing practice in the profession, Licensing Division staff maintains an integral part of the enforcement process as well. A large number of enforcement complaints originate from within the Licensing Division, based upon information provided by the current or potential licensee. For instance, the License Renewal and Continuing Competency Unit (RCC) routinely refer complaints to the Enforcement Division related to licensees practicing with CE deficiencies, peer review reporting compliance, and unregistered practice.

EXAMINATION

Prior to applying for CPA licensure, all applicants must pass the CPA Exam developed by the AICPA and administered by NASBA. Applicants may schedule and take the CPA Exam at various Prometric testing centers in California and throughout the United States and its territories.

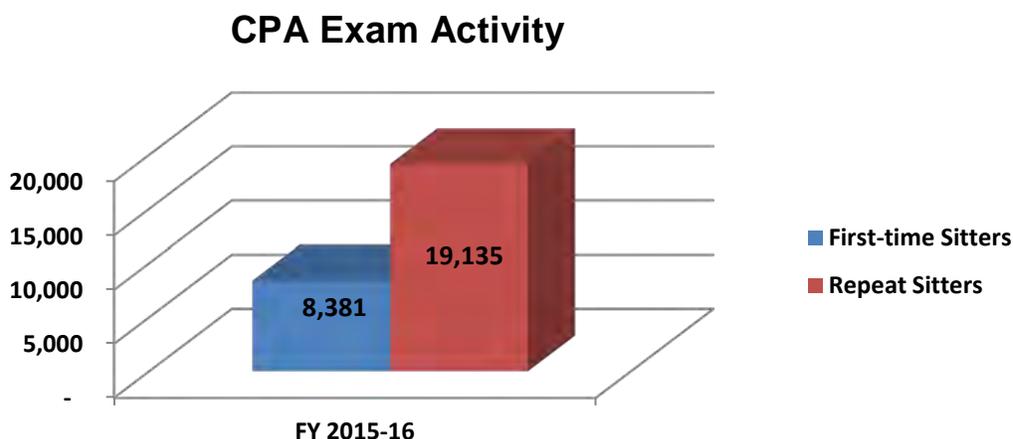
The CPA Exam is a four-part, computerized exam, which tests candidates for entry-level competence necessary for entry into the CPA profession. Applicants must pass all four parts of the CPA Exam within an 18-month period prior to applying for CPA licensure in any state. The following are the four parts of the CPA Exam:

- Auditing and Attestation (AUD) section
- Business Environment and Concepts (BEC) section
- Regulations (REG) section
- Financial Accounting and Reporting (FAR) section

In order to qualify to sit for the CPA Exam, the CBA reviews official transcripts and foreign credential evaluations to determine whether examination candidates possess the minimum educational qualifications identified in BPC sections 5092 and 5093, as follows:

- A baccalaureate or higher degree
- 24 semester units in accounting subjects
- 24 semester units in business-related subjects

In FY 2015-16, the CBA processed 8,381 first-time CPA Exam applications and 19,135 repeat applications. The total number of applications processed in FY 2015-16 was 27,516 compared to 25,584 for FY 2014-15, a nearly eight percent increase. The average processing timeframes for FY 2015-16 to review applications for the CPA Exam are 31 days for first-time applicants and eight days for repeat applicants.

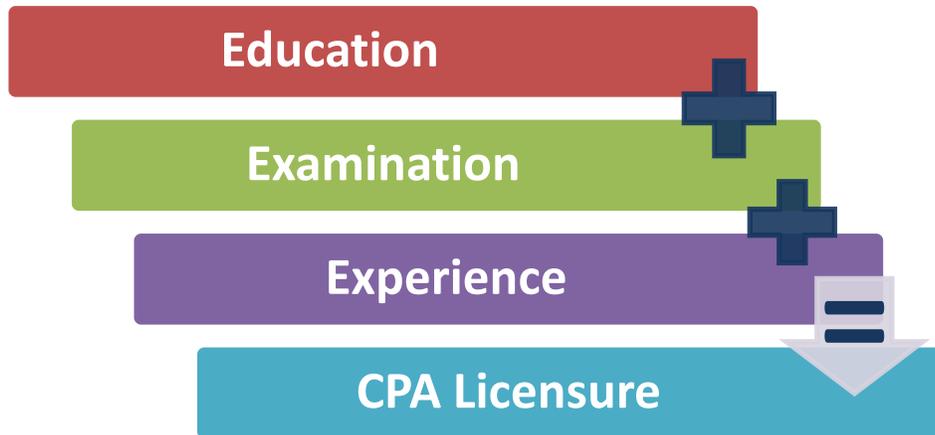


Candidates are allowed to make special requests such as extensions of time for scheduling a test and extensions of conditional credit. These requests are granted to those candidates who are able to provide documentation that they were prevented from testing due to death in the family, illness, natural disaster, non-issuance of a visa, or other good cause. Staff processed each of the 155 such requests in an average of 32 days.

Candidates are also permitted to request special accommodations for the test. Requests for special accommodations are handled in accordance with the Americans with Disabilities Act and refer to any request for reasonable accommodation in testing conditions due to a medical need, disability, or both. Staff processed each of the 241 requests for special accommodations in an average of 15 days.

CPA LICENSURE

Upon completion of the CPA Exam, a candidate may apply for CPA licensure. Applications are reviewed to ensure applicants have met the education, examination, and experience requirements commonly referred to as the 'Three E's,' and other requirements pursuant to the Accountancy Act and CBA Regulations, prior to CPA licensure.



The 'Three E's' are defined as follows:

Education

- A baccalaureate or higher degree
- 150 total semester units
- 24 semester units each in accounting and business-related subjects
- 20 semester units in accounting study
- 10 semester units in ethics study

Examination

- Passage of the CPA Exam

Prior to licensure, applicants are also required to pass a California-specific professional ethics examination administered by the CalCPA, commonly referred to as PETH.

Experience

- 12 months of general accounting experience

To be licensed with the authority to sign reports on attest engagements, individuals must complete a minimum of 500 hours of attest experience.

For FY 2015-16, the CBA received a total of 3,725 applications for CPA licensure and issued 3,470 licenses. The average processing timeframe for CPA licensure applications in FY 2015-16 was 24 days. The CBA also received 514 firm applications (corporation and partnership licensure, and fictitious name permits); 432 were registered. The average processing timeframe for firm applications in FY 2015-16 was 15 days.

Applications Received	
CPA	3,725
Corporations	270
Partnerships	87
Fictitious Name Permits²	157
Total Applications	4,239
CPA Licenses Issued	
Pathway 1³	451
Pathway 2³	842
Current Requirements	2,177
Total Licensed	3,470
Firm Registrations Issued	
Corporations	228
Partnerships	72
Fictitious Name Permits	132
Total Registered	432
Average Processing Time	
CPA Licenses	24 Days
Firm Registrations	15 Days

The Licensing Division is also responsible for processing requests for certification of CBA records from California licensees or CPA examination candidates who are applying for licensure out-of-state and other stakeholders. In FY 2015-16, 991 certification requests were received and processed within an average of 21 days.

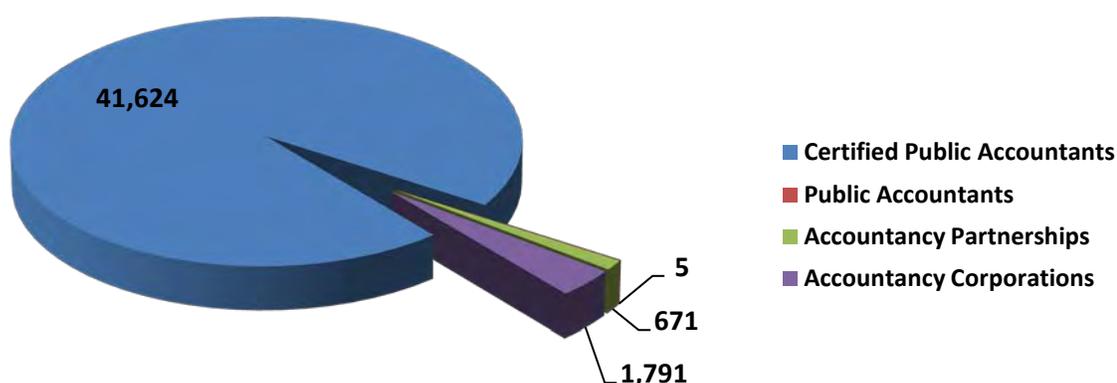
²A sole proprietor choosing to practice using a name other than the name under which the person holds a valid permit to practice issued by the CBA may only do so under a Fictitious Name Permit.

³Effective January 1, 2015, only reissuance applicants may be issued a CPA license under previous Pathway 1 or 2.

LICENSE RENEWAL AND CONTINUING COMPETENCY

CPA and PA licensees are required to renew their licenses biennially, in conjunction with their birth month. For those licensees electing to renew their license in an active status, the RCC ensures that all CE and renewal-related requirements are met. At the time of renewal, licensees holding a license in a retired status are exempt from both the renewal fee and CE requirements. Accountancy corporations and partnerships are also required to renew biennially, corresponding with their registration date with the CBA. Accounting firms must submit information pertaining to their shareholders or partners. Additionally, a Fictitious Name Permit holder must renew every five years from the date of issuance unless renewed prior to expiration.

44,091 License Renewal Applications Processed

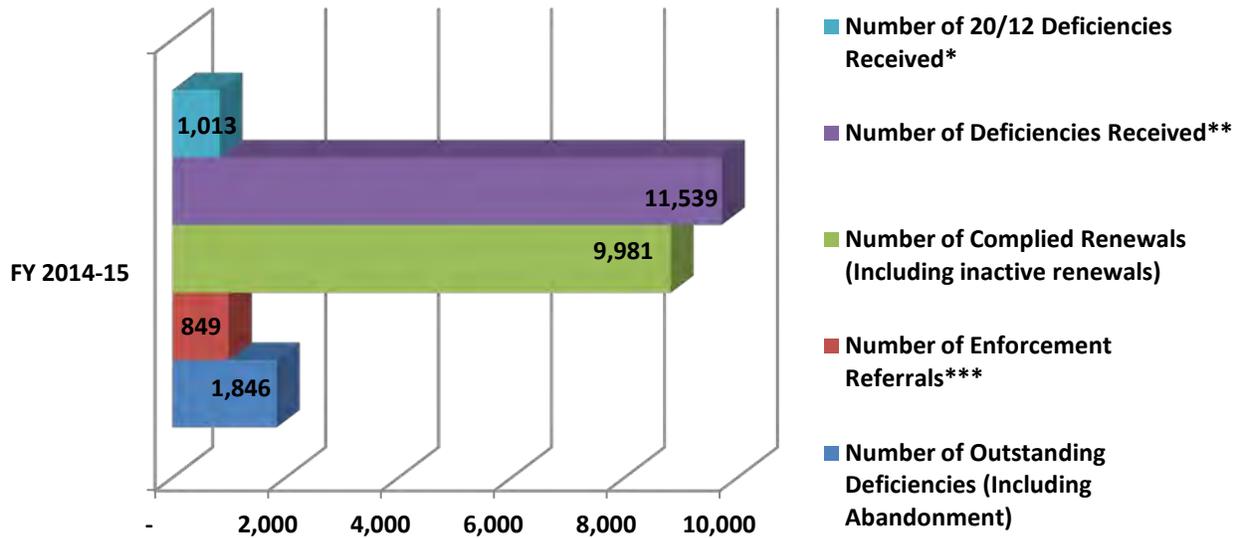


As a part of the renewal process, the licensee is required to pay a fee. In 2013, the CBA approved a regulation that temporarily lowered the renewal fee for a two-year period so that licensees with a license expiring between July 1, 2014 and June 30, 2016 paid a fee of \$50. A delinquency fee, also reduced to \$25, was added to the total amount due if the license renewal application was postmarked after the license expiration date. Information on the CBA website ensured licensees were aware of the temporary reduction of fees and assisted in submitting accurate license renewal applications.

Beginning July 1, 2016, renewal fees revert to the previous levels. Licensees will again pay a license renewal fee of \$120, and a delinquency fee of \$60. The CBA website will reflect these changes.

The license renewal packet, including the renewal form and instructions, the CE Reporting Worksheet and the Peer Review Reporting Form, is reviewed to ensure all renewal-related requirements are met. When deficiencies occur, a letter is sent to the licensee informing them of the deficiency and how to gain compliance. The CE Worksheet Received Statistics, provided in the following chart, include the number of deficiencies identified by the RCC including those that were referred to the Enforcement Division for further review.

CPA/PA CE Worksheets Received Statistics



*The number of 20/12 deficiencies reported, reference stand-alone 20/12 deficiencies.

**Includes 497 additional 20/12 deficiencies that were identified with a secondary CE deficiency.

***Consists of CE, peer review, fingerprint, CE audit, and second 20/12 deficiencies.

All corporations, partnerships, CPAs, and PAs are required to report peer review information as a condition of license renewal. Since the implementation of the peer review reporting requirement, the RCC has seen significant increases in enforcement referrals, deficiencies and compliances. Peer review related issues accounted for more than half of the enforcement referrals. This increase was mainly due to licensees failing to submit peer review information at the time of license renewal. The CBA is working on simplifying the Peer Review Reporting process by implementing the tracking of sole proprietorship and clarifying in the regulations that only firms are required to report peer review information.

Licensees renewing in an active status are required to complete a two-hour Board-approved Regulatory Review course every six years. All Regulatory Review courses must comply with CBA Regulations section 87.9, which emphasizes the provisions applicable to current practice situations. The course materials must include an overview of historic and recent disciplinary actions taken by the CBA and highlight the misconduct which led to licensees being disciplined.

Prior to offering a Regulatory Review course, providers must apply for Board approval of the course in which staff work directly with the provider to ensure the materials are complete. Upon approval, the CBA will assign the course a unique approval number and update the Board-Approved Regulatory Review Course list, which is posted on the CBA website. The term of the approval is for a two-year period. In order to maintain Board approval, providers must renew the course prior to the end of the two-year approval period. At the end of FY 2015-16 there were 26 Board-approved Regulatory Review courses.

The following outlines the number of Regulatory Review courses received, reviewed, approved, and renewed during FY 2015-16:

Regulatory Review Courses	
Number of Courses Received (first time submission)	5
Number of Outstanding Courses Reviewed with Deficiencies (initial submission returned for corrections)	0
Number of Courses Approved	3
Number of Courses Renewed	12

RETIRED STATUS

Currently 1,773 licensees have been approved for retired status of which 1,113 were approved in FY 2015-16.

To be eligible to apply for retired status, a licensee must have held a license as a CPA or PA in the United States for a minimum of 20 total years, and of those 20 total years, have held an active CPA or PA license for a minimum of five years with the CBA. Additionally, the license may not be suspended, revoked, or otherwise punitively restricted by the CBA or subject to disciplinary action.

OUT-OF-STATE FIRM REGISTRATION

Qualified out-of-state accounting firms that are seeking to provide specific attest services to California headquartered entities through a qualified practice privilege holder can apply for an out-of-state accounting firm registration. Out-of-state accounting firms that hold a valid and current license, certificate, or permit to practice public accountancy from another state are required to register with the CBA prior to performing the following services for an entity headquartered in California:

- The audit or review of a financial statement
- A compilation of a financial statement when that person expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence
- An examination of prospective financial information

To qualify, the out-of-state accounting firm cannot have an office located in California, its CPAs providing services in California must qualify for a practice privilege, and it must satisfy all other requirements for licensure in California, other than its legal form of organization. An Out-of-State Accounting Firm Registration is valid for two years and must be renewed prior to the expiration date if the firm wishes to maintain practice rights in California.

The following table represents the workload associated with processing out-of-state accounting firm registrations.

Out-of-State Accounting Firm Registration	
Initial Registration Received	122
Initial Registration Approved	110
Renewed	131
Enforcement Referrals	22

LICENSING COMMITTEES

Qualifications Committee

The Qualifications Committee (QC) derives its authority from BPC section 5023.

The purpose of the QC is to act as an advisory committee and assist the CBA in its licensure activities by conducting work paper reviews of experience of applicants, and interviewing employers that appear before the committee, under the provisions of CBA Regulations sections 12, 12.5, and 69. Annually, the QC conducts an internal audit of files approved for licensure to ensure applicants have met all qualifications of the Accountancy Act and CBA Regulations. The QC also assists by making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized to act.

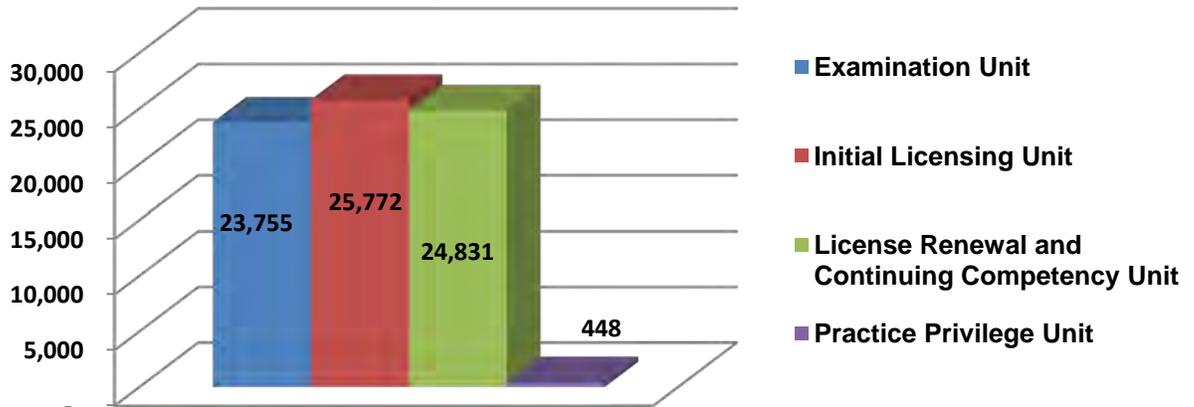
For FY 2015-16, the QC met three times, conducting 51 appearances. As a result of these appearances, the QC recommended 40 applicants be approved for licensure and 11 applicants be deferred for additional experience.

SERVICE TO CBA STAKEHOLDERS

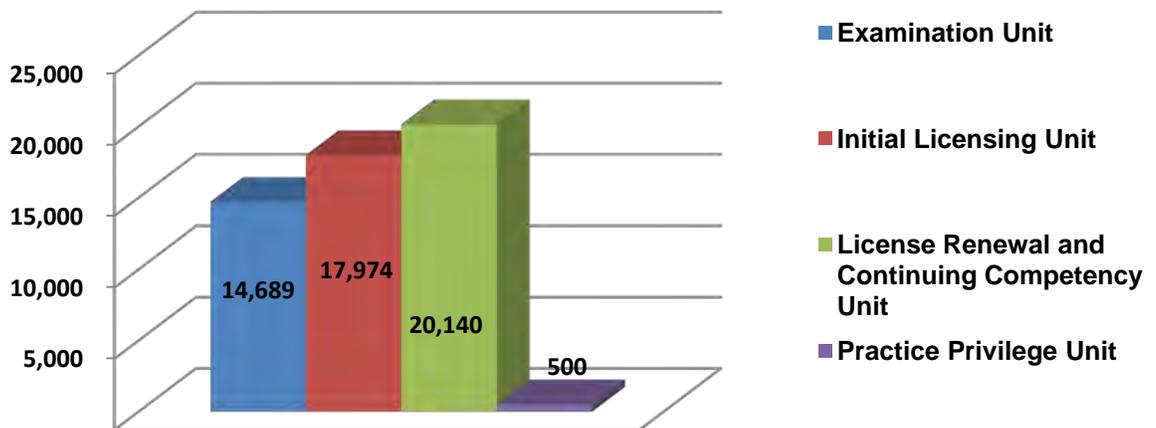
In accordance with the *2016-2018 Strategic Plan*, the CBA strives to deliver the highest level of customer service. The Licensing Division staff strives to provide excellent service to all stakeholders including consumers, applicants, licensees, interested parties, and the CBA members themselves.

The Licensing Division receives a high volume of telephone calls and emails through all three units. The CBA's goal is to answer all telephone calls as they are received and respond to voicemail and email messages within 24 hours of receipt. The CBA routinely receives comments via the online CBA Stakeholder Satisfaction Survey regarding the high level of customer service and professionalism exhibited by Licensing Division staff.

Telephone Calls Fiscal Year 2015-16



Emails Received Fiscal Year 2015-16



PROGRAM ENHANCEMENTS

The CBA has continued its ongoing efforts to implement changes within the Licensing Division to streamline workflow and assist licensees and applicants with a seamless process.

These efforts have included:

- Implemented weekly communications to the Examination and Initial Licensing Units to highlight accomplishments and focus areas to coordinate workflow in an effort to maintain processing timeframes

- Reorganized duties of the Examination and Initial Licensing Units to best allocate technical and clerical workload at the appropriate levels and maintain processing timeframes
- Revised the records retention procedures and redirected selected duties to be handled in the Administration Division
- Maintained appropriate staffing levels within the Examination and Initial Licensing Units by establishing one seasonal clerk and one Associate Governmental Program Analyst (Limited Term) position
- Re-evaluated procedures within the RCC Unit to improve processing timeframes and quality control
- Cross-trained RCC Unit staff to gain experience and encourage staff growth

CBA MANAGEMENT

Patti Bowers
Executive Officer

Deanne Pearce
Assistant Executive Officer

Dominic Franzella
Enforcement Chief

Gina Sanchez
Licensing Chief

Christy Abate
Administration Manager

Veronica Daniel
Examination and Initial Licensing Units Manager

Paul Fisher, CPA
Supervising Investigative CPA

Cynthia Fuller
Renewal/Continuing Competency Unit Manager

Ashley Heebner
Discipline and Probation Monitoring Unit Manager

Dorothy Osgood
Supervising Investigative CPA

Ben Simcox
Enforcement Units Manager

Corey Riordan
Non-Technical Enforcement Unit Manager

Matthew Stanley
Information and Planning Officer

Vacant
Criminal Offender Record Information Unit Manager