



2016-2018



Strategic Plan

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Table of Contents

Mission, Vision And Values	4
About the California Board of Accountancy	5
How Does the CBA Accomplish its Mission?	6
Strategic Goals	7
Goal 1: Enforcement	8
Goal 2: Licensing	9
Goal 3: Customer Service	9
Goal 4: Outreach	10
Goal 5: Laws and Regulations	10
Goal 6: Emerging Technologies	11
Goal 7: Organizational Effectiveness	12
Strategic Planning Methodology	13

Mission

To protect consumer by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

Vision

All consumers are well-informed and receive quality accounting services from licensees they can trust.

Values

CONSUMER PROTECTION – The CBA will make effective and informed decisions in the best interest and for the safety of consumers.

INTEGRITY – The CBA will act in an honest, ethical, and professional manner in all endeavors, and fully disclose all pertinent information.

QUALITY AND PROFESSIONALISM – The CBA will ensure that qualified, proficient and skilled staff provide services to CBA stakeholders. The CBA will deliver high quality service, information, and products that reflect excellence and professionalism.

TRANSPARENCY – The CBA will actively promote the sharing of ideas and information throughout the organization and with the public, and be receptive to new ideas.

INITIATIVE – The CBA will encourage creatively looking at problems and processes and actively seek solutions and improvements.

RESPECT – The CBA will be responsive, considerate, and courteous to all, both within and outside the organization.

ACCOUNTABILITY – The CBA will take ownership and responsibility for its actions and their results.

TEAMWORK – The CBA will promote cooperation and trust at all levels by working with and soliciting the ideas and opinions of CBA stakeholders.

About the California Board of Accountancy

From its inception in 1901, the California Board of Accountancy (CBA), by statute, has been charged with regulating the practice of public accounting. The original law prohibited anyone from falsely claiming to be a certified accountant, a mandate which still exists today.

The standards for licensure always have been high. The first accountants certified by the CBA in 1901 were required to sit for a written examination, including questions on Theory of Accounts, Practical Accounting, Auditing and Commerce Law, with a passage rate of at least seventy percent for each section. Applicants were required to provide a notarized affidavit certifying at least three years accounting experience, at least two years of which must have been in the office of a certified public accountant performing actual accounting work. In addition, each applicant was required to submit three references testifying to his/her character, in the form of a "Certificate of Moral Character." Today's mandate that each CBA licensee pass an ethics course finds its antecedent in the CBA's original requirement of this certificate.

Sixty-five applicants were certified as licensees between 1901 and 1906. On April 18, 1906, the great San Francisco earthquake and fire destroyed all the records of the original board, including the documents of the CBA's first 65 licensees. In 1907, the CBA's Secretary-Treasurer, Mr. T. E. Atkinson, meticulously reconstructed those records by corresponding with each licensee from his new Market Street address. Today, thanks to Mr. Atkinson's diligence, the CBA retains the papers of its original 65 licensees in its archival material.

From the beginning of the 20th Century, consumer protection has been the undertaking of the CBA. A December 1, 1913, letter to Governor Hiram Johnson signed by Secretary-Treasurer Atkinson states, "For the further protection of the business public, a statute should be enacted regulating the practice of public accounting so as to require all persons holding themselves forth as being qualified to obtain from this board the certificate of certified public accountant. Public accounting is now generally recognized in business to be of such importance that a standard should be set by public authority and no one allowed to practice without proper credentials."

In 1929, the Legislature placed the CBA within the Department of Professional and Vocational Standards. In 1945, the Accountancy Act was substantially revised. In 1971, the Legislature located the CBA within the newly-created Department of Consumer Affairs. Shortly thereafter, the CBA moved its office from San Francisco to Sacramento.

How Does the CBA Accomplish its Mission?

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 license and discipline not only individuals and partnerships but also 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 that rely on the integrity of audited financial information.
- Governmental bodies, donors, and trustees of not-for-profit agencies that require audited financial information or assistance with internal accounting controls.
- Regulatory bodies such as the SEC, 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; 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 board and implement the various policy decisions made by the board. The CBA is comprised of three divisions that encompass the areas of Administration, Licensing, and Enforcement. There are approximately 82 permanent staff members and additional temporary staff that assist throughout the CBA in various capacities. Although the CBA is "divided" into three divisions, the CBA operates as one, knowing that each activity performed is being done so in the interest of consumer protection.

Strategic Goals

1 ENFORCEMENT

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

2 LICENSING

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

3 CUSTOMER SERVICE

Deliver the highest level of customer service.

4 OUTREACH

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

5 LAWS AND REGULATIONS

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

6 EMERGING TECHNOLOGIES

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

7 ORGANIZATIONAL EFFECTIVENESS

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

Goal 1: Enforcement

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

- 1.1 Reduce the average number of days to complete the enforcement process for those matters resulting in formal discipline to meet the DCA Formal Discipline Performance Measures.
- 1.2 Evaluate enforcement procedures and apply best practices to reduce overall processing timeframes.
- 1.3 Increase the number of supervisory level positions through the Budget Change Proposal (BCP) process to address increased staff and workload.
- 1.4 Increase collaboration with other regulatory agencies and other state boards of accountancy to enhance CBA's consumer protection efforts.
- 1.5 Establish enforcement best practices and procedures for California's practice privilege¹ provisions consistent with its mission to protect consumers.

¹ Practice Privilege allows those holding a valid and current license, certificate or permit from another state to practice public accountancy in California without notice or submission of a fee.

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.

- 2.1 Review and amend licensing requirements, if necessary, to accommodate evolving education methodologies used by colleges and universities.
- 2.2 Ensure adequate resources to process examination, licensure, and renewal applications within 30 days.

Goal 3: Customer Service

Deliver the highest level of customer service.

- 3.1 Assess consumer and stakeholder satisfaction feedback to identify areas of improvement to provide the highest level of service.
- 3.2 Improve online tools and activities for all stakeholders to increase operational efficiency and customer access.

Goal 4: Outreach

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

- 4.1 Expand partnerships with professional organizations, academic organizations, colleges and universities, and other regulatory bodies to share information regarding the CBA and its consumer protection mission.
- 4.2 Leverage social media resources to engage and inform stakeholders.
- 4.3 Educate licensees on common violations of the Accountancy Act and CBA Regulations via the CBA's UPDATE publication.
- 4.4 Address CBA members' and staff's ability to have more flexibility to provide outreach and education to stakeholders.

Goal 5: Laws and Regulations

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

- 5.1 Continue to promote the CBA's position on legislation and public policy consistent with the CBA's goals and objectives.
- 5.2 Increase the CBA's visibility and reputation with the Legislature.

Goal 6: Emerging Technologies

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

- 6.1 Monitor BreEZe² implementation progress for phase three and work with the DCA to develop a contingency plan to evaluate other technology solutions should BreEZe be delayed. Other technology solutions should ensure functionality and operational efficiency in response to consumer and licensee needs.
- 6.2 Evaluate and update internal procedures, as necessary, for migration to an on-line platform, which will ensure continuity of business processes and achieve a successful implementation.
- 6.3 Seek authorization to purchase mobile devices for members to view CBA meeting materials, which will reduce paper consumption and lessen the environmental impact.
- 6.4 Prepare for transition to document imaging.
- 6.5 Review and redesign the license renewal application once a date for transition to a new technology solution has been established.

² BreEZe is the DCA's new licensing and enforcement software to replace ATS and CAS, the existing legacy licensing and enforcement tracking systems.

Goal 7: Organizational Effectiveness

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

- 7.1 Continue to emphasize training and career growth resources to increase staff knowledge, skills, and upward mobility opportunities.
- 7.2 Review, refresh, and post available procedure manuals to the intranet to increase operational efficiencies and access.
- 7.3 Enhance onboarding procedures for new staff to assist in understanding the CBA, program and position responsibilities, and identify resources available to ensure their success.

Strategic Planning Methodology

To understand the environment in which the CBA operates and identify factors that could impact the CBA's success, the California Department of Consumer Affairs' SOLID unit conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- Conducted interviews with members of the CBA to assess the challenges and opportunities the CBA is presently facing or will face in the upcoming years.
- Conducted two focus groups with CBA management and executive leadership to identify the strengths, weaknesses, opportunities and threats of the CBA from an internal perspective.
- Issued an online survey to all CBA committee members and staff members to identify the strengths, weaknesses, opportunities and threats of the CBA from an internal perspective.
- Issued an online survey to 5,500 randomly selected external stakeholders to identify the strengths and weaknesses of the CBA from an external perspective.

The CBA worked with SOLID to develop an environmental scan which was used during a strategic planning session facilitated by SOLID in July 2015, and assisted in the development of the CBA's 2016 – 2018 Strategic Plan.



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