



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
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DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
 ENFORCEMENT ADVISORY COMMITTEE (EAC)

EAC Item II
 January 30, 2014

**MINUTES OF THE
 DECEMBER 12, 2013
 EAC MEETING**

Westin San Diego
 400 West Broadway
 San Diego, CA 92101
 Telephone: (619) 358-6676

I. Roll Call and Call to Order.

The regularly scheduled meeting of the EAC was called to order at 9:00 a.m. on December 12, 2013 by EAC Vice-Chair, Mary Rose Caras.

Enforcement Advisory Committee

Cheryl Gerhardt, Chair	10:30 a.m. to 1:00 p.m.
Mary Rose Caras, Vice Chair	9:00 a.m. to 3:00 p.m.
Joe Buniva	9:00 a.m. to 3:00 p.m.
Gary Caine	9:00 a.m. to 3:00 p.m.
Nancy Corrigan	9:00 a.m. to 3:00 p.m.
Jeffrey DeLyser	9:00 a.m. to 1:00 p.m.
Bill Donnelly	Absent
Robert A. Lee	9:00 a.m. to 1:00 p.m.
Mervyn McCulloch	9:00 a.m. to 1:00 p.m.
James Rider	9:00 a.m. to 1:00 p.m.
Joseph Rosenbaum	9:00 a.m. to 3:00 p.m.
Seid Sadat	9:00 a.m. to 1:00 p.m.
Michael Schwarz	9:00 a.m. to 3:00 p.m.

Staff and Legal Counsel

Rafael Ixta, Enforcement Chief
 Paul Fisher, Supervising Investigative CPA
 Allison Nightingale, Enforcement Secretary
 Kay Lewis, Investigative CPA
 Carl Sonne, Deputy Attorney General, Department of Justice

Other Participants

Herschel Elkins, CBA Liaison

II. Review Enforcement Files on Individual Licensees.

The EAC adjourned into closed session under provisions of Government Code section 11126(c)(2) and Business and Professions (B&P) Code section 5020. EAC members convened into closed session at 9:02 a.m. and reconvened into open session at 10:30 a.m.

III. Report of the Committee Chair.

A. Approval of the October 24, 2013 EAC Meeting Minutes.

It was moved by Mr. Schwarz, seconded by Ms. Corrigan, and unanimously carried to approve the minutes of the October 24, 2013 EAC meeting.

The minutes for this meeting will be submitted to the CBA members for review and adoption at the next CBA meeting.

B. Report of the November 21-22, 2013 CBA Meeting.

Ms. Gerhardt attended the November 21-22, 2013 CBA meeting. She reported that the CBA members approved the Resolution for retiring EAC member, Jim Rider, for serving on the EAC. She also reported that she was re-appointed as Chair of the EAC and EAC member Jeff DeLyser was appointed as Vice-Chair to the EAC. The term of the re-appointment and appointment is from January through December 31, 2014.

Ms. Gerhardt also reported on an educational presentation given by guest speakers Patricia Hartman of National Association of State Boards of Accountancy (NASBA), Michael Decker of American Institute of CPAs (AICPA), and Kimberly Farace of Prometric regarding the Uniform CPA Examination. She reported that 98 percent of the candidates are satisfied with the CPA Exam process. The candidates sign a confidentiality agreement before taking the CPA exam. Prometric monitors the internet for test banks.

IV. Report of the Enforcement Chief.

A. Enforcement Activity Report.

Mr. Ixta provided an overview of the report. Mr. Ixta reported that the Enforcement Division received 1,946 complaints in fiscal year (FY) 2013/14 and assigned 1,894 for investigation. The increase in complaints received is due to the Peer Review Program preparing to issue citations and fines to the final group of licensees who failed to respond to the CBA regarding the required Peer Review Reporting Form. Currently there are 2,029 investigations pending. EAC member Gary Caine stated that given the high number of investigations pending, the EAC members may be used to review the investigations and provide assistance to enforcement staff. Mr. Ixta welcomed the recommendation and stated that appropriate investigations will be brought to the January 30, 2014 EAC meeting for the EAC members to review and recommendation. The report was provided in the EAC packets.

V. Other Business.

A. Report of the November 21, 2013 Committee on Professional Conduct (CPC) Meeting.

Mr. Elkins gave an overview of the CPC meeting. He reported the CPC discussed the possibility of allowing academia to be accepted for qualifying general accounting experience toward CPA licensure. He stated the CPC also explored how the academia experience should be calculated and who would be authorized to sign off on the experience forms.

During its deliberations, the CPC agreed that 48 teaching semester hours, or its equivalent, would equate to one year of general experience. The CPC also agreed that a dean or department head should be allowed to sign off on the experience.

The CPC recommended that the CBA move forward with legislation that would allow experience in academia to be qualifying and that staff be directed to utilize the CPC's discussions as a framework for a future regulation to implement the legislation should it pass.

VI. Public Comments for Items Not on the Agenda.

Mr. Ixta stated that there are vacancies in many of the CBA committees and that the CBA leadership requested EAC members to encourage their colleagues to apply to serve on one or more of the CBA committees.

VII. Conduct Closed Hearings.

[Closed session as authorized by Government Code sections 11126(c)(2) and (f)(3) and B&P Code section 5020 conducted after the general meeting to interview individual accountants and to consider possible disciplinary action against accountants prior to the filing of an accusation.]

VIII. Adjournment.

The next EAC meeting is scheduled for January 30, 2014 at the Doubletree by Hilton Berkeley Marina.

Having no further business to conduct, the EAC general meeting adjourned at approximately 11:16 a.m. to reconvene in closed session at 1:00 p.m.

Cheryl Gerhardt, CPA, Chair
Enforcement Advisory Committee

Prepared by: Allison Nightingale, Enforcement Secretary