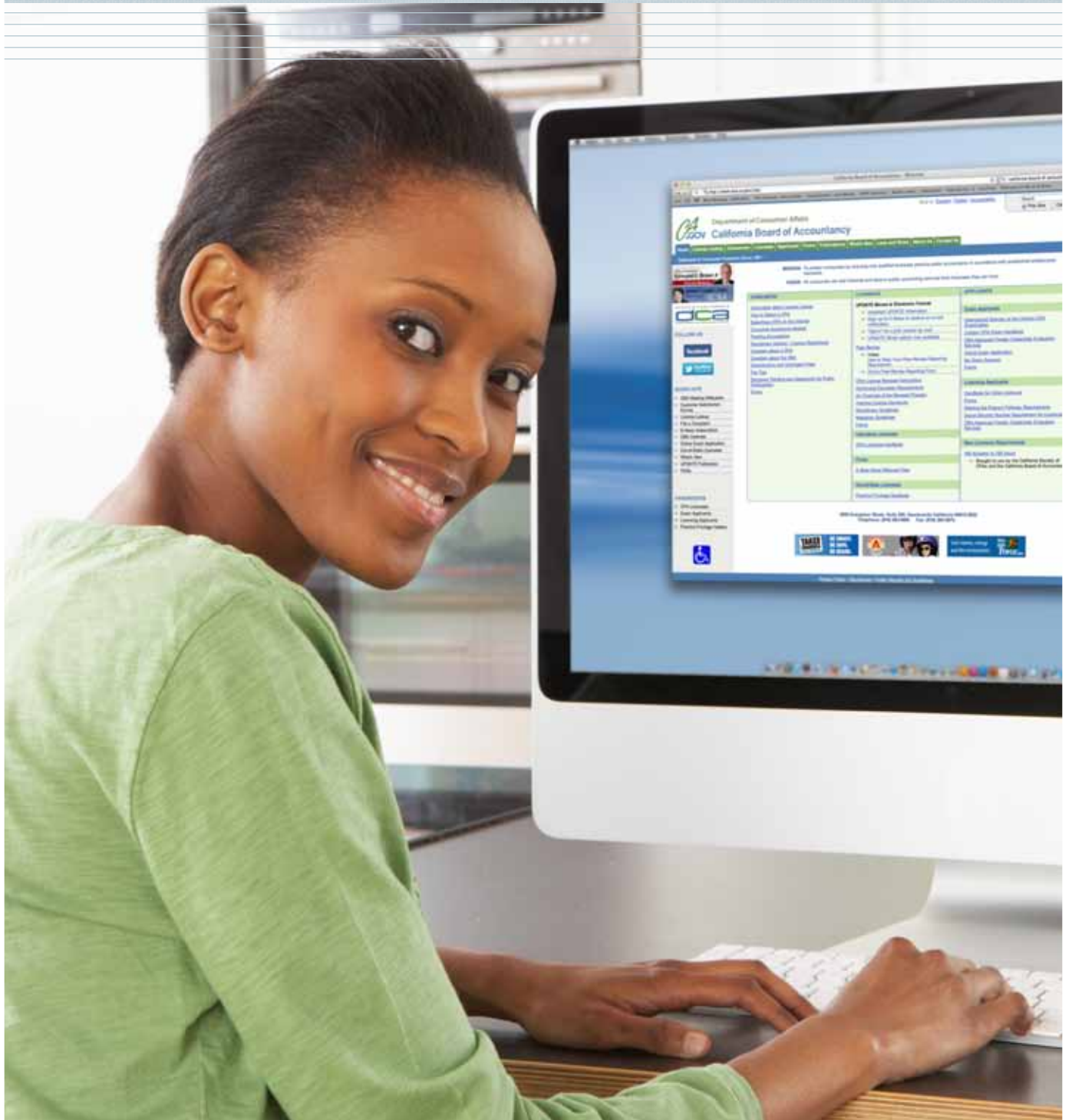


CONSUMER ASSISTANCE BOOKLET



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.

We hope you will find this booklet a helpful tool in providing information you can use to make decisions as you seek to use the services of a California-licensed Certified Public Accountant.





What is a CPA?

A California-licensed Certified Public Accountant (CPA) is a person who has met the education, examination, and experience requirements of California state law, and has been issued a license to practice public accountancy by the California Board of Accountancy (CBA). The CBA regulates the largest group of CPAs in the United States.

What Services are Provided by CPAs?

CPAs can provide a range of accounting services, including corporate finance and governance; auditing; estate planning; financial accounting, analysis, and planning; forensic accounting and litigation support; management consulting; and tax planning and preparation. Only a CPA can issue a compilation report under the professional standards for CPAs.

Only a CPA or ¹Public Accountant (PA) with the attest authority can sign reports on attest engagements. Attest services include an audit or review of financial statements, or an examination of prospective financial information. The attest is a written communication issued by an independent accountant as to whether financial statements fairly represent the financial position and operating results of individuals, companies, nonprofits and governments.

1 - The last PA license was issued in 1968 and as these licenses expire, California will no longer have licensees with this designation.

Who can Provide Tax Services in California?

In California, the only individuals allowed to charge a fee for preparing taxes are CPAs, PAs, Enrolled Agents, Attorneys, and California Registered Tax Preparers.

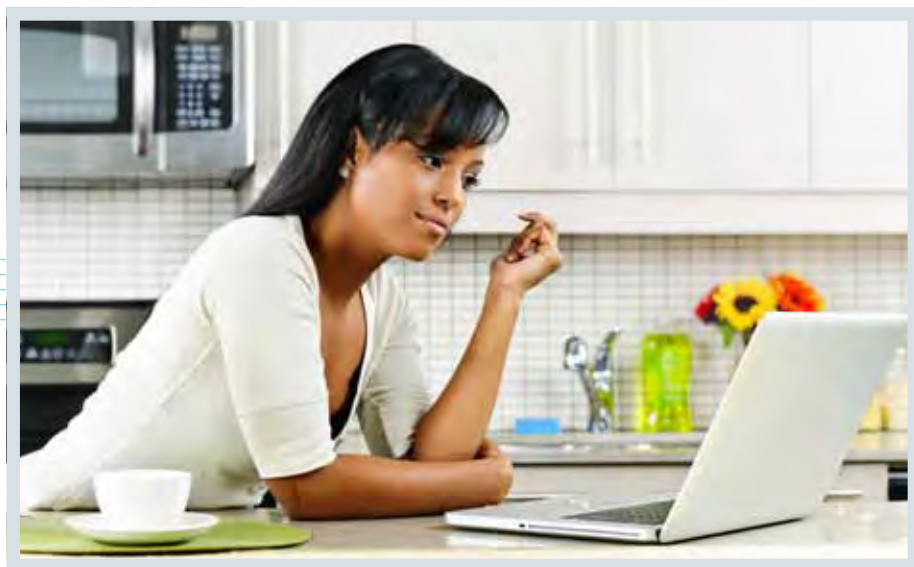
What is Peer Review?

A peer review is a study of a firm's accounting and auditing work by an unaffiliated CPA following professional standards. Peer review is required for all California-licensed firms, including sole proprietorships, which perform accounting and auditing services using specified professional standards. Tax practice is not required to be monitored by peer review.

A peer review provides firms an educational opportunity to learn best-practice techniques and improve services, so they can provide up-to-date methods and practices to consumers. Peer review also better equips firms to deliver high quality accounting and auditing services to consumers and helps in designing quality control systems that ensure the work products meet professional standards.

How to Select a CPA

Most of us will need the advice and services of a CPA at some time in our lives, and establishing a relationship with a CPA you trust can be important to the financial health of your family and/or your business.





Whether a CPA will be preparing your taxes, helping you create a roadmap for your financial future, keeping your books and preparing financial statements for your business, auditing your financial statements, or any number of other services a CPA can offer, selecting the best person or firm for your needs is an important decision.

Here are some helpful tips to assist in making this very important hire.

1. GET RECOMMENDATIONS FROM FAMILY AND FRIENDS

Ask for recommendations from those you trust and who may have had similar accounting needs. Here are some considerations:

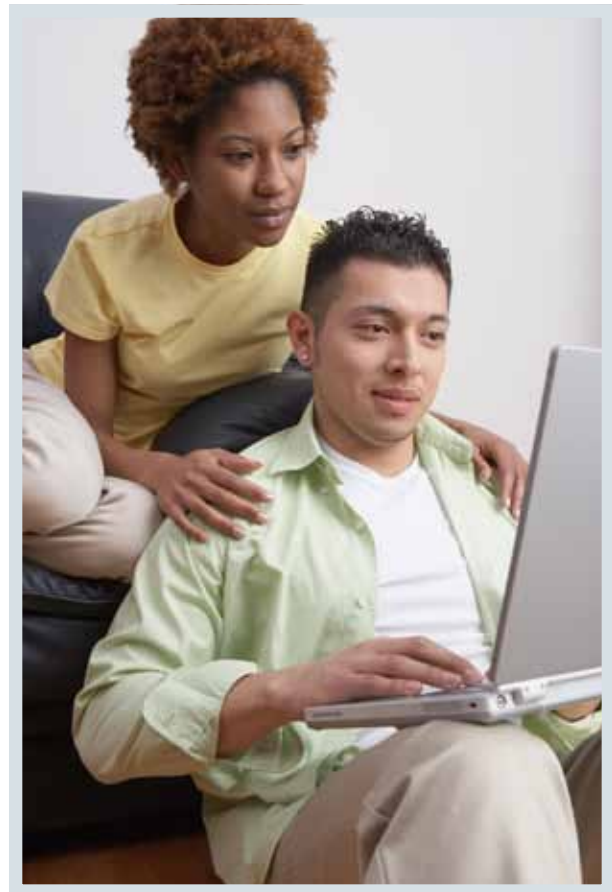
- Do you have a small business? Are you looking for someone to help keep your books and prepare monthly financials? Are you looking for an annual audit and periodic advice? Are there other areas in which you need an accountant's help?
- Are you looking for an accountant to assist with financial planning, estate issues, tax return or IRS issues?

Recommendations should be where your search begins, not ends. Once you get several recommendations, be thorough in checking out potential candidates. Be aware that in recent years there have been several high profile cases of "affinity fraud," in which an unscrupulous individual takes advantage of people connected by religion, group membership, or other "affinity" in order to easily gain access and trust to sizable groups of people.

2. VERIFY ON LICENSE LOOKUP

Visit www.cba.ca.gov and click on License Lookup. You can search for a licensee by the name of the CPA or firm, or by license number if you have it. When you search for a license status and locate a licensee, you will see the following information listed:

- Licensee / Firm Name
- Type of License
- License Number
- License Status
- Experience Completed
 - If an “**A**” appears, the licensee is authorized to sign attest reports on attest engagements.
 - If a “**G**” appears, the licensee is NOT authorized to sign reports on attest engagements. This licensee can perform all other accounting services and may also participate in attest engagements.
- Expiration Date
- Issue Date
- Address of Record
- Disciplinary Actions/License Restrictions (“yes” or “no”)
 - If a “**yes**” appears in Disciplinary Actions/License Restrictions, please click on “Details” for further information.



License Lookup will allow you to see if the CPA you are considering has a current and active license, and if there have been any disciplinary actions or license restrictions.

A new resource for consumers desiring to check the status of a CPA practicing in other parts of the nation is CPAverify.org. This website, hosted by the National Association of State Boards of Accountancy, features a central database of information about CPAs licensed in other states. Although populated by official state regulatory data received from participating State Boards of Accountancy and the CBA, you may want to verify the accuracy of the information received from “CPAverify” with the applicable state licensing board. Access to the website is free and open to the public.

3. MEET THE CPA

Now that you have recommendations for CPAs that perform the type of services you may need and have determined they are licensed and in good standing, the next step is to find out if you are a good “match.” Because you will be trusting someone with your financial information, being comfortable that they can meet your needs is important to a good long-term relationship. The best way to determine that is through an interview, preferably in person, but at the very least, by telephone.

What to ask:

- What type of accounting work do they typically perform? Compare the CPA’s experience to your service needs.
- What office hours does the CPA or firm keep? Determine whether the office is open year-round; inquire if the CPA is available to take telephone inquiries. Ask what type of *continuing education* the licensee has taken recently.
- Has the CPA been disciplined?
- Is the CPA licensed in another state? If yes, you may check **CPAverify.org** to review the status of that license.
- If the services you require include either reviewed or audited financial statements, ask the CPA if he or she participates in a *peer review* or quality review program. If yes, ask the month, year, and result of the most recent review. A more detailed description of the peer review program appears in the Peer Review section of this brochure.



- You may also want to ask if the CPA carries professional liability insurance. This helps protect consumers in the event a claim is made for damages arising from a CPA's failure to perform tax or other services satisfactorily.

If your CPA prepares your tax return and offers you a Refund Anticipation Loan (RAL), the CPA must comply with disclosure requirements specified in the California Accountancy Act and CBA Regulations. A RAL, frequently described as an “instant tax refund,” is in reality a short-term loan that will often have very high costs associated with it. CPAs offering RALs are required by Section 56 of the CBA's Regulations to make specified written disclosures to the consumer, including the dollar amount the CPA will receive for facilitating the loan. These disclosures must be made at or before the time of making the referral to the lender or performing other activities to facilitate the loan, regardless of whether you actually accept the loan.

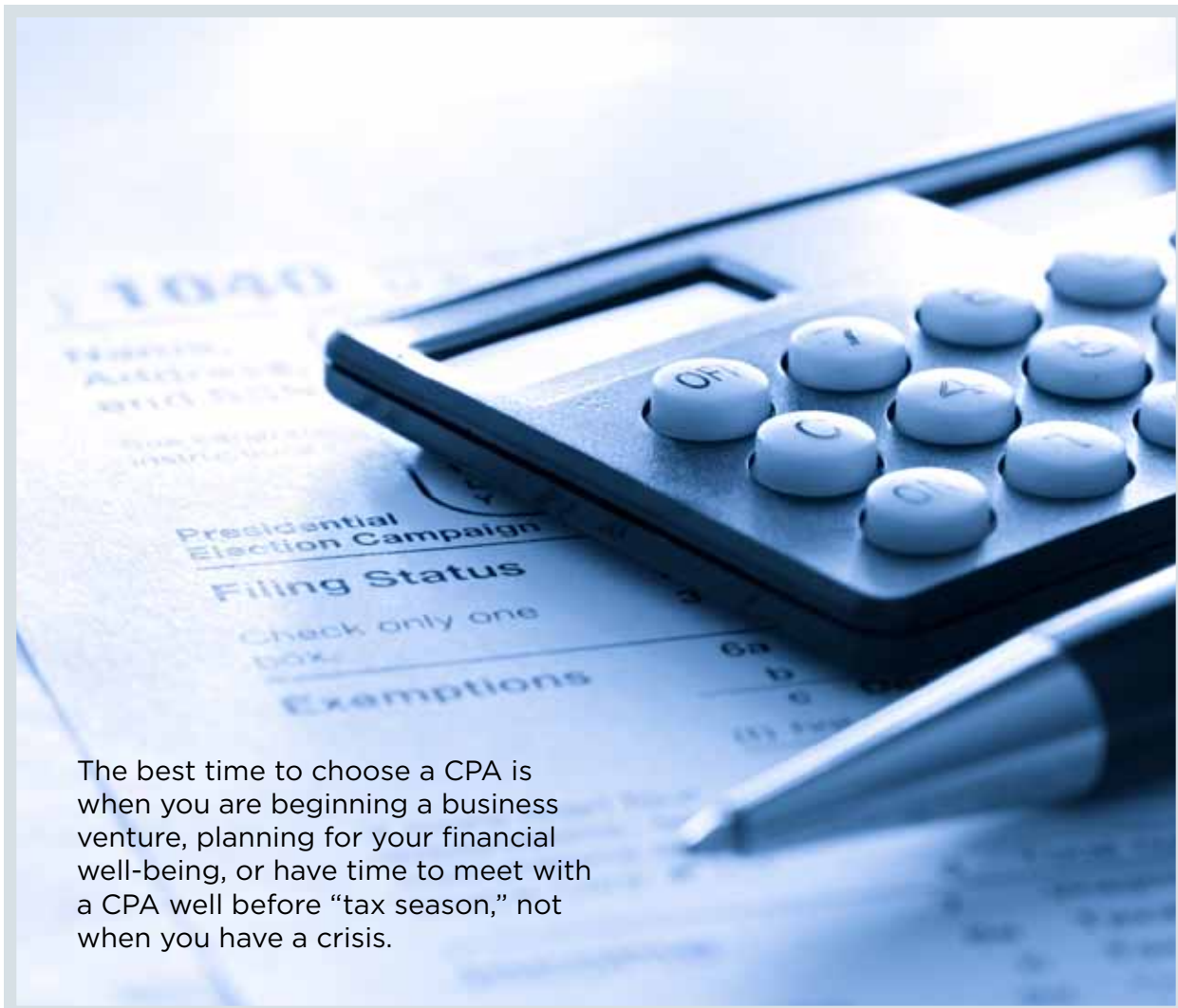


Some final advice on selecting a CPA

Before any work is done by the CPA, it is important to make certain that you receive an engagement letter detailing the work to be performed for you. The engagement letter should detail who will be performing the work, including whether the work is outsourced, confirm that all private and personal information is secure, and specify the cost of the services.

CPAs are required by law to ensure that none of your confidential information is disclosed without your permission. Therefore, you should ask whether the CPA discloses any of your confidential information to persons or entities in connection with outsourcing any services provided by the CPA on your behalf. While other persons or entities may provide you with financial services, including tax preparation, it is important to be aware that this regulation pertains only to California-licensed CPAs.

The best time to choose a CPA is when you are beginning a business venture, planning for your financial well-being, or have time to meet with a CPA well before “tax season,” not when you have a crisis. This approach provides you both the opportunity to gather the necessary documents and make the necessary preparations to launch a successful professional relationship.



The best time to choose a CPA is when you are beginning a business venture, planning for your financial well-being, or have time to meet with a CPA well before “tax season,” not when you have a crisis.

What if I have a Complaint?

Consumers can file a complaint with the CBA when they've experienced service or work that is of poor or substandard quality, or professional service or conduct that may be dishonest, negligent, or unprofessional. There are several avenues available if you wish to file a complaint.

ONLINE

You may file a complaint via the CBA website, www.cba.ca.gov. Click on the "Consumers" tab then select and click the "Complain about a CPA" text link. This action opens the complaint page containing information on filing a complaint, how to file a complaint, and what happens once a complaint is filed.

U.S. MAIL

You may visit the CBA website, www.cba.ca.gov, and download and print a complaint form. Simply select the "PDF format" text link.

REQUEST BY PHONE

If you prefer, you may also call the CBA's Enforcement Division directly at (916) 561-1729 to have a complaint form mailed to you.

Complete as much information as possible, and submit the form and copies of supporting documents related to your complaint to the CBA in person or by mail at:

CALIFORNIA BOARD OF ACCOUNTANCY
ATTN: Enforcement Division
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832

The information provided in this form will be used by the CBA to follow up on your complaint. If you do not wish to identify yourself, you may remain anonymous; however, this may limit the CBA's ability to contact you or help you resolve your complaint.

After submitting your complaint, you will receive an acknowledgement that your complaint was received by the CBA within 10 days of receipt of your complaint. This acknowledgement will contain an initial complaint referral number. Please reference this number in all communications with the CBA's Enforcement Division regarding your complaint.





CALIFORNIA BOARD OF ACCOUNTANCY
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832
www.cba.ca.gov