

**DEPARTMENT OF CONSUMER AFFAIRS  
BOARD OF ACCOUNTANCY**

**TITLE 16, CALIFORNIA CODE OF REGULATIONS SECTIONS 39, 48.3, AND 70  
SECTION 100 CHANGE WITHOUT REGULATORY EFFECT**

**PROPOSED TEXT  
PEER REVIEW TERMINOLOGY AND OUTDATED FEE PROVISIONS**

<b>Legend:</b>	Added text is indicated with an <u>underline</u> . Omitted text is indicated by (* * * *) Deleted text is indicated by <del>strikeout</del> .
----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------

**Amend Section 39 of Article 6 of Division 1 of Title 16 of the California Code of Regulations to read as follows:**

**§39. Definitions.**

The following definitions shall apply to Article 6 -- Peer Review:

- (a) Accounting and Auditing Practice: Any services that are performed using the following professional standards: Statements on Auditing Standards (SASs), Statements on Standards for Accounting and Review Services (SSARS), Statements on Standards on Attestation Engagements (SSAEs), Government Auditing Standards, and audits of non-Security Exchange Commission (SEC) issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB).
- (b) Peer Review Report: A report issued to the peer reviewed firm which documents the findings and conclusions reached by a qualified peer reviewer and issued in accordance with Section 48(b) of this Article.
- (c) Pass Peer Review Report: A report issued to the peer reviewed firm in accordance with either Section 48(b)(1)(A) or 48(b)(2)(A) of this Article.
- (d) Pass With Deficiencies Peer Review Report: A report issued to the peer reviewed firm in accordance with either Section 48(b)(1)(B) or 48(b)(2)(B) of this Article.
- (e) ~~Substandard~~ Fail Peer Review Report: A report issued to the peer reviewed firm under either Section 48(b)(1)(C) or 48(b)(2)(C) of this Article.
- (f) Peer Reviewer: A certified public accountant holding a valid and active license to practice public accounting in good standing issued by this state or some other state who (1) maintains a currency of knowledge in professional standards governing accounting and auditing engagements, (2) meets the qualifications of Section 48(c) of this Article, and (3) is unaffiliated with the firm being reviewed.
- (g) Peer Review Team: One or more individuals who collectively conduct a peer review, at least one of whom is a qualified peer reviewer.

NOTE: Authority cited: Sections 5010 and 5076, Business and Professions Code.  
Reference: Section 5076, Business and Professions Code.

**Amend Section 48.3 of Article 6 of Division 1 of Title 16 of the California Code of Regulations to read as follows:**

**§48.3. Board-Recognized Peer Review Program Provider Reporting Responsibilities.**

(a) Upon request of the Board or Peer Review Oversight Committee, a Board-recognized peer review program provider shall make available, at a minimum, the following:

- (1) Standards, procedures, guidelines, training materials, and similar documents prepared for the use of reviewers and reviewed firms.
- (2) Information concerning the extent to which the Board-recognized peer review program provider has reviewed the quality of reviewers' working papers in connection with the acceptance of reviews.
- (3) Statistical data maintained by the Board-recognized peer review program provider related to its role in the administration of peer reviews.
- (4) Information concerning the extent to which the Board-recognized peer review program provider has reviewed the qualifications of its reviewers.
- (5) Sufficient documents to conduct sample reviews of peer reviews accepted by the Board-recognized peer review program provider. These may include, but are not limited to, the report; reviewer working papers prepared or reviewed by the Board-recognized peer review program's peer review committee in association with the acceptance of the review; and materials concerning the acceptance of the review, including, but not limited to, the imposition of required remedial or corrective actions; the monitoring procedures applied; and the results.

(b) A Board-recognized peer review program provider shall provide the Board, in writing or electronically, the name of any California-licensed firm expelled from the peer review program and provide the reason(s) for expulsion. The Board-recognized peer review program provider shall submit this information to the Board within 30 days of notifying the firm of its expulsion.

(1) Nothing in this subsection shall require a Board-recognized peer review program provider, when administering peer reviews in another state, to violate the laws of that state.

(c) A Board-recognized peer review program provider shall provide the Board, in writing or electronically, a copy of all ~~standard~~ peer review reports with a rating of fail issued to California-licensed firms within 60 days from the time the report is accepted by the Board-recognized peer review program provider.

NOTE: Authority cited: Sections 5010, 5076 and 5076.1, Business and Professions Code. Reference: Sections 5076 and 5076.1, Business and Professions Code.

**Amend Section 70 of Article 10 of Division 1 of Title 16 of the California Code of Regulations to read as follows:**

**§70. Fees.**

(a) The application fee for the computer-based Uniform Certified Public Accountant

Examination shall be \$100 for issuance of the Authorization to Test to first-time applicants and \$50 for issuance of the Authorization to Test to repeat applicants.

(b) The application fee for issuance of a certified public accountant certificate shall be \$250.

(c) The application fee for registration as a partnership or as a corporation, including registration under a new name as a partnership or as a corporation, shall be ~~\$150~~\$250.

(d) ~~(1) After June 30, 2024, the fee for the initial permit to practice as a partnership, or a corporation shall be \$400, and the fee for initial permit to practice as a certified public accountant shall be \$280.~~(1) After June 30, 2024, the fee for the initial permit to practice as a partnership, or a corporation shall be \$400, and the fee for initial permit to practice as a certified public accountant shall be \$340. This subdivision shall be operative until June 30, 2026.

(2) After June 30, 2026, the fee for the initial permit to practice as a partnership or a corporation shall be \$520, and the fee for initial permit to practice as a certified public accountant shall be \$400.

(e) ~~(1) For permits expiring after June 30, 2024, the fee for renewal of a permit to practice as a partnership, or a corporation shall be \$400, and the fee for renewal to practice as a public accountant, or a certified public accountant shall be \$280.~~(1) For permits expiring after June 30, 2024, the fee for renewal of a permit to practice as a partnership, or a corporation shall be \$400, and the fee for renewal to practice as a public accountant, or a certified public accountant shall be \$340. This subdivision shall be operative until June 30, 2026.

(2) For permits expiring after June 30, 2026, the fee for renewal to practice as a partnership or a corporation shall be \$520, and the fee for renewal to practice as a public accountant or a certified public accountant shall be \$400.

(f) The fee for the processing and issuance of a duplicate copy of a certificate of licensure or registration shall be \$10.

(g) The fee for processing and issuance of a duplicate copy of a registration, or permit or other form evidencing licensure or renewal of licensure shall be \$2.

~~(h)(1) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 with an authorization to sign attest reports shall be \$100.~~

~~(2) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 without an authorization to sign attest reports shall be \$50.~~

~~(3) This subsection shall be inoperative until January 1, 2019.~~

~~(i)(1) The fee to be charged a licensee for submission of an application for a license in a retired status pursuant to Section 15.1 shall be \$75.~~

~~(2) The fee to restore a license from a retired status to an active status shall be \$50.~~

NOTE: Authority cited: Sections 5010 and 5134, Business and Professions Code.  
Reference: Sections 122, 163, 5070.1, 5096, 5130, 5131 and 5134, Business and Professions Code.