

# California Board of Accountancy



## CBA Member Guidelines and Procedures Manual

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*The information provided in this document is for the purpose of providing a general overview of the California Board of Accountancy guidelines and procedures. It is not intended to cover all topics or issues. The document does not supersede any statutes, regulations, or case law; and if there is a conflict, the statute, regulation, or case law is controlling. Further, this does not override legal advice by Department of Consumer Affairs or Attorney General's Office.*

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## SECTION I.

### THE CALIFORNIA BOARD OF ACCOUNTANCY

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For over 100 years, the California Legislature has entrusted the California Board of Accountancy (CBA) with protecting the public related to the practice of public accountancy in California. The CBA's mission evokes this charge: "To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with applicable professional standards."

The breadth of the CBA's influence in the regulatory environment stretches beyond California's borders. The CBA regulates over 115,000 licensees, including individuals (certified public accountants [CPA] and public accountants [PA]) and accounting firms (partnerships, corporations, and out-of-state registered firms). Many of the accounting firms that the CBA regulates have national footprints and some with footprints worldwide. CPAs work in a wide range of areas including, accounting firms, private industry, government, and academia, and provide services to clients of all sizes and needs.

The CBA recognizes the scope of its regulatory influence. With stakeholders ranging from consumers needing accounting services; lenders, shareholders, and investors that rely on services rendered by CPAs; and businesses – large and small – that use CPAs to establish internal accounting controls (to name a few), the protection of the public shapes the policies, regulations, and enforcement decisions reached by the CBA.

By authority of the California Accountancy Act, the CBA:

- Ensures that only candidates who meet certain qualifications are allowed to take the national Uniform CPA Examination.
- Certifies, licenses, and renews licenses of individual CPAs and PAs.
- Registers accountancy partnerships, accountancy corporations, and out-of-state accountancy firms.
- Takes disciplinary action against licensees for violation of CBA statutes and regulations.
- Monitors compliance with continuing education and peer review requirements.
- Reviews work products of CPAs and accountancy firms to ensure adherence to professional standards.
- Oversees out-of-state licensees who exercise a practice privilege in California.

The CBA establishes and maintains entry-level standards of qualification and conduct within the accounting profession, primarily through its licensing authority.

Through its Examination and Initial Licensure programs, the CBA qualifies California candidates for the national Uniform CPA Examination, certifies and licenses individual CPAs, and registers accountancy firms. The CBA's License Renewal and Continuing Competency Program focuses on license renewal, ensuring that licensees maintain a currency of professional knowledge to competently practice public accountancy.

Through its Practice Privilege program (commonly referred to as mobility), qualified out-of-state CPAs may practice public accountancy in California without providing notice or paying a fee. All CPAs practicing in California under the mobility program are subject to the disciplinary authority of the CBA. Further, CPAs must report certain disqualifying events prior to exercising a practice privilege or cease practicing in this state until authorized by the CBA.

To ensure that the consumers of California are protected, the CBA maintains a website with public information about individuals and firms exercising a practice privilege in California. In addition, it contains a search mechanism by which consumers can find current license status information on out-of-state licensees.

The objective of the CBA Enforcement Program is to protect consumers, minimize substandard practice, and rehabilitate and discipline licensees, as warranted. The CBA has the authority to discipline not only licenses held by individuals, but those of firms as well. Enforcement activities include investigating complaints against persons practicing public accountancy without a license and taking disciplinary action against licensees for violations of applicable statutes and regulations. The CBA's Enforcement Program receives complaints from consumers, licensees, professional societies, law enforcement agencies, other government agencies, and internal referrals.

#### A. MISSION AND VISION OF THE CBA

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

The Vision of the CBA is that all consumers are well informed and receive quality accounting services from licensees they can trust.

#### B. COMPOSITION (Ref. Business & Professions Code §§ 5000 & 5001)

The CBA consists of 15 members, seven of whom must be certified public accountants, and eight of whom must be public members who are not licensees of the CBA.

The Governor appoints four of the public members and all of the licensee members with individuals representing a cross section of the accounting profession. The Senate Rules Committee and the Speaker of the Assembly each appoints two public members.

#### C. QUALIFICATIONS (Ref. Business & Professions Code §§ 5000.5 & 5001)

Each public member of the CBA must not:

- Be a current or former licensee of the CBA.
- Be an immediate family member of a licensee.
- Be currently or formerly employed by a public accounting firm, bookkeeping firm, or firm engaged in providing tax preparation as its primary business.
- Have any financial interest in the business of a licensee.

Each licensee member of the CBA must:

- Currently be engaged in the practice of public accountancy for a period of not less than five years preceding the date of their appointment, except for the educator position authorized by section 5001, subdivision (b).

All members of the CBA must:

- Currently be a citizen of the United States and a resident of California for at least five years preceding the date of their appointment.
- Be of good character.
- Take and subscribe to the Oath of Office and file the Oath with the Secretary of State.

D. CBA MEMBER RESPONSIBILITIES AND DUTIES (Ref. Business & Professions Code § 5000.1)

1. Responsibilities.

CBA members are responsible for carrying out the mission of the CBA as delineated in Section I.A. of this manual. Business and Professions Code section 5000.1 states, “protection of the public shall be the highest priority for the CBA in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.” In addition, CBA members are to adhere to all statutory and regulatory requirements as well as all policies and procedures contained in this Guidelines and Procedures Manual.

2. Duties.

All members are to attend CBA meetings and consider volunteering to participate as CBA Liaison to at least one legislatively established advisory committee and participate as a member of at least one of the following committees comprised of only CBA members:

- Legislative Committee
- Committee on Professional Conduct
- Enforcement Program Oversight Committee
- Other Committees and Task Forces

3. Mentoring.

The purpose of CBA Mentor Guidelines is to assist new members in becoming familiar with the CBA structure, meetings, and present priorities.

When a new member is appointed to the CBA, a mentor shall be assigned by the CBA President and, when necessary, in consultation with the CBA Executive Officer. The mentor (which can be a former or current CBA member) will assist the new member in

getting acclimated to their role on the CBA. This will include open discussion on any matter presently or previously discussed by the CBA (with the exception of closed session matters). This provides an opportunity for the new member to receive insight regarding the activities, history, and priorities of the CBA.

If the mentor is a current CBA member, they may, for in-person meetings, wish to sit adjacent to the new member during their first CBA meeting and assist in providing guidance on the meeting materials and answer any procedural questions that may arise.

#### 4. Executive Officer Evaluation.

On behalf of CBA leadership, CBA staff will contact the Department of Consumer Affairs' (DCA) Office of Human Resources (OHR) Chief to initiate the Executive Officer (EO) annual performance evaluation. The EO performance evaluation form will be sent by OHR to all CBA members. Prior to the November CBA meeting, CBA members and the Director of DCA will complete an evaluation of the Executive Officer. The CBA President will use the surveys to complete a written summary of the evaluations. The CBA has the option of meeting in closed session with a representative from DCA's Office of Human Resources to discuss the Executive Officer's performance appraisal and answer any questions the members may have. The original evaluation is signed by the CBA President and Executive Officer and sent to the DCA Office of Human Resources for placement in the Executive Officer's Official Personnel File.

In accordance with Government Code section 11126, the CBA may hold a closed session to consider complaints or charges brought against the Executive Officer or to consider the dismissal of the Executive Officer, unless the Executive Officer requests a public hearing. The CBA may deliberate on any decision to be reached on any of the aforementioned issues in a closed session. Any action to appoint, employ, or dismiss the employee taken must be publicly reported at a subsequent meeting. The CBA President should contact DCA Legal Counsel regarding proper compliance with Open Meeting Act requirements prior to considering any action.

#### E. TENURE (Ref. Business & Professions Code § 5002).

Each member is appointed for a term of four years and holds office until they are reappointed, a successor is appointed, or until one year has elapsed since the expiration of the term for which they were appointed (grace period), whichever occurs first.

No person shall serve more than two, four-year terms consecutively.

Vacancies must be filled by a person in the same capacity (public or licensee member) as the person being replaced.

The Governor must remove any licensee member whose permit to practice becomes void, revoked, or suspended.

Any member may, after an administrative hearing, be removed by the Governor for neglect of duty or other just cause.

If a member is appointed to fill a vacant seat in what would be the middle of the previous member's term, the rest of that term does not count against the two-term limit, as it is still defined as the previous member's term.

F. OFFICERS (Ref. Business & Professions Code §§ 5003, 5004, & 5007).

The officers of the CBA are President, Vice President, and Secretary/Treasurer.

1. Election of Officers.

The process for the election of officers is as follows:

- At the September CBA meeting, the President shall inform members that the election of officers will be held at the November CBA meeting.
- Interested candidates are requested to prepare a one-page written summary outlining their qualifications for the position for which they are applying, which will serve as a self-nomination. Candidates are limited to being nominated for one officer position. The summary is to be sent to the Board Relations Analyst by a date determined by the Executive Officer and CBA President.
- The nominations shall be distributed as part of the agenda items for the November CBA meeting.
- At the November CBA meeting, the President shall ask if there are any additional nominations for the officer positions. Any member who is nominated may be given up to five minutes of floor time to describe why they are qualified for the position.
- After all nominations have been confirmed, the President will close nominations.
- The vote for officer positions shall be held in the following order: Secretary/Treasurer, Vice President, and President.
- A roll call vote will be taken for each officer position nominee, starting in alphabetical order by the candidate's last name.
- Members can vote "Yes," "No," or abstain from the vote for each nominee.
- The first nominee to receive a majority vote will win the officer position.
- In the event none of the nominees receive a majority vote, the voting will continue until a majority vote is received. To assist in this process, the President may allow nominees to make a statement regarding their qualifications, within an established and reasonable time limit.
- The President, Vice President, and Secretary/Treasurer serve one-year terms and may not serve more than two consecutive one-year terms. The newly elected President, Vice President, and Secretary/Treasurer shall assume the duties of their respective offices at the conclusion of the meeting at which they were elected.

2. Vacancy.

In the event of a vacancy of the Vice President or Secretary/Treasurer prior to the annual election of officers, the CBA President shall make an interim appointment to fill the vacancy effective until the next election cycle. In the event of a vacancy of the President, the Vice President shall become the President.

3. Duties.

a. President.

The President shall perform general administrative duties, as well as the following:

- Preside over CBA meetings.
- Approve the agenda and time schedule.
- Appoint CBA members as Liaison to the Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee.
- Appoint CBA members to CBA committees and task forces.
- Establish other CBA committees as needed.
- Make decisions regarding CBA matters between meetings.
- Coordinate the annual evaluation of the Executive Officer.
- When necessary, make interim appointments to the Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee, subject to ratification at the next CBA Meeting.
- Monitor CBA member attendance at CBA Meetings and report issues to DCA.
- Make interim appointments to the Vice President and Secretary/Treasurer positions should they become vacant mid-term.
- Assign travel expense claims to be reviewed internally by CBA staff for adherence to established travel guidelines and subsequently delegate approval to DCA's Director or Deputy Director of Board and Bureau Relations.
- Interface with the CBA staff regarding internal audit matters affecting the CBA. These matters include such issues as internal audit findings, requests for special reviews, and other related concerns or topics.

b. Vice President.

The Vice President shall perform the following:

- Act in the absence of the President.
- Review applications and recommend appointments for membership on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee. Recommend reappointments of existing members, including appointments and reappointments for leadership roles.
- Perform any other duties as assigned by the CBA President.
- Review and act upon time sensitive appeals to the CBA by CPA Licensure candidates.

c. Secretary/Treasurer.

The Secretary/Treasurer shall perform the following:

- Act as Liaison to CBA staff for fiscal/budgetary functions and routinely report to the CBA regarding relevant matters. This includes reviewing the quarterly and year-end financial statements, in concert with the President. After review, the Secretary/Treasurer presents the financial statement to the CBA.
- Perform other duties as requested by the CBA President.

G. MEETINGS (Ref. Business & Professions Code §§ 5016 & 5017).

All meetings of the CBA and its committees, subcommittees and task forces are subject to the Bagley-Keene Open Meeting Act. This Act is summarized in a document developed by DCA, and includes statutory requirements for conducting Teleconference, Emergency Meetings, or both. **(Appendix 1)**

1. Frequency.

The CBA meets regularly during the year. The dates are normally established annually at the January or March meeting for the following calendar year.

2. Locations.

The CBA chooses locations that are Americans with Disabilities Act compliant and easily accessible to the public, applicants, and licensees. Pursuant to Business and Professions Code section 101.7, the CBA must meet at least two times each calendar year, once in Northern California and once in Southern California to facilitate participation by the public and its licensees. The CBA also recognizes its responsibility regarding the public's concern for the judicious use of public funds when choosing meeting facilities and overnight accommodations.

3. Attendance.

Members are expected to attend all scheduled CBA meetings. Regular attendance ensures current knowledge of procedures and policies as well as an equitable sharing of duties and responsibilities.

Should a member miss two consecutive meetings, the CBA President may notify the Director of the DCA.

Arrival and departure times of each member are recorded in the CBA minutes.

4. Agenda.

The CBA President, with the assistance of the Executive Officer, shall prepare the agenda and tentative time schedule.

The agenda mailing list shall include CBA members, committee, and task force chairs and vice chairs, and those parties who have requested to be notified.

5. Notice Requirements.

The notice requirements defined by the Bagley-Keene Open Meeting Act are summarized in the guide provided by DCA. **(Appendix 1)**

6. Closed Session.

There are multiple types of closed session meetings conducted by the CBA and are further identified on pages 12 through 15.

Matters that can be considered in closed session are defined by the Bagley-Keene Open Meeting Act.

7. Minutes.

Draft minutes are prepared and distributed to the CBA President, DCA Legal Counsel, and CBA members and are available for public viewing via the CBA website prior to the subsequent meeting. During the CBA meeting, any necessary corrections are incorporated into the minutes and are then moved for adoption.

After adoption by the CBA, the minutes are signed by the CBA President and Secretary/Treasurer, bound by year, and retained in the CBA office as a public record of the CBA's activities. The minutes are also posted on the CBA website for at least three years in accordance with Business and Professions Code section 5017.1.

8. Voting.

A majority of the CBA, which is eight members, shall constitute a quorum for the transaction of any business.

a. Recording.

In accordance with Government Code section 11123, after each motion, a roll call will be taken by the Board Relations Analyst. Member's names will be called, and each member will state their vote for the motion as yes, no, or abstain. Each member's vote for the action, or the abstention or recusal of each member attending the meeting, will

be recorded in the minutes. Those absent are recorded after every motion unless the member is shown as absent for the entire meeting.

Excerpts from minutes must be accompanied by the first two pages of the same minutes that list those in attendance.

Subsequent modification to these procedures may be needed as deemed appropriate and in accordance with the provisions of the Bagley-Keene Open Meeting Act.

b. Abstentions.

A CBA member will abstain from voting on an issue if for any reason a conflict of interest is or may be perceived to be present.

Abstentions do not prevent a motion from carrying as a majority of the vote is determined by the votes cast. For example, if seven members vote in favor of a motion, six members vote against, and two abstain, the motion would carry.

c. Mail Votes.

Mail votes are not permitted except in disciplinary matters. The CBA has 100 days from the receipt by the CBA of a proposed decision by an Administrative Law Judge to act (Government Code section 11517, subdivision (c)(2)). A mail vote may be taken at the direction of the CBA President and can be conducted electronically via email or through the United States Postal Service.

9. Webcast. (Ref. Business and Professions Code § 5017.5).

All CBA meetings are recorded, webcast live via Webex, provide closed captioning, and are archived on the CBA website for at least three years.

10. Adjournment.

The CBA has delegated the adjournment of the meeting to the CBA President and the respective committee chairs. The CBA President and committee chairs will adjourn their respective meetings in accordance with the Bagley-Keene Open Meeting Act. If adjournment of the meeting is immediately after closed session, the meeting will be reconvened into open session prior to adjournment.

H. APPEALS TO THE CBA.

Applicants, who are aggrieved by any action taken by a committee or staff of the CBA as it relates to experience for CPA licensure, can submit an appeal, pursuant to Title 16, California Code of Regulations section 49. Appeals should be submitted a minimum of 20 working days prior to a CBA meeting to be considered.

The CBA will not consider new information unless previously reviewed by the appropriate committee, subcommittee, task force, or staff.

Formal denials of licensure (Statement of Issues) will be handled in accordance with the appeals processes set forth in the Administrative Procedure Act (Government Code sections 11500 and following).

I. PETITION FOR REINSTATEMENT OR REDUCTION OF PENALTY.

Petitions must be received in a sufficient amount of time prior to any CBA meeting to allow processing and compiling of the information for CBA consideration. The CBA generally will hold a formal hearing, with an Administrative Law Judge, to consider these matters. In some instances, the CBA may review only the written record and render a decision without a hearing. Only CBA members who are present for the entire hearing shall be permitted to vote.

J. PRESENTATIONS.

Individuals, groups, or both wishing to make a formal presentation to the CBA are requested to notify the CBA office 20 working days prior to the meeting. This is not intended to preclude public comment on specific agenda items or on other general matters. If the CBA President approves the request and places the item on the agenda, presenters should provide any written material to supplement their presentations 14 days in advance of the meeting.

K. COMMITTEES AND TASK FORCES.

Committees and task forces, other than those established by statute, are created by the CBA President on behalf of the CBA. A CBA and committee roster is included as **Appendix 2**.

L. APPOINTMENTS TO THE ENFORCEMENT ADVISORY COMMITTEE, PEER REVIEW OVERSIGHT COMMITTEE AND QUALIFICATIONS COMMITTEE.

New appointments and reappointments are made as needed, through the process outlined in the Committee Member Resource Guide. The Committee Member Resource Guide is located on the CBA's website. Opportunities to participate on a CBA committee is noticed in the CBA's newsletter, *UPDATE*, and on the CBA website.

M. RESPONSIBILITY OF CBA MEMBER LIAISONS TO COMMITTEES AND TASK FORCES.

CBA members acting as Liaisons to committees, task forces, or CBA programs are responsible for keeping the CBA informed regarding emerging issues and recommendations made at the committee or task force level. In addition, the Liaison is to keep the committee or task force informed of CBA policies and assignments, and to make recommendations to the CBA regarding chair and vice chair appointments.

When there is a southern and northern Liaison appointed to a committee, the Liaisons should communicate between meetings to ensure they are kept abreast of any committee issues. This can be facilitated by the CBA staff liaison to the committee. Liaisons should also consider participating in one Investigative Hearing, Probation Orientation (Enforcement Advisory Committee), or Applicant/Employer interview (Qualifications Committee) annually, to provide the members with a clear understanding of the committees' functions.

Finally, Liaisons assigned to the committees will evaluate committee chairs, vice chairs, and members for whom they have specific knowledge of their performance and report those evaluations to the President and Vice President as required.

## N. EXAMINATION, LICENSURE, AND LICENSE RENEWAL PROGRAMS.

The following information is being provided for CBA members to reference as it contains a brief overview of the process to receive and maintain a license in California.

### 1. Uniform CPA Examination.

The Uniform CPA Examination is administered throughout 55 jurisdictions, including the 50 states and the U.S. territories of District of Columbia, Guam, Puerto Rico, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

The CBA has a contract with the National Association of State Boards of Accountancy, who maintains a national computerized CPA examination candidate database that stores information for the 55 jurisdictions on candidate's eligibility to test. The CBA qualifies candidates and provides oversight and policy/procedural direction.

The examination is written and graded by the American Institute of CPAs.

### 2. Initial Licensing.

After passage of the Uniform CPA Examination, and fulfillment of the requisite education and experience, an applicant may apply for licensure. Approximately 4,000-applications are received each year and the CBA licenses approximately 3,000-individuals and 400 firms annually.

Applications are reviewed by staff, and if warranted, an employer may be asked to appear with work papers to substantiate the verification of experience that was submitted on an applicant's behalf. This review is done by the Qualifications Committee. Individual applicants may also be required to appear before the Qualifications Committee to substantiate their experience if deemed necessary.

### 3. License Renewal and Continuing Competency.

Functions related to continuing education and the review of professional competence of licensees who practice public accountancy are included in the License Renewal and Continuing Competency Program. The primary function within the License Renewal and Continuing Competency Program is to ensure licensees have met California's renewal requirements.

At the time of license renewal, licensees are required to submit the license renewal application (documenting 80 hours of qualifying continuing education), a peer review reporting form, and remit the license renewal fee.

Additionally, licensees not previously fingerprinted for initial licensure or for whom the Department of Justice does not have an electronic record of the licensee's fingerprints

must submit fingerprints for a state and federal level clearance if they are renewing in an active status and not actively serving in the military.

Two programs are used to monitor licensees' compliance with the continuing education requirements – the Continuing Education Worksheet Review program and the Continuing Education Verification program. With the Continuing Education Worksheet Review program, staff review all licensees self-reported continuing education at the time of license renewal to ensure all continuing education requirements are met, while for the Continuing Education Verification program, a licensee must submit substantiating documentation to demonstrate proof of completion for the reported continuing education.

The other continuing education-related program activities include approval of courses to qualify for the Regulatory Review requirement, and review of requests for extension of time or exemption from completion of continuing education.

## O. ENFORCEMENT PROGRAM.

The CBA receives and investigates over 4,000 complaints each year. CBA members will see three different types of enforcement action, including:

### 1. Default Decision.

A default decision is prepared by a Deputy Attorney General for consideration by CBA members when a licensee does not timely file a Notice of Defense or fails to appear at the scheduled administrative hearing. If adopted by the CBA members, it results in the CBA taking action against the license. If the licensee fails to appear at the administrative hearing, the CBA members or Administrative Law Judge, before the proposed decision is issued, have discretion to grant an administrative hearing on reasonable notice to the parties.

Default decisions occur in about 25% of the matters brought before the CBA members. Documents CBA members will receive include:

- Accusation
- Default Decision and Order.
- Default Decision Investigatory Evidence Packet (the package will vary but generally include the Accusation, Statement to Respondent (including Declaration of Service), License History, Cost of Investigation and Prosecution, and Investigative Report)
- Memorandum from CBA Legal Counsel that summarizes the causes for discipline and recommended options.

During closed session, CBA members must make their decision based on the record, which includes only the items specified above. CBA Legal Counsel will present the Default items and is limited to providing CBA members with advice on procedural and legal issues. Staff and the Deputy Attorney General liaison are not present in closed session for the CBA's discussion on default decisions. This is to ensure compliance with requirements associated with *ex parte* communication.

If the CBA members adopt the default decision, the licensee may serve a written motion within seven days of the default decision being served on the licensee requesting that the CBA members vacate the decision. CBA members may vacate the default decision and grant a hearing on a showing of “good cause.”

## 2. Stipulated Settlement.

A stipulated settlement is a negotiated agreement between the Enforcement Program, with the assistance of the Attorney General’s Office, and the licensee where the parties agree on a resolution to the matter. The Enforcement Program uses the CBA’s Disciplinary Guidelines, which have been adopted by the CBA, when drafting and negotiating stipulated settlements.

The CBA members vote whether to approve the proposed stipulated settlement as its decision and order in the matter. CBA members may adopt the proposed stipulated settlement as the CBA decision in the matter, make a counteroffer with alternate terms, or reject the proposed stipulated settlement and allow the matter to proceed to hearing. If the proposed stipulated settlement is not adopted by the CBA members, the matter is referred to the Enforcement Program to be scheduled for a hearing, unless another stipulated settlement is negotiated and presented to the CBA members for consideration.

Stipulated settlements occur in about 53% of the matters brought before the CBA members. Documents CBA members will receive include:

- Accusation
- Stipulated Settlement
- Letter from the Deputy Attorney General advocating the adoption of the settlement.
- Memorandum from the Enforcement Chief that summarizes the allegations in the Accusation, outlines the terms agreed to by the parties, and approximate costs incurred by the CBA in the investigation and prosecution of the matter.

During closed session CBA members are free to discuss cases involving stipulated settlements with the Enforcement Chief prior to deciding on the cases. While *ex parte* communication is prohibited by the Administrative Procedure Act while cases are pending, it is specifically permitted by one of the standard conditions included in the proposed stipulated settlement, which the licensee has already agreed to prior to it being considered by the CBA.

All decisions rendered by CBA members must be based on the administrative record, which are the documents, described above, presented to the CBA members. CBA members are prohibited from unilaterally increasing the discipline terms of a proposed stipulated settlement, but they can make a counteroffer, or provide guidance to the Executive Officer and Enforcement Chief regarding future settlement negotiations. Staff and the Deputy Attorney General liaison are present in closed session for the CBA’s discussion of the stipulated settlement.

## 3. Proposed Decisions.

In cases where a licensee files a timely Notice of Defense and the case is not settled, it will proceed to a hearing before an Administrative Law Judge. A licensee’s rights include, but

are not limited to, the following: right to counsel at the licensee's own expense; notice and an opportunity to be heard, including the opportunity to present and rebut evidence; a hearing open to public observation; that the adjudicative function be separated from the investigative, prosecutorial, and advocacy functions within the CBA and a restriction on *ex parte* communication; and that the decision be in writing, based on the record, and include a statement of the factual and legal basis for the decision.<sup>1</sup>

The Administrative Law Judge will prepare a proposed decision, which will be provided to the CBA to make the final decision in the matter. The proposed decision will also include a recommended order that will (1) uphold the discipline advocated for by the agency, (2) modify the discipline or denial to include something less or more than the agency advocated, or (3) dismiss the case in its entirety.

CBA members must take one of the following five actions within 100 days of the date the CBA receives the proposed decision from the Office of Administrative Hearings:

1. Adopt the proposed decision in its entirety as its decision in the matter.
2. Reduce the penalty proposed by the Administrative Law Judge and adopt the balance of the proposed decision.
3. Make technical or other minor changes to the proposed decision and adopt the balance of it.
4. Reject the proposed decision and refer the case back to the Administrative Law Judge for additional evidence.
5. Reject (non-adopt) the proposed decision and decide the case on the record, including the transcript.

If CBA members do not take one of these five actions within the 100-day period, the proposed decision is deemed adopted by operation of law.

Rejection (non-adoption) of a proposed decision results in CBA members later reviewing the administrative record, hearing transcript, written or oral arguments by the parties, and then CBA members reaching their own decision based upon this information.

CBA Legal Counsel prepares a draft of the Decision After Rejection of Proposed Decision based on closed session discussion with CBA members, which they then review and approve. The CBA's final decision must be issued within 100 days after the date of the rejection of the proposed decision, or within 100 days after the CBA receives the hearing transcript, whichever is later. If required by "special circumstances," the CBA may extend the 100 days an additional 30 days.

Proposed decisions occur in about 22% of the matters brought before the CBA members. Documents CBA members will receive include:

- Accusation
- Proposed decision
- Memorandum from CBA Legal Counsel that summarizes the findings and proposed discipline.

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<sup>1</sup> The factual and legal basis for the decision. The factual basis for the decision must be based exclusively on the evidence in the hearing record (testimony and all exhibits received into evidence).

In making the initial determination regarding whether to adopt or reject a proposed decision during closed session, CBA members may ask CBA Legal Counsel questions regarding the California Accountancy Act, CBA Regulations, CBA's Disciplinary Guidelines, and procedural questions regarding matters that involve the proposed decisions being discussed.

At this stage, CBA members do not have a copy of the hearing transcript or administrative record and must make the decision based on the Accusation and the proposed decision. Staff and the Deputy Attorney General liaison are not present in closed session for the CBA's discussion of proposed decisions. This is to ensure compliance with requirements associated with *ex parte* communication.

Factors CBA members may wish to consider when adopting an Administrative Law Judge's proposed decision include:

1. The summary of the evidence supports the findings of fact, and the findings support the conclusions of law.
2. The law and standards of practice are interpreted correctly.
3. The witness' credibility is crucial to the decision and the findings of fact include a determination based substantially on the witness' credibility. The determination identifies specific evidence of the observed demeanor, manner, or attitude of the witness that supports the credibility determination.
4. The penalty fits within the disciplinary guidelines or any deviation from those guidelines has been adequately explained.
5. The terms and conditions of probation, if granted, provide the necessary public protection.

Factors CBA members may wish to consider when non-adopting an Administrative Law Judge's proposed decision include:

1. The Administrative Law Judge made an error in applying the relevant standard of practice for the issues in controversy at the hearing.
2. The witness' credibility is crucial to the decision. The findings of fact include a determination based substantially on the witness' credibility, but the determination does not identify specific evidence that supports the credibility determination.
3. The Administrative Law Judge made an error in interpreting the licensing law and/or regulations.
4. The Administrative Law Judge made correct conclusions of law and properly applied the standards of practice, but the penalty is substantially less than is appropriate to protect the public.

**P. CBA MEMBER CONFLICT OF INTEREST IN DISCIPLINARY MATTERS.**

A CBA member should not vote and should not be present for discussions on any disciplinary matter in which they have a conflict of interest. CBA's Legal Counsel should be contacted if you have a question of whether you have a conflict of interest in a particular case.

1. Investigative Consultants.

An Investigative Consultant is prohibited from working on any case where it is determined that they have a conflict of interest. CBA committee members may not be used in paid positions (e.g., investigative consultant or expert witness (\$100 per day per diem excluded)).

2. Conflict of Interest Disclosure Statement.

In disciplinary matters the conflict of interest disclosure statement used by the Enforcement Advisory Committee members should be used as a guide for determining whether a CBA member should participate or vote in CBA deliberations. *Conflict of Interest information can be found in Section IV, beginning on page 27.* In some instances, the relationship or conflict is of such significance the member should not be present during the CBA's deliberations. In all other matters the same guidelines generally apply although the law and rules are less stringent.

If a CBA member believes there is a potential or perceived conflict, the CBA member is to disclose the facts to the full CBA and legal counsel to obtain a determination as to the level of participation permitted.

3. *Ex parte* Communications.

*Ex parte* communications in disciplinary matters are prohibited (Government Code section 11430.70), with limited exceptions. Should information come to a member's attention that is not part of the administrative record or if contact is made by any of the participants, the member should immediately contact CBA's Legal Counsel for advice. A case may not be discussed with any person, including CBA members, other than at the CBA meeting when the matter is scheduled for discussion. A limited exception to this policy is when a member is acting in a Liaison capacity on one or more specific cases. If acting as a Liaison, the member may not vote or be present during CBA deliberations. If there are two or more Liaison members, at least one should attend each meeting.

## SECTION II.

### CBA COMMITTEES AND TASK FORCES

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The purpose of all committees is to serve in an advisory capacity to the CBA. The Enforcement Advisory, Peer Review Oversight, Qualifications Committees, and Mobility Stakeholder Group are created by statute, meaning their existence and responsibilities are set forth in the Accountancy Act. All other committees are “standing committees,” and may be created or dissolved at the CBA’s discretion.

Each standing committee and task force shall have a Chairperson and a Vice Chairperson at the President’s discretion. The Chairperson is designated by the CBA President and is tasked with running the committee/task force meeting. The Chair opens and closes the meeting. The Chair is also responsible for coordinating with staff the creation of the minutes. CBA members who wish to attend standing committee meetings, but are not a part of the committee, may do so. However, pursuant to the Bagley-Keene Open Meeting Act, if the CBA member’s presence at the committee meeting would constitute a CBA quorum, they may make no comment, vote on any agenda item, or sit at the table with the committee.

Each year at the November CBA meeting, the President shall inform CBA members that if they wish to participate on a committee for the following year, they must submit written notice to the Board Relations Analyst. The Board Relations Analyst will then compile the list of interested parties, and supply it to the President in December. The President, at their discretion, will then make appointments to CBA committees effective the first of January, the following year.

Each statutory committee shall have a Chairperson and Vice Chairperson. Recommendations for each are made by the CBA Vice President and approved by the CBA. The Chairperson is tasked with running the committee meeting, open and closing the meeting. The Chair is also responsible for coordinating with staff the creation of the minutes for approval by the committee and CBA. The Vice Chairperson assists the Chairperson, when necessary, and assumes the Chairperson’s functions in their absence. Appointments to the Mobility Stakeholder Group are made by the CBA President.

Statutory committees are advisory in nature and are not policy-setting committees. Prior to any statutory committee discussing or acting on a policy-related issue, the Chairperson, Vice Chairperson, or other designee should present the issue to the CBA for input and direction.

A. STATUTORY COMMITTEES (Ref. Business & Professions Code §§ 5020, 5023, 5024, 5076.1, and 5096.21).

1. Enforcement Advisory Committee.

a. Purpose.

To assist the CBA in an advisory nature with its enforcement activities by:

- Serving in a technical advisory capacity to the Executive Officer and the Enforcement Program. The Enforcement Advisory Committee members may participate in investigative hearings along with staff investigators, counsel from the Attorney General's Office and where appropriate, outside counsel.

- In an appropriate manner, consistent with the Administrative Procedure Act, reporting its findings from any investigation or hearing to the CBA, or upon direction of the CBA, to the Executive Officer.
- Reviewing open investigations upon request by Enforcement staff and providing technical assistance.
- Reviewing closed investigations and reporting its findings and recommendations to the CBA or upon direction of the CBA, to the Executive Officer.
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized by the CBA to consider.

b. Membership.

The Enforcement Advisory Committee is comprised of up to 13 licensees with a license in an active status.

c. Meetings/Minutes.

The Enforcement Advisory Committee meets approximately five times annually, generally for one day each meeting. Minutes are prepared from the meeting and presented to the CBA for acceptance.

2. Peer Review Oversight Committee.

a. Purpose.

To act as an advisory committee and assist the CBA in its oversight of the Peer Review Program by:

- Holding meetings as necessary to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.
- Ensuring that Board-recognized peer review program providers (Provider) administer peer reviews in accordance with the standards set forth in CBA Regulations section 48:
  - Conduct an annual administrative site visit.
  - Attend peer review board meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Attend peer review committee meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Attend meetings conducted for the purposes of accepting peer review reports, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Conduct reviews of peer review reports on a sample basis.
  - Attend, on a regular basis, peer reviewer training courses.

- Evaluating any *Application to Become A Board-recognized Peer Review Provider* and recommending approval or denial to the CBA.
- Referring to the CBA any Provider that fails to respond to any request.
- Collecting and analyzing statistical monitoring and reporting data from each Provider on an annual basis.
- Preparing an Annual Report to the CBA regarding the results of its oversight.
- Evaluating the Peer Reviewer Population.

b. Membership.

The Peer Review Oversight Committee is comprised of seven licensees with a license in an active status.

c. Meetings/Minutes.

The Peer Review Oversight Committee meets approximately four times annually, generally for one day each meeting. Minutes are prepared from the meeting and presented to the CBA for acceptance.

3. Qualifications Committee.

a. Purpose.

To act as an advisory committee and assist the CBA in its licensure activities by:

- Conducting personal appearances with applicants applying with foreign attest experience under the provision of California Code of Regulations (CCR), title 16, section 12.5(f).
- Conducting work paper reviews of experience of applicants appearing before the QC under the provisions of California Code of Regulations (CCR) title 16, sections 12.5(e) and 69(d). (**Appendices 3 and 4**).
- Interviewing licensees that appear before the committee under the provision of CCR section 69. (**Appendix 5**).
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized to act.

b. Membership.

The Qualifications Committee is comprised of 13 licensees with a license in an active status.

c. Meetings/Minutes.

The Qualifications Committee meets approximately four times annually, generally for one day each meeting. An additional Section 69 review may be conducted by Qualifications Committee members approximately one month prior to each committee meeting. Minutes are prepared from the meeting and presented to the CBA for acceptance.

5. Other Committees.

The CBA may create and appoint other committees consisting of certified public accountants in good standing of this State or other qualified interested parties, who may but need not be members of the CBA for the purpose of making recommendations on such matters as may be specified by the CBA.

B. STANDING, AD HOC, and OTHER COMMITTEES/TASK FORCES.

1. Committee on Professional Conduct.

a. Purpose.

To assist the CBA in consideration of issues relating to professional conduct by:

- Considering and developing recommendations on issues that apply to the practice of public accountancy and affect consumers.
- Considering, formulating, and proposing policies and procedures related to emerging and unresolved issues.
- Reviewing selected exposure drafts and developing recommendations to present to the CBA.

b. Membership.

The Committee on Professional Conduct may be comprised of up to seven CBA members.

c. Meetings/Minutes.

The Committee on Professional Conduct generally meets before scheduled CBA meetings. Minutes are prepared from the meeting and presented to the CBA for acceptance.

2. Enforcement Program Oversight Committee.

a. Purpose.

To assist the CBA in the consideration of issues relating to the Enforcement Program by:

- Reviewing and proposing revisions to the CBA's *Disciplinary Guidelines and Model Orders*.
- Providing oversight on enforcement goals and objectives.
- Recommending proposed legislative and/or regulatory changes related to the Enforcement Program.
- Performing an internal audit of a closed and finalized enforcement case when specific concerns are raised by the CBA in a final decision, in accordance with established guidelines **(Appendix 6)**.
- Defining the responsibilities of the CBA member liaison to the Enforcement Advisory Committee.

b. Membership.

The Enforcement Program Oversight Committee may be comprised of up to seven CBA members.

c. Meetings/Minutes.

The Enforcement Program Oversight Committee generally meets before scheduled CBA meetings as deemed necessary. Meetings to review the CBA's *Disciplinary Guidelines and Model Orders* shall be held on a tri-annual basis. Minutes are prepared from the meeting and presented to the CBA for acceptance.

### 3. Legislative Committee.

#### a. Purpose.

To assist the CBA in its activities by:

- Reviewing, recommending, and advancing legislation relating to consumer protection and the practice of public accountancy.
- Coordinating the need for and use of CBA members to testify before the Legislature.

#### b. Membership.

The Legislative Committee may be comprised of up to seven CBA members.

#### c. Meetings/Minutes.

The Legislative Committee generally meets before scheduled CBA meetings. The frequency of the meetings is determined by the urgency of the issue(s) at hand and as required by the Chair. Minutes are prepared from the meeting and presented to the CBA for acceptance.

### 5. Task Forces.

Under the CBA's General Authority, the CBA may create Task forces, which are temporary and terminate at a prescribed time. Task forces may be comprised of CBA members, licensees, staff, and the public. For a list of all current task forces, refer to the latest CBA and Committee roster. **(Appendix 2)**

### 6. National Committees.

The CBA encourages its members to participate in national committees, including committees of the American Institute of CPAs and National Association of State Boards of Accountancy. Members are presented with information on committee participation and an interest form each year during the March and May CBA meetings. **Appendix 7** includes a link to the National Association of State Boards of Accountancy and American Institute of CPAs national committees and information on participation.

## SECTION III.

### REPRESENTATIONS ON BEHALF OF THE CBA

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#### A. USE OF CBA STATIONERY.

Only correspondence that is transmitted directly by the CBA office may be printed or written on CBA stationery. Any correspondence from a CBA, committee, or task force member requiring use of CBA stationery or CBA/DCA logo or emblem, should be transmitted to the CBA office for finalization and distribution. Any correspondence transmitted directly from a CBA, committee, or task force member must be printed or written on their personal, firm, or business stationery. The use of firm or business stationery for CBA business is subject to any limitations prescribed by the firm or business.

Members are issued a CBA email account upon appointment solely for the purpose of conducting CBA-related business but may choose to utilize their personal email account for CBA-related business. Members obtaining a CBA email account are subject to the provisions identified in DCA Policy ISO 21-01, regarding Acceptable Use of Information Technology Systems. A copy of the policy will be provided upon request for a CBA email account. It should be noted that personal and business email accounts, if also used for CBA business, could be subject to subpoena or discovery in litigation.

#### B. TESTIMONY BEFORE THE LEGISLATURE.

Primary responsibility for testifying before the Legislature is the responsibility of the CBA President and Executive Officer, or their designee, as delegated by the CBA. Members are also asked to participate as deemed necessary by the President.

#### C. PUBLIC AND MEDIA RELATIONS.

It is important that the consumers of California have information regarding the activities, responsibilities, and mission of the CBA. This information must be disseminated properly and responsibly. Information is conveyed to consumers, licensees, examination applicants, constituents, and other stakeholders by two mechanisms: responding to inquiries and initiating the release or communication of information. Nearly all information to consumers and the general public is communicated through the Internet, e-mail, social media, and the news media; other information is conveyed by professional organizations, such as consumer advocacy groups, other regulatory entities, and professional society publications.

It is the CBA's policy to provide the public with as much information as possible about its activities in a manner that is both objective and factual. For example, the CBA's tri-annual publication, *UPDATE*, and the CBA's website list disciplinary actions taken against licensees. This information provides the name and locality of the licensee, the license number, the cause for discipline, the effective date of discipline, and the code violation(s) that were cited in the findings.

The CBA's website also has a License Lookup feature. Consumers and licensees can check the status of California licensed individuals, partnerships, corporations, and out-of-state accounting firms registered in California. The License Lookup feature also provides a link to search out-of-state licensed CPAs.

**Statements to the News Media:** To establish a foundation for accurate news coverage regarding CBA activities, statements to the news media by the Executive Officer, the CBA President, or their designee, are to be confined to matters of procedure and matters of fact already on the record. All information conveyed must be fact, not opinion. Editorializing or interpreting the facts of a situation is inappropriate and can lead to misunderstandings and misinformation.

When queried about matters under investigation, in which an Accusation has not been filed, it is the policy of the CBA for the spokesperson to state: "It would be premature to discuss any matter that may or may not be under investigation by the CBA."

#### D. NEWS RELEASES.

The CBA issues three categories of news releases:

- Declarations of disciplinary actions when the CBA deems such an action necessary or desirable
- Information about CBA actions, findings, or other facts or details related to matters in which the consumers of California are clearly involved
- Information about the CBA's policies, actions, activities, or programs which may affect the consumers of California

The authority for issuing news releases relating to routine CBA business and notice of disciplinary actions resides with the Executive Officer and CBA President, who decide jointly whether a news release is appropriate.

News releases, information in *UPDATE* and on the website reporting actions by the CBA during closed session relating to disciplinary cases, may not be released for a period of 30 days, pending appeal by the respondent. If a writ of mandate is filed within the 30 days, the disciplinary action will still be published unless a stay order is issued by the court. In all instances, the composition of the vote of CBA members in closed session is not a matter of public record.

The content of each news release will determine the course of review the document must take. The Executive Officer, in consultation with the CBA President, will identify those parties to review each news release and identify the responsible party to draft the news release. While legal counsel will review the material prior to dissemination, final review, and authority to disseminate the news release is the charge of the CBA President, or their designee.

#### E. RESPONDING TO INQUIRIES.

All technical, license, or disciplinary inquiries to a CBA, committee, or task force member from applicants, licensees, or members of the public should be referred to the Executive Officer. Contact of a CBA, committee, or task force member by a member of the news media should be referred to the Executive Officer.

F. SPEAKING ENGAGEMENTS.

CBA, committee, and task force members sometimes are requested to make presentations before various organizations regarding CBA business or activities. Such requests must be approved by the CBA President or the Executive Officer. A written list of topics the speaker intends to present must be provided prior to the presentation.

G. UPDATE (Ref. Business and Professions Code § 5008).

The CBA issues a tri-annual periodical publication *UPDATE*. This publication serves as a communication link between the CBA, its licensee population, and other interested parties.

All articles and any information offered for submission to the *UPDATE* for publication should be submitted to the *UPDATE* staff managing editor. All material, including informational or instructive articles, notices, forms, proposed statutory or regulatory language, or any other information for publication should be presented in final form. Upon receipt, all material will be reviewed by the *UPDATE* staff, appropriate CBA division chiefs and the Executive Officer, and subsequently forwarded to DCA's Legal Office and Executive Office for review before publication as necessary. Issues of *UPDATE* are primarily posted on the CBA's website, however, individuals can request a hard copy.

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## SECTION IV.

### CBA MEMBER REQUIRED TRAINING AND FORMS

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California law requires various training and forms be completed by those who are appointed to positions within State of California Government. The training and forms are necessary to ensure members are aware of, and adhere to, the applicable laws surrounding conflict of interest, ethics, sexual harassment prevention, and defensive driving.

All CBA members are required to attend a training and orientation program offered by DCA within one year of assuming office (which also includes reappointments).

#### A. CONFLICT OF INTEREST - GENERAL GUIDELINES.

The Political Reform Act of 1974 (Proposition 9) governs conflicts of interest and is intended to prevent persons from financially benefiting by virtue of their official position. There are two major aspects of the Political Reform Act: one refers to disqualification, the other to financial disclosure. CBA members have responsibilities under each of these aspects which are separately discussed. **Appendix 8** is a tip sheet regarding conflict of interest reporting requirements.

This act requires each state agency to adopt a Conflict of Interest Code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold. The identified individuals are required to annually report their financial interests on a Statement of Economic Interests form (Form 700).

The Fair Political Practices Commission has primary responsibility for administration of the Political Reform Act. Questions about obligations under the Political Reform Act can be directed to the Fair Political Practice Commission at: <http://www.fppc.ca.gov/advice.html> 1-866-ASK-FPPC (1-866-275-3772)

#### 1. Disqualification.

Government Code section 87100 sets forth the general prohibition: "A public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official's official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest."

Any CBA member who has a financial interest must disqualify themselves from making or attempting to use their official position to influence the decision. The question of whether a CBA member has a financial interest that would present a legal conflict of interest is a complex one and must be decided on a case-by-case review of the particular facts involved. For more information on disqualification due to a possible conflict of interest, please refer to the Fair Political Practice Commission's Conflicts of Interest Rules at: <http://www.fppc.ca.gov/learn/conflicts-of-interest-rules.html>

The Executive Officer may request assistance from DCA Legal in evaluating a possible conflict of interest.

## 2. Financial Disclosure.

The Conflict of Interest Code adopted by DCA requires all CBA members to file annual financial disclosure statements. This is accomplished by submitting a Form 700 – Statement of Economic Interests (**Appendix 9**). New CBA members are required to file a disclosure statement within 30 days after assuming office; or, if subject to Senate confirmation, 30 days after being appointed or nominated. Annual financial statements must be filed not later than April 1 of each year.

A "leaving office statement" must also be filed within 30 days after an affected CBA member or other official leaves office.

CBA members are not required to disclose all their financial interests. Government Code section 87302(b) indicates when an item is reportable:

An investment, interest in real property, or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foresee ably be affected materially by any decision made or participated in by the designated employee by virtue of their position.

To determine what investments, interests in property or income must be reported by a CBA member, reference should be made to the DCA's Conflict of Interest Code. Questions concerning particular financial situations and related requirements should be directed to the DCA's Legal Office. More information is also available on the Fair Political Practice Commission's website, [www.fppc.ca.gov](http://www.fppc.ca.gov).

## 3. DCA's Policy: Incompatible Activities (Ref. Government Code § 19990).

The following is a summary of the employment, activities, or enterprises, which might result in, or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of the state or the appointing authority for the officer's or employee's private gain or advantage, or the private gain of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage.
- Using, or having access to, confidential information available due to state employment for private gain or advantage or providing confidential information to persons to whom issuance of such information has not been authorized.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of their duties as a state officer or employee.
- Performing an activity, in other than their capacity as a state officer or employee, which may be subject directly or indirectly to the control, inspection, review, audit, or enforcement by the officer or employee. [This, of course, would not preclude an

“industry” member of a CBA or commission from performing the normal functions of their occupation.]

- Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or other thing of value from anyone who is doing or is seeking to do business of any kind with the officer or employee’s appointing authority under circumstances from which it could reasonably be substantiated that the gift was intended to influence the officer or employee in his or her official duties, or was intended as a reward for any official action performed by the officer or employee.
- Subject to any other laws, rules, or regulations as pertain thereto, an officer or employee is prohibited from not devoting his or her full time, attention, and efforts to his or her state office or employment during his or her hours of duty as a state officer or employee.
- The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of Section 19990 of the Government Code. DCA’s Incompatible Work Activities Policy LGL 23-01 is included in **Appendix 10**. This policy acknowledgement is required when a member is initially appointed.

#### B. ETHICS TRAINING REQUIREMENT.

With the passage of Assembly Bill 2179 (Chapter 364, Statutes of 1998), state appointees and employees in exempt positions are required to receive an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive, you may complete the interactive training on the website of the Office of the Attorney General. Ethics training information may be found at:

[https://www.dca.ca.gov/about\\_us/board\\_members/board\\_training\\_and\\_forms.pdf](https://www.dca.ca.gov/about_us/board_members/board_training_and_forms.pdf).

#### C. SEXUAL HARASSMENT PREVENTION TRAINING.

In accordance with the DCA Sexual Harassment Prevention Policy (EEO 22-01), (**Appendix 11**) and to ensure compliance with Assembly Bill 1825 (Chapter 933, Statutes of 2004), all DCA employees are required to receive biennial Sexual Harassment Prevention training. The training is mandatory for Rank-and-File Employees, Temporary Employees (Retired Annuitants, Proctors, Seasonal Employees, and Student Assistants), Managers, Supervisors, Board, Committee Members, and Commission Members. The Sexual Harassment Prevention training titled *2024-2025 Sexual Harassment Prevention Training (SB 1343)* offers real life scenarios and interactive question and answer segments. DCA requires that all employees complete Sexual Harassment Prevention Training within 30 days of appointment and in every odd calendar year. Training is offered via webinars and can be accessed through the Learning Management System (LMS).

#### D. DEFENSIVE DRIVERS TRAINING REQUIREMENT.

Pursuant to the State Administrative Manual, all State employees, which includes CBA and Committee Members, who drive a vehicle on official state business must complete the Department of General Services approved Defensive Driver Training within the first six

months of their appointment and every four years thereafter. Defensive Driver Training information may be found at: <https://www.dgs.ca.gov/Services/Page-Content/Service-List/Enroll-in-Defensive-Driver-Training>.

E. WORKPLACE VIOLENCE PREVENTION TRAINING AND POLICY REQUIREMENT

In accordance with the DCA Workplace Violence Prevention Policy (Appendix 12) and to ensure compliance with Senate Bill 553 (Chapter 289, Statutes of 2023, Cortese), CBA Members are required to complete DCA's Workplace Violence Prevention (WVP) training and policy acknowledgement. The purpose of the policy is to insure that DCA employees and members of the public can conduct the business of DCA free of threats and acts of violence. DCA requires that all employees complete the training and policy acknowledgement within 30 days of appointment and every year after. The training and policy can be accessed through the LMS.

F. INFORMATION SECURITY AWARENESS FUNDAMENTALS TRAINING REQUIREMENT.

CBA Members are required to complete DCA's Information Security awareness Fundamentals (ISAF) training if utilizing a CBA email address. ISAF training provides an overview of the most important issues regarding security awareness. Issues include incident response, malware, safe surfing and human firewalls, phishing and social engineering, mobile and the Cloud, backup and preventative care, physical and non-technical security, privacy, and policy. Members must complete the training upon establishment of CBA email account and annually thereafter. The training is offered via webinars and can be accessed through the Learning Management System.

G. BOARD MEMBER ORIENTATION TRAINING.

Newly appointed and reappointed members are required to attend a Board Member Orientation Training within one year of assuming office, including each reappointment. The orientation covers applicable laws surrounding conflict of interest, ethics, sexual harassment prevention, and defensive driving, in addition to covering other topics that will ensure a member's success, including an overview of DCA, the Bagley-Keene Open Meeting Act, the Discipline Process, and the Administrative Procedure Act. This training is in addition to a CBA-specific orientation provided by CBA staff.

DCA also maintains a website which serves as a resource center for board members. The website link is provided in **Appendix 13**.

## SECTION V.

### EXPENSE REIMBURSEMENT

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#### A. PER DIEM AND TRAVEL.

##### 1. CBA Member Travel.

CBA staff is always available to assist members with any CBA-related travel arrangements including air or train transportation, car rental, and any lodging. If a CBA member chooses to coordinate their own travel arrangements, they should use CalTravelStore's online portal [www.concur.com](http://www.concur.com) to book their travel. Member's Concur accounts will be setup by CBA staff using the member's personal email address and a temporary password, which will be sent to you via email by the CBA Assistant Human Resources Liaison. Prior to travel, members will need to update the temporary password and add any applicable information, including rewards/frequent flyer traveler information and TSA Pre ✓ Known Traveler Number.

More information regarding CalTravelStore can be found at:  
<http://www.caltravelstore.com>.

CBA members are also encouraged to utilize the most economic source of transportation available. For example, if a shuttle from the airport to the hotel available, this is more economical than renting a car or taking a taxi. To ensure full reimbursement of travel costs, requests for using a less economical mode of transportation should be submitted prior to travel to the Board Relations Analyst.

##### 2. Lodging for CBA/Committee Meeting.

When a CBA or Committee meeting is being held at a physical location, the Board Relations Analyst will send out a memorandum approximately four weeks before CBA and Committee meetings, detailing the name and address of the chosen hotel where a room block has been setup for lodging. Each member must contact the hotel directly to secure a room reservation. CBA staff is available to assist CBA members in making travel reservations, or members are free to coordinate them on their own.

##### 3. Reimbursement for Travel and Per Diem Expenses.

All new CBA members are provided with an electronic copy of the Per Diem and Travel Expense Worksheet when they are appointed. A paper copy is also available at all in-person meetings. **(Appendix 14)**.

The form is two forms in one: the top section authorizes the payment of Per Diem of \$100 per day for any days or portion of a day spent on CBA-related activities; the bottom section is where CBA members claim expenses for travel reimbursement.

**NOTE: Please complete the worksheet and return it to the CBA office within two weeks following the CBA meeting. Staff cannot process your Per Diem or travel expense claim without it.**

A few key notes regarding the completion of the form:

- To complete your travel expense claim, you must submit the worksheet, along with the required receipts via email or USPS to the Travel Claims Coordinator. This includes a copy of your airline itinerary and hotel receipt. Please make sure that the hotel receipt you submit has a zero balance. DCA will NOT pay any receipts that show a balance due.
- When requesting reimbursement for personal vehicle mileage, you must include where the trip originated from, where it ended, and the license plate number of the vehicle. For example, enter From: Home, 123 Green Street, Sacramento, CA 95815 To: CBA Office, 2450 Venture Oaks Way, Sacramento, CA 95833.
- CBA members shall have CBA President pre-approval for all travel and per diem reimbursement, except for regularly scheduled CBA and Committee meetings to which a CBA member is assigned. CBA members will be reimbursed for per diem and travel expenses incurred while performing approved board business in accordance with State-mandated requirements and reimbursement criteria.

Per Diem can be claimed on days when CBA-required training was completed, attendance at CBA-related meetings and events (outreach events or speaking engagements), and attendance at meetings with national committees on which the member serves.

Travel expenses are reimbursed in accordance with the policies found within the California Code of Regulations, Title 2 (Personnel Administration), Division 1 (Administrative Personnel), Chapter 3 (Department of Personnel Administration), Subchapter 1 (General Civil Service Rules), Article 2 (Travel Expenses), and employee Memoranda of Understanding (MOU).

State employees shall reserve, where available, airfares that are nonrefundable, and shall, where operationally feasible, reserve their domestic airfare(s) at least seven days prior to their anticipated travel date(s) and at least 30 days prior to their anticipated travel date(s) for international travel. Additionally, when traveling internationally, state employees shall choose the most economical airfare that meets their business needs.

In accordance with using the most economic mode of travel, flight changes for the purpose of personal convenience that incur a fee or difference in fare will be at the cost of the traveler and not paid by the state of California.

DCA has compiled a guide to assist in interpreting the various policies, which is what CBA staff use when processing travel expense claims. The DCA Travel Guide is provided as **Appendix 15**.

## SECTION VI.

### COMMONLY USED ACRONYMS

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AAA	American Accounting Association
AB	Assembly Bill
AEO	Assistant Executive Officer
AG	Attorney General
AICPA	American Institute of Certified Public Accountants
ALD	Accountancy Licensee Database
ALJ	Administrative Law Judge
APA	Administrative Procedure Act
ARPL	Alliance for Responsible Professional Licensing
BCSHA	Business, Consumer Services, and Housing Agency
BizMod	Business Modernization
BPC	Business and Professions Code
CA	Chartered Accountant
CalCPA	California Society of Certified Public Accountants
CalHR	California Department of Human Resources
CBA	California Board of Accountancy
CBT	Computer Based Testing
CCR	California Code of Regulations
CE	Continuing Education
CFE	Certified Fraud Examiner
CGMA	Chartered Global Management Accountant
CMA	Certified Management Accountant
COR	Corporation
CORI	Criminal Offender Record Information
CPA	Certified Public Accountant
CPAverify	Centralized database of licensing professionals from participating jurisdictions
CPC	Committee on Professional Conduct
CPE	Continuing Professional Education
CPIL	Center for Public Interest Law
CTEC	California Tax Education Council
DA	District Attorney
DAG	Deputy Attorney General
DCA	Department of Consumer Affairs
DGS	Department of General Services
DOF	Department of Finance
DOI	Division of Investigation
DOL	Department of Labor
EA	Enrolled Agent
EAC	Enforcement Advisory Committee
EO	Executive Officer
EPOC	Enforcement Program Oversight Committee
ERISA	The Employee Retirement Income Security Act of 1974
FAF	Financial Accounting Foundation
FASB	Financial Accounting Standards Board
FNP	Fictitious Name Permit
FPPC	Fair Political Practices Commission

FTB	Franchise Tax Board
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Accounting Standards
GAGAS	Generally Accepted Government Accounting Standards
GAO	Government Accounting Office
GASB	Governmental Accounting Standards Board
IASB	International Accounting Standards Board
ICPA	Investigative Certified Public Accountant
iExam	International Delivery of the Uniform CPA Exam
IFRS	International Financial Reporting Standards
IH	Investigative Hearing
IRS	Internal Revenue Service
LC	Legislative Committee
LMS	Learning Management System
MSG	Mobility Stakeholder Group
NASBA	National Association of State Boards of Accountancy
NPRC	National Peer Review Committee (American Institute of CPAs)
OAH	Office of Administrative Hearings
OAL	Office of Administrative Law
PA	Public Accountant
PAR	Partnership
PCAOB	Public Company Accounting Oversight Board
PRCC	Peer Review Compliance Committee (National Association of State Boards of Accountancy)
PRIMA	Peer Review Integrated Management Application
PROC	Peer Review Oversight Committee
QC	Qualifications Committee
RAB	Report Acceptance Body (California Society of CPAs)
SAS	Statement on Auditing Standards
SB	Senate Bill
SCO	State Controller's Office
SEC	Securities and Exchange Commission
SSAEs	Statements on Standards for Attestation Engagements
SSARS	Statement on Standards for Accounting and Review Services
TEC	Travel Expense Claim
UAA	Uniform Accountancy Act

## SECTION VII.

### RESOURCE LIST

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APPENDIX 1	DCA Guide to the Bagley-Keene Open Meeting Act <a href="http://www.dca.ca.gov/publications/bagleykeene_meetingact.pdf">http://www.dca.ca.gov/publications/bagleykeene_meetingact.pdf</a>
APPENDIX 2	CBA and Committee Roster <a href="https://www.dca.ca.gov/cba/about/commitroster.pdf">https://www.dca.ca.gov/cba/about/commitroster.pdf</a>
APPENDIX 3	California Code of Regulations, Title 16, Section 12.5(e)
APPENDIX 4	California Code of Regulations, Title 16, Section 69(d)
APPENDIX 5	California Code of Regulations, Title 16, Section 69
APPENDIX 6	Guidelines for Performing an Internal Audit of a Closed and Finalized Enforcement Case
APPENDIX 7	NASBA and AICPA National Committees: <a href="http://www.nasba.org/mc/committees/">http://www.nasba.org/mc/committees/</a> <a href="https://volunteers.aicpa.org/">https://volunteers.aicpa.org/</a>
APPENDIX 8	CBA Tip Sheet on Conflict of Interest Reporting Requirements
APPENDIX 9	Form 700 – Statement of Economic Interests <a href="http://www.fppc.ca.gov/Form700.html">http://www.fppc.ca.gov/Form700.html</a>
APPENDIX 10	DCA’s Incompatible Work Activities Policy and Procedure LGL 23-01
APPENDIX 11	DCA’s Sexual Harassment Prevention Policy EEO 22-01
APPENDIX 12	DCA’s Workplace Violence Prevention Policy DOI 24-01
APPENDIX 13	DCA’s Board Member Resource Center <a href="https://www.dca.ca.gov/about_us/board_members/index.shtml">https://www.dca.ca.gov/about_us/board_members/index.shtml</a>
APPENDIX 14	Per Diem and Travel Expense Worksheet with Travel Reimbursement Guidelines
APPENDIX 15	DCA Travel Guide

**APPENDICES AVAILABLE UPON REQUEST**