

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

August 8, 2019

2. Department

Department of Consumer Affairs (DCA)

3. Organizational Placement (Division/Branch/Office Name)

California Board of Accountancy (CBA) / Licensing Division

4. CEA Position Title

Licensing Chief - CEA A

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Licensing Chief is responsible for directing, organizing and evaluating the operations of the Examination, Initial Licensing and License Renewal and Continuing Competency Units of the CBA's Licensing Division. The Licensing Chief plays an integral role in setting and influencing policy affecting not only the Licensing Division, but the CBA as a whole and will spearhead Licensing-related consumer protection activities at the CBA. The CEA A will be a second organizational level position serving as the Chief of the Licensing Division at the CBA reporting directly to the exempt Executive Officer.

6. Reports to: (Class Title/Level)

Executive Officer/Level H

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): CBA protects consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. CBA is a semi-autonomous entity under DCA.

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the direction of the exempt Executive Officer, the Licensing Career Executive Assignment (CEA) will serve as a member of the California Board of Accountancy's (CBA) Executive Management Team. The Licensing CEA will be relied upon by CBA Members and CBA Executive staff to independently recommend policies, regulations and legislation that will reflect the needs of the Examination, Initial Licensing, and License Renewal and Continuing Competency Units of the Licensing Division.

As a key member of the CBA's Executive Management Team, the Licensing CEA will formulate, implement, and interpret CBA policies and procedures; advise the exempt Executive Officer and CBA Members on matters relating to the CBA operations, and ensure that the CBA Strategic Plan objectives are met. Specific duties include, but are not limited to:

- Direct, organize and evaluate the operations of the Examination, Initial Licensing, and License Renewal and Continuing Competency Units of the Licensing Division to ensure standards, processes, and performance expectations are achieved.
- Propose recommendations for program changes to the exempt Executive Officer to organize and maintain proper performance levels consistent with the CBA mission.
- Oversee computer-based testing of the national Uniform Certified Public Accountant (CPA) Examination and render final program-level decisions on appeals filed by CPA Examination candidates, licensure applicants, and individual licensees.
- Oversee the administration of license and registration renewals for individual Certified Public Accountants (CPA), Public Accountants (PA), Accountancy Partnerships, Accountancy Corporations, and Fictitious Name Permits.
- Provide administrative direction to two Staff Services Manager Is (SSM I) in the Licensing Division.
- Direct through subordinate staff the activities of the Licensing Division in order to carry out the CBA mission through policies, procedures, regulations, and business processes and directives.
- Provide oversight of the development of legislatively mandated reports and related projects.
- Develop articles for the CBA's newsletter, "Update," informing licensees of the objectives and results of existing or new legislation, regulations, policies and procedures that relate to the Licensing Division.
- Prepare and deliver high-level presentations to CBA Members and various stakeholder groups on emerging matters and changes within the Licensing Division.
- Provide oversight of a volunteer force of 15 licensed CPAs who serve as members of the Qualifications Committee. These individuals provide expertise to the CBA relative to specific program areas.
- Develop training guidelines and performance standards and ensure volunteer committee members perform their duties in accordance with established guidelines, laws, and CBA policy.
- Attend Qualifications Committee meetings as staff lead to provide appropriate direction to staff and committee members and to apprise the exempt Executive Officer of critical current and emerging issues.
- Mediate issues with applicants and licensees to achieve resolution in lieu of scheduling appearances before the CBA's Qualifications Committee or the filing of formal appeals before the CBA.
- Attend public meetings of the CBA and assists the exempt Executive Officer in handling examination, licensing, license renewal, continuing competency activities and actions, which include the presentation of written and oral activity and status reports before the CBA.
- Attend various task force meetings as necessary to provide appropriate direction to staff and to apprise the exempt Executive Officer of critical current and emerging issues.
- Respond orally and in writing to the most difficult and sensitive questions from out-of-state and California licensees, private attorneys and the public regarding statutory and regulatory requirements, restrictions, and prohibitions related to California licensure and the legislatively mandated California Practice Privilege Program. This may involve interpreting and applying provisions of the California Business and Professions Code (BPC), Accountancy Regulations, Corporations Code, Government Code, and the Bagley-Keene Open Meeting Act.
- Implement new procedures to comply with legislatively mandated changes, court orders, program objectives, and changes in practices using change management strategies.
- Develop, recommend, and guide the Licensing Division in implementing new policies and procedures, as well as modifying existing policies, to ensure CBA operations coincide with the CBA's consumer protection mandate.
- Develop strategies, procedures and systems to monitor and manage the CBA's functions by measuring outcomes and results.
- Ensure that required annual, semi-annual, and other reports to the Legislature and other control agencies are accurately completed and timely submitted.
- Serve on committees and management teams that oversee projects and other efforts to redesign, enhance, or improve CBA operations.
- Review the Licensing Divisions fiscal reports and make recommendations to the exempt Executive Officer as needed.
- Testify before legislative committees on the CBA's behalf.
- Recommend modification of existing statutes and regulations to conform with CBA policies and draft specific language to effect statute and regulatory changes. Ensure compliance with all aspects of the legislative and rule-making process.
- Advise the exempt Executive Officer of the impact or potential impact of proposed legislation.
- Participate in the development of the CBA's Sunset Review Report to the Legislature.
- Manage CBA resources, in partnership with subordinate managers and staff, to ensure workload priorities and performance outcomes are met.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: DCA's mission is to protect California consumers by providing a safe and fair marketplace through oversight, enforcement, and licensing of professions. CBA's work is critically needed to ensure DCA meets its mission of protecting consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. The CBA regulates the accounting profession for the public interest by establishing and maintaining entry level standards of qualification and conduct within the accounting profession, primarily through its authority to license.

The CBA regulates over 105,000 licensees, the largest group of licensed accounting professionals in the nation, including individuals CPAs and Accounting firms.

The Licensing Division's primary charge is to regulate entry into the profession by ensuring that only those who are qualified are issued a license to practice public accountancy. It acts as a gatekeeper for the profession by ensuring applicants meet education requirements prior to taking the CPA Exam; applicants for licensure meet education and experience requirements; accountancy partnerships and corporations are properly registered; licensees have paid the required fees and have completed the required continuing education hours to renew their license; and out-of-state licensed accounting firms that intend to perform specified accounting services for entities headquartered in California meet the minimum registration requirements.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In May 2006, the CBA established a Staff Services Manager II position to act as the CBA's Licensing Chief, which reported to the Assistant Executive Officer (Staff Services Manager III). Since that time, significant changes in the Licensing Division have resulted in all policy decisions and the majority of program oversight being handled by the exempt Executive Officer with assistance on an as-needed basis from the Enforcement CEA.

The CBA is proposing an organizational restructure that would have the Licensing Chief position report directly to the exempt Executive Officer. This proposed restructure is in alignment with the Enforcement Chief position, which also directly reports to the exempt Executive Officer. Additionally, other DCA entities like the Board of Registered Nursing and Bureau of Cannabis Control also use the CEA classification for their Licensing Chief positions.

Recent changes in the Licensing Division include, but are not limited to:

Legislation Establishing Mandatory Peer Review for License Renewal - Assembly Bill (AB) 138 created mandatory peer review. Its provisions were drawn from the previous seven years of study on the subject performed by the CBA. AB 138 was signed into law by the Governor in October 2009, and the emergency regulations authorized by the bill were in place on January 1, 2010. AB 138 called for a report on the effect of mandatory peer review on certain small firms (defined in BPC section 5000 as firms with no more than four licensees as partners, owners, or full-time employees) and their clients that would be due to the Legislature in 2013. It also placed a sunset date on the program of January 1, 2014.

Legislation Establishing the Peer Review Oversight Committee - A legislative change established the qualifications and duties of the Peer Review Oversight Committee (PROC) and established an adjudication procedure for peer review programs that are denied CBA approval. The implementation of the mandatory peer review program was an arduous task of learning peer review laws and regulations, establishing peer review procedures, and working with the newly created PROC. The PROC is comprised of seven CPAs who maintain a California license in good standing and who are authorized to practice public accountancy. The purpose of the PROC is to provide recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review.

Legislation Mandating Retroactive Fingerprinting- Beginning in 2014, licensees renewing their license in an active status were required to complete a state and federal level criminal offender record background check if: (1) the licensee had not previously submitted fingerprints as a condition of licensure, or (2) the Department of Justice did not have an electronic record of licensee's fingerprints in its criminal offender record identification database.

Legislative Amendments to the Practice Privilege Program - Legislation enacted in 2012 rewrote the CBA's practice privilege provisions. The new provisions of law allow individuals, whose principal place of business is outside of California and are licensed in states that have licensing requirements substantially equivalent to California's, to practice in California under a practice privilege.

Legislation Establishing the Mobility Stakeholder Group - As part of the legislative amendment to the CBA's Practice Privilege Program, the Mobility Stakeholder Group (MSG) was established and mandated at its first meeting to adopt policies and procedures relative to how it will conduct its business, including but not limited to, policies and procedures addressing periodic reporting of its findings to the board.

Legislation Requiring Out-of-State Accounting Firm Registration - Legislation established a new requirement that out-of-state accounting firms must register with the CBA prior to performing the below services for an entity headquartered in California.

- An audit or review of a financial statement
- A compilation of a financial statement when that person expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence
- An examination of prospective financial information

Legislative Changes to the Education Requirements for CPA Licensure - Effective January 2014, new educational requirements for CPA licensure took effect. The new educational requirements increased the prescribed education from 48 semester units to 78 semester units, with the increase coming from 20 semester units in accounting study and 10 semester units in ethics study.

Promulgation of Enhanced Continuing Education Requirements - With rapidly changing technology, continual revision of tax laws and professional standards, a strong focus on CPAs' continued competency is essential in ensuring that licensees practicing public accountancy maintain a continued level of appropriate competencies to ensure consumer protection.

Changes to the National Uniform CPA Examination - In January 2011, the American Institute of Certified Public Accountants (AICPA) launched changes to the CPA Examination. The changes to the CPA Examination were the direct result of the AICPA's Practice Analysis to ensure the validity of the CPA Examination.

Legislation Creating a New License Type - Beginning 2014, licensees were provided the option to have their license placed in a retired status. To be eligible to apply for retired status, a licensee must have held a license as a CPA or PA in the United States for a minimum of 20 total years, and of those 20 total years, have held an active CPA or PA license for a minimum of five years with the CBA.

Launch of an On-Line Payment Option - The Licensing Division recently launched an online payment option for license renewal. Once established, the Licensing CEA will be responsible for expanding on-line payment options for examination and initial licensing.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Licensing CEA's principle policy responsibility will include, but not be limited to:

Implementation and Application of Newly Enacted Laws - The Licensing CEA will be responsible for ensuring CBA's consistent and appropriate implementation of newly enacted laws and regulations impacting the CBA and the accounting profession. This position will develop and draft policy to address and implement newly enacted legislation and regulations, which often have a degree of complexity or ambiguity and the potential for misapplication if not accompanied by clear and sound direction to staff. Examples of regulatory and statutory changes that will be directly administered by the Licensing CEA include:

- Regulation of Experience Certification Form for CPA Licensure
- Regulation on technical continuing education subject matter areas
- Regulation on acceptable continuing education delivery methods
- Regulation on continuing education program length
- Regulation on Peer Review reporting
- Legislation prohibiting the denial of a license based on the conviction of a crime

Licensing Subject Matter Expert - The Licensing CEA will serve in a policy influencing capacity by serving as subject matter expert on exam, licensing, and license renewal related provisions. This position will provide expert testimony before the Office of Administrative Law on enforcement and other administrative matters. The Licensing CEA will lead the implementation of new procedures to comply with legislatively mandated changes, court orders, program objectives, and changes in the accounting profession using change management strategies. As the subject matter expert regarding examination, licensure, and license renewal provisions, the Licensing CEA will serve in a policy influencing capacity by providing information and perspective to the exempt Executive Officer, CBA Members and members of the California Legislature in the promulgation of new regulations and the enactment of legislative proposals.

Out-of-State Accounting Firms Registrations - The Licensing CEA will ensure only eligible out-of-state Accounting firms are registered to provide an audit, a review of a financial statement, or an examination of prospective financial information to entities headquartered in California. The Licensing CEA will ensure an out-of-state Accounting firm properly renews its registration every two years in order to maintain practice rights in California. Recognizing the protection of California consumers as the CBA's highest priority, the Licensing CEA will take all steps necessary to educate licensees and stakeholders on the requirements for out-of-state firm registration.

Administration of the High Stakes National CPA Examination - These duties include, but are not limited to:

- Compliance with Business and Profession Code Section 139 - The Licensing CEA position will serve in a policy influencing capacity on a national level ensuring the CPA Examination is prepared, evaluated, revised, and updated to protect the validity, reliability, security, and compliance with generally accepted psychometric standards applicable to professional licensing examinations.
- Compliance with National Tri-Party Agreement - The Licensing CEA will serve as primary liaison to the National Association of State Boards of Accountancy in executing its contractual obligations outlined in the Scope of Work. This position will ensure no candidate who is otherwise qualified, be deprived of the opportunity to take the CPA Examination solely by reason of disability. The Licensing CEA will be the principle policy maker ensuring compliance with all applicable federal and state laws with respect to the development, administration and grading of the CPA Examination in relation to requests for accommodations under the Americans with Disability Act.
- Prometric Testing Centers throughout California - The Licensing CEA will be responsible for overseeing the 33 Prometric testing sites located throughout California where the CPA Examination is administered. The monitoring and inspection of these sites shall occur annually through the use of announced and undisclosed "Secret Shopper" methods at the discretion of the Licensing CEA. As needed, the Licensing CEA shall establish policies and process changes to address and resolve site violations.
- Decision Maker on Free Retests - The Licensing CEA shall be the primary decision maker on authorizing free retests for circumstances to include, but not be limited to, all or a portion of the exam results that cannot be scored, technical or operational issues preventing the candidate from completing a testing session, and completion of the examination in error in which the score cannot be released.

Volunteer Force of 15 Licensed Certified Public Accountants - The Licensing CEA will provide oversight and directions to the Qualifications Committee, which provides expertise to the CBA relative to licensing related activities. This position will render decisions on recommendations made by the committee to accept or reject qualifying work experience presented by applicants in support of their application for licensure. The Licensing CEA will attend all Qualifications Committee meetings as lead to provide appropriate direction to staff and committee members and to apprise the exempt Executive Officer and CBA Members of critical current and emerging issues.

Handling of Inquires - The Licensing CEA will respond orally and in writing to the most difficult and sensitive questions from out-of-state and California licensees, private attorneys and the public regarding statutory and regulatory requirements, restrictions and prohibitions related to California licensure and the legislatively mandated California Practice Privilege Program. This may involve interpreting and applying provisions of the California Business and Professions Code, Board of Accountancy Regulations, Corporations Code, Government Code, and the Bagley-Keene Open Meeting Act.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Licensing Chief will have full-delegated authority to act on behalf of the exempt Executive Officer with respect to examination, licensure, and license renewal-related activities. The Licensing Chief is responsible for policy development of CBA licensing operations. The Licensing Chief interprets the laws and regulations governing the accountancy profession and provides guidance to staff, Board Members and professional organizations, licensees, educators and the public. The Licensing Chief proposes solutions to problems identified by Board Members, Executive Officer, management, line staff, consumers and licensees.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Licensing Chief will be responsible for the highest level of policy development and implementation activities. As part of the development and implementation of new policies, the Licensing Chief will provide guidance to stakeholders, including consumers, individual licensees, accounting firms, and CBA members, as well as lenders, shareholders, and investors that rely on services rendered by CPAs; and businesses – large and small – that use CPAs to establish internal accounting controls.

The Licensing Chief will identify solutions to problems identified by CBA members, the exempt Executive Officer, consumers and licensees, and implement appropriate policy changes accordingly. In addition, the Licensing Chief will identify and implement specific policy and process changes to effectuate efficient and effective administration of program areas within the CBA's Licensing Division, including the Exam, Licensing, and License Renewal and Continuing Competency Units.

The Licensing Chief will analyze performance metrics and implement business process improvements and resource allocations as needed to meet the CBA's consumer protection mandate and operational expectations.