



## STATE & CONSUMER SERVICES AGENCY (Department of Consumer Affairs)

### BOARD OF ACCOUNTANCY

*Executive Officer: Carol Sigmann  
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The Board of Accountancy (BOA) licenses, regulates, and disciplines certified public accountants (CPAs). The Board also regulates and disciplines existing members of an additional classification of licensees, public accountants (PAs); the PA license was granted only during a short period after World War II. BOA currently regulates over 60,000 licensees. The Board establishes and maintains standards of qualification and conduct within the accounting profession, primarily through its power to license. The Board's enabling act is found at section 5000 et seq. of the Business and Professions Code; the Board's regulations appear in Title 16, Division 1 of the California Code of Regulations (CCR).

The Board consists of twelve members: eight BOA licensees (seven CPAs and one PA), and four public members. Each Board member serves a four-year term and receives no compensation other than expenses incurred for Board activities.

The operations of the Board are conducted through various standing committees and, for specific projects, task forces which are sunsetted at project completion. The Board's major committees include the following:

—The Qualifications Committee, among other things, reviews all applications for licensure, reviews workpapers to determine qualifications if it is unable to do so based on a file review, and considers all policy and/or procedural issues related to licensure.

—The Legislative Committee reviews legislation and recommends a position to the Board; reviews and/or edits proposed statutory language and regulatory language developed by other committees before it is presented to the Board; and serves as an arena for the various trade associations to express their concerns on issues.

—The Committee on Professional Conduct considers all issues related to the

professional and ethical conduct of CPAs and PAs.

—The Administrative Committee is responsible for handling disciplinary matters concerning licensees.

The Board's staff administers and processes the nationally standardized CPA examination, currently a five-part exam encompassing the categories of Audit, Law, Theory, and combined sections Practice I and II. Generally, in order to be licensed, applicants must successfully complete all parts of the exam and three or more years of qualifying accounting experience (including experience in applying a variety of auditing procedures); one year of the experience requirement may be waived with college credit. Under certain circumstances, an applicant may repeat only the failed sections of the exam rather than the entire exam.

The current members of BOA are CPAs Janice Wilson, Avedick Poladian, Victor Calderon, Eileen Duddy, Ira Landis, Diane Rubin, and Robert Shackleton; PA Walter Finch; and public members Robert Badham, Karen Mier, Baxter Rice, and Joseph Tambe.

### MAJOR PROJECTS

**Legislative Oversight Hearing.** On October 20, BOA and the Tax Preparer Program were required to present testimony to the Senate Subcommittee on Efficiency and Effectiveness in State Boards and Commissions, chaired by Senator Dan McCorquodale, on several issues related to the possible restructuring of the agencies. Specifically, the Subcommittee requested comments on (1) whether CPAs and tax preparers should be deregulated and both agencies abolished; (2) whether the two agencies should be merged; and (3) whether either or both agencies should be transformed into bureaus which lack a multi-member policymaking board and operate under the direct control of the Director of the Department of Consumer Affairs (DCA). The Legislative Analyst's Office (LAO) has already called for the abolition of both BOA and the Tax Preparer Program. [13:2&3 CRLR 38]

Board Vice-President Avedick Poladian testified on behalf of BOA. He con-

tended that LAO's recommendation is faulty because "CPAs inform, consult, certify, design, analyze, and validate business information. They attempt to meet the needs of their business clients and other folks as well," including corporate shareholders, lenders, investors, government agencies which rely on internal accounting control, regulatory bodies, retirement systems, and pension plans. Poladian stated that the Board administers the Uniform CPA Exam to 15,000 people in California each year, monitors licensees' compliance with BOA's continuing education (CE) requirements, administers the Positive Enforcement Program ("which looks at the products CPAs are generating"), receives 900-950 complaints per year, and enforces the law and BOA's regulations through a citation and fine program and a major case program.

On the issue of merger, Poladian noted that 90,000 licensees would then be regulated by one board, which he considered excessive. He contended that monitoring of CE compliance is the only area in which BOA and the Tax Preparer Program are similar, and argued that the boards' other differences warrant continued separation. He recommended that BOA "shrink down to the core" by focusing solely on exam administration, licensing, and enforcement functions, and devolve other administrative details (such as exam site rental, exam proctoring, and real estate leases) to DCA.

Subcommittee members also heard testimony from representatives the Society of California Accountants (SCA) and the California Society of Certified Public Accountants (CSCPA), both of whom opposed the merger proposal. The SCA spokesperson announced that he does not want tax preparers becoming licensees of the State Board of Accountancy because they would represent themselves as such and confuse consumers into believing they are CPAs. The remarks of representatives of the California Association of Independent Accountants and other non-CPA accountant organizations who attempted to express concerns about what they characterized as "turf protection" actions by BOA were sharply limited by Subcommittee members, who stated they only wanted to talk about board structure.

In written testimony submitted after the hearing, the Center for Public Interest Law (CPIL) disagreed with LAO and opined that consumers need an agency to regulate CPAs, especially in light of the California Supreme Court's decision in *Bily v. Arthur Young & Company*, 3 Cal. 4th 370 (1992), in which the court essentially immunized CPAs from civil liability



for professional negligence which harms consumers or members of the public other than those with whom they have contracted. However, CPIL expressed several serious concerns about the operations of BOA. Specifically, the Center argued that the membership of the Board should be revamped to eliminate the supermajority of CPAs controlling the Board; its licensing exam (and its extremely low pass rate) should be scrutinized, and the Board should comply with the Administrative Procedure Act in appropriately clarifying its other entry requirements (specifically its experience requirement under Business and Professions Code section 5083); its excessive use of non-Board-member, private-practice CPAs in licensing and enforcement decisionmaking should be curbed; its enforcement program should be properly resourced and professionalized; and its repeated attempts to protect the CPA profession from lawful competition should be declared as against public policy. [13:4 CRLR 5]

At its December 3 meeting, the Board announced its intent to write Senator McCorquodale a letter expressing its disagreement with CPIL's testimony. At this writing, the Subcommittee is expected to release a final report on the hearing and legislative recommendations in early 1994.

**"Substantially Equivalent Task Force" Activity.** At the Board's December meeting, the Substantially Equivalent Task Force reported on a discussion at its October 13 meeting. The Task Force, an outgrowth of the Board's Qualifications Committee (QC), was created several years ago after the Board overhauled its interpretation of Rule 11.5, Title 16 of the CCR, which very generally sets forth the characteristics of accounting experience which is acceptable toward the experience requirements for licensure established in Business and Professions Code section 5083. Since that time, QC members have on several occasions expressed confusion as to whether particular types of experience qualify toward licensure. Thus, one function of the Task Force is to establish standards to assist the QC in evaluating "substantially equivalent" private or government accounting experience which may be substituted for public accounting experience and qualify an applicant for admission to the Uniform CPA Exam and/or licensure under section 5083(d). [12:1 CRLR 40-41; 11:3 CRLR 56-57; 10:4 CRLR 50]

At its October 13 meeting, the Task Force decided to recommend to the QC and to BOA that, in order to be deemed "substantially equivalent" to public ac-

counting work and to qualify toward licensure, private or government accounting work (1) must be performed under the supervision of a CPA licensee, and (2) must be performed in accordance with professional standards which demonstrate that the individual can apply and has an understanding of such standards. Both the Task Force and the QC, which considered and approved the Task Force's recommendation at its November 18-19 meeting, recognized that accomplishment of (1) above will require a legislative amendment to section 5083(d), as that section does not currently require "substantially equivalent" experience to be gained under the supervision of a CPA. At its December 3 meeting, the Board discussed the Task Force's recommendation, but decided to defer action until its January meeting.

However, public member Joe Tambe requested that staff prepare a matrix that will clarify the kinds of work which qualify as substantially equivalent experience and identify types of work which do not qualify, and draft a position paper to assist QC members in evaluating experience. It is unclear whether licensure applicants will be afforded this information as they are attempting to satisfy the Board's extensive experience requirements.

In connection with this discussion, and apparently in response to the complaint of the Center for Public Interest Law that the Board has not adequately defined the nature of the experience required for licensure in properly adopted regulations [see above; see also 13:4 CRLR 6-7], Executive Officer Carol Sigmann also produced a November 30 legal opinion from DCA legal counsel Robert Miller. In the opinion, Miller cited a 1987 Attorney General's Opinion (70 Op. Att'y Gen. 270) for the proposition that Rule 11.5, as it currently exists, provides an adequate description of "substantially equivalent" experience. The Attorney General stated: "In our view, the term 'substantially equivalent' in the context of qualifying experience does not warrant further specification in rule 11.5 because the matter has been statutorily consigned to the board's own opinion in each case....the board's determination in each case should be based upon the common and generally accepted meaning of the term, which connotes a certain elasticity or variability as distinguished from precision or exactitude." The nonbinding Attorney General's opinion does not address CPIL's claims that the Board has improperly failed to codify its so-called "500-hour" experience rule and that the Board reinterpreted Rule 11.5 in 1990 without the benefit of rulemaking or legislative change.

**Security for Claims Against an Accountancy Corporation.** On October 15, BOA published notice of its intent to amend section 75.8, Title 16 of the CCR. Business and Professions Code section 5157 authorizes BOA to formulate and enforce rules governing accountancy corporations, including rules requiring an accountancy corporation to provide "adequate security by insurance or otherwise for claims against it by its clients arising out of the rendering of professional services." Section 75.8 currently provides that security for claims against an accountancy corporation must consist of a written agreement of the shareholders stating that they jointly and severally guarantee payment of the corporation's liabilities. BOA proposes to amend section 75.8 to give accountancy corporations the option of providing security for claims either by maintaining insurance in specified minimum amounts or by signing the written agreement of joint and several liability.

At its December 3 meeting, BOA conducted a public hearing on the proposed amendments to section 75.8; at that time, representatives of CSCPA and SCA expressed support for the proposed change. Following the hearing, BOA adopted the proposed amendments, which await review and approval by DCA and the Office of Administrative Law (OAL).

**Rulemaking Update.** The following is a status update on BOA rulemaking proposals discussed in previous issues of the Reporter:

-On November 17, OAL approved BOA's proposed amendments to section 89.1, Title 16 of the CCR, which delete references to the Board's continuing education (CE) program and the CE form, and change the phrase "primary responsibility for or authority to sign" to "primary responsibility for and authority to sign." [13:4 CRLR 29; 13:2&3 CRLR 44]

-On November 30, OAL approved BOA's proposed amendments to sections 11.5, 89, and 95.2, Title 16 of the CCR. Among other things, section 89 now provides that for a licensee to receive credit for attending a CE course, the licensee must comply with specified requirements; section 95.2 modifies BOA's schedule of citations and range of minimum and maximum fines applicable to various violations of the Board's statutes and regulations. [13:2&3 CRLR 45]

-On December 1, OAL approved BOA's proposal to repeal sections 87.1(b) and 87.2, Title 16 of the CCR. According to BOA, section 87.2 lacked clarity, in that it could be interpreted to allow licensees to re-enter public practice without sufficient CE to ensure they are qualified; the



repeal of section 87.1(b) allows previous CE requirements for licensees re-entering public practice to remain in effect. [13:4 CRLR 28]

—At this writing, BOA's proposed amendments to sections 6 and 7, Title 16 of the CCR, await review and approval by OAL. The Board's proposed amendments to section 6 would delete existing references to the May and November Uniform CPA Examination dates and the March 1 and September 1 filing dates in order to provide the Board with greater flexibility regarding the dates for administering the CPA exam; among other things, the amendments to section 6 would also repeal an existing provision regarding reasonable accommodations for handicapped examination candidates and add a new provision specifying that BOA will accommodate disabled examination candidates in accordance with the requirements of the Americans with Disabilities Act. The proposed amendments to section 7, which governs the granting of conditional examination credit if a candidate passes the Uniform CPA Examination in two or more subjects or in the "single subject of accounting practice," would delete the reference to the "single subject of accounting practice," because 1994 revisions to the Uniform CPA exam have changed the name of the section formerly called "accounting practice." [13:4 CRLR 28]

## LEGISLATION

**Future Legislation.** At its December meeting, the Board considered a report by its Professional Entry Task Force, whose role is to "review the statutes and regulations related to entry into the profession and recommend amendments for increased clarity and consistency with current policy." The Task Force recommended that BOA seek many legislative revisions to the Accountancy Act, Business and Professions Code section 5000 *et seq.*; among other things, BOA is expected to pursue the following proposed amendments during 1994:

- Proposed amendments to Business and Professions Code section 5023 would clarify that the authority to give the Uniform CPA Exam rests with BOA, and that the Board is authorized to delegate to a committee responsibility for making recommendations on candidates' qualifications for licensure.

- The Board intends to seek repeal of Business and Professions Code section 5081.2, which currently allows an applicant to sit for the Uniform CPA Exam 120 days after college graduation. The actual repeal date will be delayed until two years after the enactment of legislation, to provide notice to affected applicants.

- Proposed amendments to Business and Professions Code section 5087, which currently allows the Board to accept exam grades for out-of-state licensees applying for California licensure, would enable BOA to accept out-of-state experience as well as exam grades, and delete an existing requirement that such an applicant be a resident of California.

- The Board also plans to seek amendments to Business and Professions Code sections 5050 and 5088, to clarify the distinction between "interim" public accountancy practice in California by an applicant for licensure who is licensed as a CPA in another state, and "temporary" CPA practice in California by an out-of-state CPA which is incidental to that CPA's practice in the other state. Specifically, section 5088 would be amended to permit a person who is licensed as a CPA in another state, has applied to BOA for California licensure, and has provided evidence of qualifying continuing education to engage in the practice of public accountancy in California until the Board grants or rejects the application. Section 5050 would be amended to clarify that a person licensed as a CPA or PA by another state or country may temporarily practice in California on professional business for a client incident to that person's regular practice for that client in that other state or country.

- BOA intends to renumber existing Business and Professions Code section 5090 to section 5082.2, and delete from it language which allows PAs who are taking the CPA examination and who pass one section thereof to retake only the remaining sections. If BOA is successful, PAs must pass at least two sections of the exam simultaneously in order to be credited with passage of those sections and be able to retake only the failed sections.

- Business and Professions Code section 5089 would be renumbered to section 5082.1 and amended to delete an existing provision requiring BOA to administer the Uniform CPA Exam not less frequently than semiannually.

- Proposed amendments to Business and Professions Code section 5018 would delete language requiring BOA to notify all licensees of all proposed changes to the Board's regulations. The Board currently satisfies this requirement through publication of its licensee newsletter. Since the Administrative Procedure Act (Government Code section 11340 *et seq.*) requires public notice of all proposed regulatory changes, BOA feels that that section 5018 is redundant, unnecessary, costly, and administratively burdensome.

- **AB 1392 (Speier)**, as amended July 1, would—among other things—provide

that BOA's executive officer is to be appointed by the Governor, subject to Senate confirmation, and that the Board's executive officer and employees are under the control of the Director of the Department of Consumer Affairs. [S. B&P]

- **SB 308 (Craven)**. Business and Professions Code section 5050 prohibits any person from engaging in the practice of public accountancy in this state unless the person is the holder of a valid permit to practice public accountancy issued by BOA, except that CPAs or PAs from another state or foreign country may temporarily practice in California on professional business incident to their regular practice in the other state or country. As introduced February 17, this spot bill would provide an unspecified definition of the word "temporarily." [S. B&P]

- **AB 1754 (Frazee)**, as amended June 22, would authorize BOA to contract with and employ CPAs and PAs as consultants and experts to assist in its enforcement program. The bill would also require the Board to report annually to the legislature regarding these contracts. [S. Jud]

- **AB 719 (Horcher)**, as introduced February 24, would require the written CPA examination to include the rules of professional conduct and the provisions of existing law relating to the practice of accountancy. [A. CPGE&ED]

- **SB 1111 (Deddeh)**, as amended April 12, would require each accountancy corporation to renew its permit to practice biennially and to pay the renewal fee fixed by BOA, as specified; the bill would also make related changes. Existing law requires each accountancy corporation to file with BOA a report pertaining to qualification and compliance with statutes and regulations, as specified, and to pay a fee for filing this report. This bill would delete the fee requirement for that report. As Senator Deddeh has retired, the Board must find a new author for this bill. [A. CPGE&ED]

- **AB 1807 (Bronshvag)**, as amended September 8, would revise the required membership of BOA's Administrative Committee, which currently consists of not less than three nor more than five PAs and not less than ten nor more than twelve CPAs. AB 1807 would provide that the Committee consist of not less than thirteen nor more than seventeen licensees, at least one of whom shall be a PA. AB 1807 would also delete the existing requirement that at least one member of the Board's Continuing Education Committee be a licensed PA under specified circumstances.

- AB 1807 would also authorize BOA to issue citations if, upon investigation, the Board has probable cause to believe that a



person is advertising in a telephone directory with respect to the offering or performance of services without being properly licensed, and to require the violator to cease the unlawful advertising. This bill would also revise the educational requirements for an applicant for admission to the examination for a CPA certificate, to require applicants who do not have a baccalaureate degree from a four-year institution in accounting or a related subject to have completed at least ten semester hours or the equivalent in accounting subjects at a college-level institution. [A. Inactive File]

## LITIGATION

Following oral argument on November 17, the First District Court of Appeal affirmed the validity of the trial court's modified injunction entered after the California Supreme Court's decision in *Bonnie Moore, et al. v. State Board of Accountancy*, 2 Cal. 4th 999 (1992). In *Moore*, the court held that BOA's "Rule 2" (section 2, Division 1, Title 16 of the CCR), which prohibits anyone but a CPA from using the generic terms "accountant" or "accounting" to describe themselves or their services, is constitutionally defective because it is overbroad. The court held that non-CPA accountants must be permitted to use the generic terms so long as their use is accompanied by a disclaimer or other explanation that the practitioner is not licensed by the state or that the services provided do not require a state license. [13:4 CRLR 30; 13:2&3 CRLR 45] The Board has not yet amended Rule 2 to permit non-CPA accountants to use the terms in the manner permitted by the Supreme Court. Among other things, the modified injunction names BOA as the prevailing party in the litigation (enabling BOA to collect its court costs from Bonnie Moore and her co-plaintiff, the California Association of Independent Accountants (CAIA)); enjoins Moore and the members of CAIA who are not licensed as CPAs from using the words "accountant" or "accounting" in referring to themselves, their business, or their services in the context of holding themselves out to the public in any manner which would tend to mislead or confuse the public; prohibits CAIA and Moore from "promoting or encouraging or soliciting directly or indirectly the unlawful practice of public accountancy" in contravention of the judgment and injunction of the court; and prohibits CAIA and Moore from engaging in any unlawful practice of public accounting.

Following a December 1 oral argument, the San Francisco Superior Court sustained the Board's demurrer in *Carberry v. California State Board of Ac-*

*countancy*, No. 954687. [13:4 CRLR 30] In this case, Enrolled Agent Shaun Carberry challenges BOA's March 1993 cease and desist letter ordering him to change the name of his business, Citizens Accounting & Tax Service, as violative of the California Supreme Court's decision in the *Bonnie Moore* case. Carberry uses the business name in conjunction with his own name and professional designation, i.e., "Shaun Carberry, EA." Carberry asserted that his use of the acronym "EA" discloses the fact that he is not a CPA and thus provides the explanation required by the *Moore* case; he also argued that because BOA has not modified Rule 2 to define ways in which non-CPA accountants may comply with the *Moore* decision, BOA is engaging in "underground rulemaking." The Board argued that Carberry's use of the term "EA" does not explain that he is not licensed by the state or that the services he provides do not require a state license. The court sustained the Board's demurrer without explanation. Carberry intends to appeal the decision.

## RECENT MEETINGS

At BOA's October 1-2 meeting, MGT Consultants presented the final report of its evaluation of the costs incurred by the Board for providing services and the fees charged by BOA for providing those services, in order to determine whether BOA's fees should be adjusted; Business and Professions Code section 5134 requires the Board to set its fees in amounts which recover the actual cost of providing the service for which the fee is assessed. [13:4 CRLR 30; 13:1 CRLR 16] The report concluded that, overall, BOA's fees are currently sufficient to cover its costs, although some fees should be adjusted to more precisely correlate with the actual cost of providing the service. The Board will review the report in order to determine whether any changes need to be made in the future.

Also at its October meeting, BOA discussed a proposal by the American Institute of Certified Public Accountants (AICPA) that BOA participate in "cooperative investigations" with AICPA. Under the "cooperative investigation" process, AICPA would notify both BOA and the licensee when it receives a complaint, and AICPA would take the lead in investigating the case. The Board rejected the proposal for various reasons, including the fact that the proposal would require BOA to delay its investigation for approximately six months, during which time AICPA would conduct its investigation; BOA acknowledged that such an arrange-

ment could lead to the negative public perception that the Board is delegating its responsibility for disciplinary matters to a private trade organization. The Board instructed staff to inform AICPA that it welcomes complaint information from AICPA, but declines to delay its investigation pending the outcome of AICPA's investigation.

At its October and December meetings, the Board considered a proposal to clarify its procedure for processing requests for extensions of conditional exam credit or waivers of exam application filing deadlines. Under section 7, Title 16 of the CCR, the conditional period during which credit is given to an applicant who has passed certain parts of the CPA exam may be extended by the Board upon a showing of "extraordinary extenuating circumstances" which prevented the applicant from retaking the examination before the expiration of the conditional period. Section 6, Title 16 of the CCR, requires that applications for taking the exam be submitted by a specified date. Under the proposed procedure, BOA will forward an appeal to extend the conditional period or waive the filing date to the Board's exam coordinator, who will evaluate the appeal based on the facts. The proposal defines "extraordinary extenuating circumstances" as including the death of an immediate family member (supported by a copy of a death certificate or a full page from a newspaper showing an obituary); catastrophic illness, contagious disease, or major traumatic injury to the candidate or immediate family member supported by a legible physician's letter on letterhead explaining the illness and why the candidate could not sit on the dates of the exam; natural disaster such as flood or earthquake; a late application which is submitted no more than three days after the deadline when the exam being applied for is the last opportunity prior to expiration of the candidate's conditional credit; and administrative error which impacted the candidate's ability to submit the application. If the facts support a finding of one of these circumstances, the licensing manager is delegated the authority to approve the late application or request for extension of conditional credit; if there is any question, the request must be forwarded to and approved by the Board's Vice-President. The Board approved this procedure at its December meeting.

Also at its December meeting, BOA addressed issues concerning accounting firms' policies for the destruction of records. The Board has recently encountered difficulties in conducting investigations due to firms' varying policies for destroying records; currently, BOA has no regulation addressing this issue. Following discussion, the Board directed its Ad-



ministrative Committee to study the matter and develop recommendations for the Board's consideration.

Also at its December meeting, BOA elected Avedick Poladian as Board President and Walter Finch as Vice-President for 1994.

## ■ FUTURE MEETINGS

March 19 in San Francisco.

May 13-14 in Sacramento.

July 29-30 in San Diego.

## BOARD OF ARCHITECTURAL EXAMINERS

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The Board of Architectural Examiners (BAE) was established by the legislature in 1901. BAE establishes minimum professional qualifications and performance standards for admission to and practice of the profession of architecture through its administration of the Architects Practice Act, Business and Professions Code section 5500 *et seq.* The Board's regulations are found in Division 2, Title 16 of the California Code of Regulations (CCR). Duties of the Board include administration of the Architect Registration Examination (ARE) of the National Council of Architectural Registration Boards (NCARB), and enforcement of the Board's statutes and regulations. To become licensed as an architect, a candidate must successfully complete a written and oral examination, and provide evidence of at least eight years of relevant education and experience. BAE is a ten-member body evenly divided between architects and public members. Three public members and the five architects are appointed by the Governor. The Senate Rules Committee and the Speaker of the Assembly each appoint a public member.

## ■ MAJOR PROJECTS

**BAE Considers New Licensure Requirement: Completion of NCARB's Intern Development Program.** At its December 13 meeting, BAE discussed a proposal to require completion of all or part of NCARB's Intern Development Program (IDP) as a requirement for licensure as an architect in California.

All NCARB member boards require candidates to acquire work experience under the direct supervision of a licensed architect in order to qualify for licensure.

California requires a total of eight years of education and/or work experience; at least one year of experience must be under the supervision of a U.S.-licensed architect as a prerequisite to licensure in California. In the mid-1970s, NCARB developed the IDP, a structured training program in which architectural interns apprentice with registered professionals. Thereafter, many state boards adopted the training requirements established for IDP as their training requirements for registration. IDP training is not currently required for California licensure as an architect.

To satisfy NCARB's IDP requirements, an intern must complete training in four major categories: design and construction documents, construction administration, management, and related activities (professional and community service). These categories are subdivided into training areas, and interns must complete a specified period of training in each area. IDP training is measured in "value units" (VU), with one VU equivalent to eight hours of acceptable experience. A total of 700 VUs (approximately 2.8 years) of training is required for NCARB IDP certification.

Although there is no formal enrollment mechanism, once a candidate begins the program he/she must select an advisor and a sponsor to monitor training and develop long-range career goals. The sponsor is the individual within the firm or organization who supervises the intern daily and regularly assesses the quality of his/her work. Registered architects usually serve as sponsors; however, other professionals may qualify in certain cases. The advisor is a registered architect, usually outside the intern's firm, with whom the intern meets periodically to review training progress and discuss career objectives. The advisor serves as a mentor to the intern. The major national architectural trade association, the American Institute of Architects, has primary responsibility for identifying, organizing, and educating IDP sponsors and advisors.

The intern's participation and progress are monitored by the employer, and interns are responsible for maintaining a continuous record of their training and participation in the IDP. To accomplish this, interns may develop their own recordkeeping system, use one created by their state board, or pay NCARB to compile their training records; some state boards require interns to use NCARB's recordkeeping system.

NCARB estimates that 23 states currently require IDP training for admission to their licensing exams, and 40 states will require IDP training by 1996. At its 1993

annual meeting, NCARB itself voted to require IDP training for all applicants who wish to be NCARB-certified after July 1, 1996.

At its December meeting, the Board reviewed the minutes of the October 14 meeting of its Internship and Oral Examination Committee; at that meeting, NCARB Director of Intern Services Robert Rosenfeld made a presentation to the Committee on the IDP and answered questions. Regarding the cost to the Board of requiring the program, Rosenfeld stated that cost will depend greatly upon the regulatory requirements established by the Board. If the Board requires candidates to complete NCARB's IDP and use NCARB's recordkeeping system, then costs to the Board would be insignificant (because NCARB will keep records of the student's progress toward completion of the program, at considerable cost to the student). If the Board decides to collect and maintain the required documentation of program completion, then costs to the Board would increase substantially (and the Board would presumably pass these costs onto applicants).

Following discussion, the Board voted to direct the Internship and Oral Examination Committee to further study the proposed requirement of IDP training as a condition of architect licensure in California.

**Board to Explore Written Contract Requirement.** On October 20, Board President Betty Landess and Executive Officer Steve Sands testified before the Senate Subcommittee on the Efficiency and Effectiveness of State Boards and Commissions. The Subcommittee required the Board to present written and oral testimony on whether BAE should be retained as is, abolished, converted into a bureau within the Department of Consumer Affairs, or merged with the Board of Landscape Architects. [13:4 CRLR 5]

Although the consensus of the Subcommittee appeared to be that BAE should be retained in its present structure, the Subcommittee was interested in a suggestion by the Center for Public Interest Law that BAE adopt a written contract requirement for contracts between architects and consumers. [13:4 CRLR 9-10] These contracts would be similar to those statutorily required in the legal profession and in other trades, such as landscape architects, home improvement contractors, and electronic and appliance repair dealers.

At its December 13 meeting, BAE agreed to develop a process whereby it will consult with architects, the public, and others to determine whether there is a