Approximately 10% of the audit reports reviewed fall into the first category, 50% in the second category, and 40% in the third category. Licensees whose reports are found to be in the last category are subject to subsequent audit report reviews in a follow-up phase of the program. Significant improvement has been noted in these later reviews.

The findings of the review program will be the basis of a course to be given in spring, 1987 by the California CPA Foundation for Education and Research. The course is entitled “Governmental Financial Reporting Concepts and Practices.”

Expansion of the Positive Enforcement Program will include review of the audit reports required by governmental agencies from nongovernmental agencies. The current phase of the program, as described above, will continue.

At its December meeting in Palm Springs, the Board considered a recommendation by the Positive Enforcement Committee to adopt proposed rule 89.1. (See CRLR Vol. 6, No. 4 (Fall 1986) p. 26.) The rule would require licensees to submit, upon request, a self-selected sample of reports issued during the previous calendar year. The Board voted to adopt the rule as recommended. It is anticipated that the rule will become effective in mid-1987.

“UPDATE”. To improve communication of Board actions to California’s licensees and other interested parties, the Board is now publishing a newsletter. The publication, called UPDATE, will be produced approximately every ten weeks. A large portion of the newsletter will be dedicated to reporting on the activities of the Board’s busy committees. Comments and suggestions for UPDATE are welcomed. Address correspondence to the Editorial Committee, c/o Board of Accountancy, 2135 Butano Drive, Suite 112, Sacramento, CA 95825.

Technical Review Panel Investigations. The Board created the Technical Review Panel (TRP) to investigate complaints filed against accountants for violations of the Accountancy Act. Members of the panel (TRPs) are practicing accountants who serve renewable year-long terms. After investigating the assigned case, the individual TRP reports his/her findings and recommendations to the Board’s Administrative Committee. The Committee may then call the affected licensee to appear before it to complete the investigation.

On October 10, Committee Chair Jeffery Martin reported to the Board that Committee members and TRPs are experiencing increasingly strained and often hostile exchanges during the course of investigations. At a recent meeting, a co-worker of a licensee appearing before the Committee became verbally abusive and physically threatening to the extent that hotel security was called to monitor the remainder of the meeting. In a separate incident, a licensee waved a handgun at a TRP during the TRP’s visit to the licensee’s office. The licensee did not directly threaten the TRP, but made general threats against the Board and any future complainants. He then laid the gun on his desk where it remained throughout the course of the TRP’s visit.

Mr. Martin feels that these exchanges are due to an increased awareness on the part of licensees of the Board’s intent to more vigorously enforce its rules and regulations. The Committee is developing procedures to minimize the risk of these confrontations. For example, private security may be employed at future Committee meetings to ensure member safety.

Telephone System. A new telephone system has been instituted at the Board’s Sacramento office to improve service to licensees and the public. The more advanced system provides programmed messages which allow a caller to access detailed information regarding various Board processes from a series of recordings. The system is designed to reduce staff workload. Presently, the Board receives over 500 telephone inquiries per day. Information will be accessible to any caller who utilizes a touch-tone phone. Individual staff members will remain available to answer questions not covered by the recordings.

LITIGATION:

Hunt v. Board of Accountancy. The Board revoked Roy Hunt’s license on March 13, 1982. Following an appellate court decision that the violation cited did not relate to the practice of public accountancy, the Board filed a petition...
for review with the California Supreme Court. The court denied the petition. The Board issued a new decision on December 10, suspending Hunt's certificate for six months. However, the suspension was stayed and three years' probation imposed with standard terms and conditions, which include specified continuing education and semiannual appearances before the Administrative Committee.

RECENT MEETINGS:
At its October 10-11 meeting in San Francisco, President James J. Sullos, Jr., reported on the annual meeting of the National Association of State Boards of Accountancy (NASBA) which he and Board member Sam Yellen attended. At its meeting, NASBA focused upon quality assurance programs. Mr. Sullos stated that a recommendation has been made to reduce the nationally-administered certification exam from two-and-one-half to two days. The emphasis on law would be reduced, and the theory and practice sections would be combined. A proposal to expand the ethics portion was also discussed. Board Executive Director Della Bousquet indicated that the proposal may be the result of a review of the content outline in which the Board actively participated a few years ago.

The Board also discussed the California Ethics Examination, and decided that the Continuing Education Committee should gather information from other committees as to which Board rules and regulations should be covered in the ethics exam.

FUTURE MEETINGS:
To be announced.

BOARD OF ARCHITECTURAL EXAMINERS
Executive Officer: Stephen P. Sands (916) 445-3393

The Board of Architectural Examiners (BAE) was established by the legislature in 1901. BAE establishes minimum levels of competency for licensed architects and regulates the practice of architecture. Duties of the Board include administration of an annual architectural examination and enforcement of Board guidelines. BAE is a ten-member body evenly divided between public and professional membership.

MAJOR PROJECTS:
New California Examination. California's alternative to the National Council of Architectural Boards (NCARB) licensing exam was available for Board review on February 1. (See CRLR Vol. 6, No. 4 (Fall 1986) p. 27.)

The Office of Administrative Law has approved the Board's regulations for the new California Architectural Licensing Exam (CALE). The exam will be administered for the first time in July 1987.

Application Processing. The Permit Reform Act of 1981 (Statutes of 1981, Chapter 1087, effective January 1, 1983) requires that BAE adopt regulations for review of license applications and processing times. BAE is currently working on these regulations. Public hearings on these matters were held in Los Angeles on December 11.

Definition Clarification. SB 790 (Seymour), which became effective on January 1, 1986, revised exemptions from the Architectural Practices Act, and also conformed exemptions from the Architectural Practices Act with exemptions from the Professional Engineering Act (see CRLR Vol. 5, No. 4 (Fall 1985) p. 20). As the law now stands, an unlicensed person may design certain "single family dwellings" and certain "multiple dwellings," but the meaning of these terms is unclear. At its October 31 meeting in San Luis Obispo, BAE began the process of clarifying the meaning of these terms by approving language to be suggested as proposed regulations.

Intern-Architect Development Program. With the implementation of CALE, BAE has control over the content of the licensing exam given to candidates. The Board, however, has little control over the type of training those candidates receive prior to licensure. BAE President Paul Neel believes the Board has an obligation to ensure that candidates receive the best training possible. Since its inception in the mid-1970s, the purpose of the Intern-Architect Development Program has been to assist in the development of competent architects. BAE has now created a task force to study several facets of this program and make a recommendation to the full Board.

Issues to be considered by the task force include whether the program should be mandatory rather than voluntary; the type of employment verification which should be required to ensure that candidates are receiving sufficient exposure to the major areas of California architectural practice; methods of recruiting enough employers for the number of candidates who apply for the program; whether candidates should be charged an application fee to cover recordkeeping expenses; whether some incentive should be offered to those who participate in the program; and methods of promoting the program.

LEGISLATION:
SB 2335 (Montoya), which was signed by the Governor and became effective January 1, 1987, allows boards within the Department of Consumer Affairs (including BAE) to issue citations for violations of regulations. Since the signing of the bill, the Office of Administrative Law has approved BAE's citation regulations.

RECENT MEETINGS:
On October 2, the Examination Committee met in San Francisco to discuss the development of the new exam and review individual candidate appeals.

On October 31, the full Board met in San Luis Obispo. During its discussion of the new examination, BAE modified its goals and clarified that, rather than basing the new exam on NCARB test specifications, the exam would be developed on the basis of a California study which was used to develop NCARB test specifications. Additionally, in preparation for the upcoming legislative session, BAE approved a proposal to sponsor legislation that would allow professional architectural corporations to operate without a separate architectural corporation license.

On December 10, the Enforcement Committee met in Los Angeles. At this meeting, a subcommittee was created to develop architectural advertising guidelines. Also, the Committee voted to recommend to the full Board that architectural plans be subject to a stamp requirement. Finally, upon the Committee's instruction, staff has prepared a variety of information bulletins for the use of building officials and planning/zoning commissions.

FUTURE MEETINGS:
February 25 in Monterey.
May in Sacramento (exact date to be announced).

ATHLETIC COMMISSION
Executive Officer: Ken Gray (916) 920-7300

The Athletic Commission regulates amateur and professional boxing, contact karate, and professional wrestling. The Commission consists of eight members each serving four-year terms. All eight seats are "public" as opposed to