

AMENDED IN SENATE JULY 20, 2001

AMENDED IN SENATE JULY 3, 2001

AMENDED IN ASSEMBLY MAY 25, 2001

AMENDED IN ASSEMBLY MAY 17, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 585**

**Introduced by Assembly Member Nation  
(Coauthor: Assembly Member John Campbell)**

February 21, 2001

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An act to amend Sections 5081, 5082, 5082.1, 5082.3, 5082.4, 5087, and 5088 of, to amend and repeal Sections 5081.1, 5082.2, 5083, and 5084 of, and to add Sections 5076, 5082.5, 5090, 5091, 5092, 5093, 5094, and 5095 to, the Business and Professions Code, relating to accountants.

LEGISLATIVE COUNSEL'S DIGEST

AB 585, as amended, Nation. Public accountants.

(1) Existing law provides for the licensing and regulation of the practice of accountancy by the State Board of Accountancy in the Department of Consumer Affairs. Pursuant to existing law, the board may adopt rules and regulations to carry out and facilitate its duties. Existing law requires that an applicant for the certified public accountants' examination meet specified educational requirements and

that an applicant for licensure as a certified public accountant meet certain educational and experience requirements.

This bill would revise these provisions relating to educational and experience requirements.

(2) Under existing law, a certified public accountant license candidate is required to pass a written examination. Existing law provides that a candidate who passes 2 or more subjects but fails the examination has the right to be reexamined in only the remaining subjects.

This bill would repeal this requirement on January 1, 2006, when new examination requirements, as specified, would apply.

(3) Existing law requires that an applicant for a certified public accountant license be over 18 years of age, and prohibits the board from giving a license to an applicant with a certified public accountant license from another state who is not over 18 years of age.

This bill would delete this age requirement.

(4) Existing law requires an applicant for licensure as a certified public accountant to demonstrate experience in the attest function.

This bill would require a firm to meet specified peer review requirements in order to provide attest services and would require an individual applicant to meet specified criteria to sign reports on attest engagements. The bill would require the board to adopt regulations implementing and interpreting new application, examination, education, and licensure process requirements.

(5) Existing law provides that a person holding a valid and unrevoked license from any state may practice public accountancy after submitting an application for licensure and showing proof of qualifying continuing education.

This bill would also authorize a qualified applicant to ~~also~~ perform attest services.

This bill would make other related changes.

(6) The bill would provide that it would become operative only if SB 133 is enacted and becomes effective on or before January 1, 2002.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature that the new  
2 education and experience requirements for the certified public



1 accountant license established by this legislation not be revised or  
2 amended prior to the next review of the California Board of  
3 Accountancy required by Division 1.2 (commencing with Section  
4 473).

5 Further, it is the intent of the Legislature that this review shall  
6 be limited to issues related to implementation of the new licensure  
7 requirements. In preparation for that review, the California Board  
8 of Accountancy shall collect statistical information including  
9 information on the number of applicants applying under Sections  
10 5092 and 5093, the number of applicants passing the examination  
11 under Sections 5092 and 5093, the number of applicants applying  
12 and qualifying for licensure under Sections 5092 and 5093, and the  
13 number of applicants and licensees applying and qualifying for an  
14 authorization to sign reports on attest engagements under Section  
15 5095. Also, it is the intent of the Legislature that prior to the next  
16 review required by Division 1.2, the California Board of  
17 Accountancy develop regulations and procedures to implement  
18 the peer review requirement mandated by Section 5076.

19 SEC. 2. Section 5076 is added to the Business and Professions  
20 Code, to read:

21 5076. (a) In order to renew its registration, a firm providing  
22 attest services, other than a sole proprietor or small firm as defined  
23 in Section 5000, shall complete a peer review prior to the first  
24 registration expiration date after January 1, 2006, and no less  
25 frequently than every three years thereafter.

26 (b) For purposes of this article, the following definitions apply:

27 (1) "Peer review" means a study, appraisal, or review  
28 conducted in accordance with professional standards of the  
29 professional work of a licensee or registered firm by another  
30 licensee unaffiliated with the licensee or registered firm being  
31 reviewed. The peer review shall include, but not be limited to, a  
32 review of at least one attest engagement representing the highest  
33 level of service performed by the firm and may include an  
34 evaluation of other factors in accordance with requirements  
35 specified by the board in regulations.

36 (2) "Attest services" include an audit, a review of financial  
37 statements, or an examination of prospective financial  
38 information, provided, however, "attest services" shall not  
39 include the issuance of compiled financial statements.



1 (c) The board shall adopt regulations as necessary to  
2 implement, interpret, and make specific the peer review  
3 requirements in this section, including, but not limited to,  
4 regulations specifying the requirements for the approval of peer  
5 review providers, and regulations establishing a peer review  
6 oversight committee.

7 SEC. 3. Section 5081 of the Business and Professions Code  
8 is amended to read:

9 5081. An applicant for admission to the examination for a  
10 certified public accountant license shall:

11 (a) Not have committed acts or crimes constituting grounds for  
12 denial of a license under Section 480.

13 (b) File the application for the examination. An application for  
14 the examination shall not be considered filed unless all required  
15 supporting documents, fees, and the fully completed  
16 board-approved application form are received in the board office  
17 or filed by mail in accordance with Section 11003 of the  
18 Government Code on or before the specified final filing date.

19 (c) Meet one of the educational requirements specified in this  
20 article.

21 SEC. 4. Section 5081.1 of the Business and Professions Code  
22 is amended to read:

23 5081.1. Pursuant to subdivision (b) of Section 5090, an  
24 applicant for admission to the examination for a certified public  
25 accountant certificate may qualify for admission with one of the  
26 following:

27 (a) The applicant shall present satisfactory evidence that the  
28 applicant has either of the following:

29 (1) A baccalaureate degree from a university, college or other  
30 four-year institution of learning accredited by a regional  
31 institutional accrediting agency included in a list of these agencies  
32 published by the United States Secretary of Education under the  
33 requirements of the Higher Education Act of 1965 as amended (20  
34 U.S.C. Sec. 1001 and following), with a major in accounting or  
35 related subjects requiring a minimum of 45 semester units of  
36 instruction in these subjects. If the applicant has received a  
37 baccalaureate degree in a nonaccounting major, the applicant shall  
38 present satisfactory evidence of study substantially the equivalent  
39 of an accounting major, including courses in related business  
40 administration subjects.



1 (2) A degree or degrees from a college, university, or other  
2 institution of learning located outside the United States that is  
3 approved by the board as the equivalent of the baccalaureate  
4 degree described in paragraph (1). The board may require an  
5 applicant under this paragraph to submit documentation of his or  
6 her education to a credentials evaluation service approved by the  
7 board for evaluation and to cause the results of this evaluation to  
8 be reported to the board. The board shall adopt regulations  
9 specifying the criteria and procedures for approval of credential  
10 evaluation services. These regulations shall, at a minimum,  
11 require that the credential evaluation service (A) furnish  
12 evaluations directly to the board; (B) furnish evaluations written  
13 in English; (C) be a member of the American Association of  
14 Collegiate Registrars and Admission Officers, the National  
15 Association of Foreign Student Affairs, or the National  
16 Association of Credential Evaluation Services; (D) be used by  
17 accredited colleges and universities; (E) be reevaluated by the  
18 board every five years; (F) maintain a complete set of reference  
19 materials as specified by the board; (G) base evaluations only upon  
20 authentic, original transcripts and degrees and have a written  
21 procedure for identifying fraudulent transcripts; (H) include in the  
22 evaluation report, for each degree held by the applicant, the  
23 equivalent degree offered in the United States, the date the degree  
24 was granted, the institution granting the degree, an English  
25 translation of the course titles, and the semester unit equivalence  
26 for each of the courses; (I) have an appeal procedure for applicants;  
27 and (J) furnish the board with information concerning the  
28 credential evaluation service that includes biographical  
29 information on evaluators and translators, three letters of  
30 references from public or private agencies, statistical information  
31 on the number of applications processed annually for the past five  
32 years, and any additional information the board may require in  
33 order to ascertain that the credential evaluation service meets the  
34 standards set forth in this paragraph and in any regulations adopted  
35 by the board.

36 (b) The applicant shall present satisfactory evidence that the  
37 applicant has successfully completed a two-year course of college  
38 level study or received an associate of arts degree from a  
39 community college, either institution accredited by a regional or  
40 national accrediting agency or association that is included in a list



1 published by the United States Commissioner of Education under  
2 the provisions of federal law specified in paragraph (1) of  
3 subdivision (a), and that the applicant has completed a minimum  
4 of 120 semester units which includes the study of accounting and  
5 related business administration subjects.

6 (c) The applicant shall show to the satisfaction of the board that  
7 he or she has had the equivalent of the educational qualifications  
8 required by subdivision (b), or shall pass a preliminary written  
9 examination approved and administered by an agency approved  
10 by the California State Department of Education and shall have  
11 completed a minimum of 10 semester units or the equivalent in  
12 accounting subjects. The 10 semester units in accounting subjects  
13 shall be completed at a college, university, or other institution of  
14 higher learning accredited at the college level by an agency or  
15 association that is included in a list published by the United States  
16 Commissioner of Education under the federal law specified in  
17 paragraph (1) of subdivision (a).

18 (d) The applicant shall be a public accountant registered under  
19 this chapter.

20 (e) This section shall remain in effect only until January 1,  
21 2006, and as of that date is repealed, unless a later enacted statute,  
22 that is enacted before January 1, 2006, deletes or extends that date.

23 SEC. 5. Section 5082 of the Business and Professions Code  
24 is amended to read:

25 5082. An applicant for a certified public accountant license  
26 shall have successfully passed examinations in subjects the board  
27 deems appropriate.

28 SEC. 6. Section 5082.1 of the Business and Professions Code  
29 is amended to read:

30 5082.1. All examinations provided for herein shall be held by  
31 the board at places as circumstances may warrant, and as often as  
32 may be necessary in the opinion of the board. The board may  
33 contract with any organization, governmental or private, for  
34 examination material or services. Within 90 days after the  
35 examination the board shall notify each candidate of his or her  
36 score. All examination records shall be preserved for a period of  
37 at least six months after the notification of scoring and any  
38 candidate shall, upon request to the board, have access to his or  
39 her records.



1 SEC. 7. Section 5082.2 of the Business and Professions Code  
2 is amended to read:

3 5082.2. For candidates seeking to be reexamined pursuant to  
4 subdivision (b) of Section 5090, a candidate who fails an  
5 examination provided for herein shall have the right to any number  
6 of reexaminations at subsequent examinations held by the board.  
7 A candidate who passes an examination in two or more subjects  
8 shall have the right to be reexamined in the remaining subject or  
9 subjects only, at subsequent examinations held by the board, and  
10 if he or she passes in the remaining subject or subjects within a  
11 period of time specified in the rules of the board, he or she shall  
12 be considered to have passed the examination.

13 This section shall remain in effect only until January 1, 2006,  
14 and as of that date is repealed, unless a later enacted statute, that  
15 is enacted before January 1, 2006, deletes or extends that date.

16 SEC. 8. Section 5082.3 of the Business and Professions Code  
17 is amended to read:

18 5082.3. An applicant for a license as a certified public  
19 accountant may be deemed by the board to have met the  
20 examination requirements of Section 5082, 5092, or 5093 if the  
21 applicant satisfies all of the following requirements:

22 (a) The applicant is licensed or has comparable authority under  
23 the laws of any country to engage in the practice of public  
24 accountancy.

25 (b) The International Qualifications Appraisal Board jointly  
26 established by the National Association of State Boards of  
27 Accountancy and the American Institute of Certified Public  
28 Accountants has determined that the standards under which the  
29 applicant was licensed or under which the applicant secured  
30 comparable authority meet its standards for admission to the  
31 International Uniform Certified Public Accountant Qualification  
32 Examination.

33 (c) The applicant has successfully passed the International  
34 Uniform Certified Public Accountant Qualification Examination  
35 referenced in subdivision (b).

36 SEC. 9. Section 5082.4 of the Business and Professions Code  
37 is amended to read:

38 5082.4. A Canadian Chartered Accountant in good standing  
39 may be deemed by the board to have met the examination  
40 requirements of Section 5082, 5092, or 5093, if he or she has



1 successfully passed the Canadian Chartered Accountant Uniform  
2 Certified Public Accountant Qualification Examination of the  
3 American Institute of Certified Public Accountants or the  
4 International Uniform Certified Public Accountant Qualification  
5 Examination referenced in subdivision (b) Section 5082.3.

6 SEC. 10. Section 5082.5 is added to the Business and  
7 Professions Code, to read:

8 5082.5. The board may give credit to a candidate who has  
9 passed all or part of the examination in another state or territory,  
10 if the members of the board determine that the standards under  
11 which the examination was held are as high as the standards  
12 established for examination in this chapter.

13 SEC. 11. Section 5083 of the Business and Professions Code  
14 is amended to read:

15 5083. (a) Pursuant to subdivision (b) of Section 5090, an  
16 individual applying for licensure shall meet, to the satisfaction of  
17 the board, one of the following requirements:

18 (1) Four years of experience if the applicant qualified to sit for  
19 the exam by meeting the requirements of subdivision (b) or (c) of  
20 Section 5081.1.

21 (2) Three years of experience if the applicant qualified to sit for  
22 the exam by meeting the requirements of subdivision (a) or (d) of  
23 Section 5081.1 or meets the requirements of Section 5082.3.

24 (b) In order to be qualifying under this section, experience shall  
25 have been performed in accordance with applicable professional  
26 standards. Experience in public accounting may be qualifying if  
27 completed by, or in the employ of, a person licensed or otherwise  
28 having comparable authority under the laws of any state or country  
29 to engage in the practice of public accountancy. Experience in  
30 private or governmental accounting or auditing employment may  
31 be qualifying provided that this work was performed under the  
32 direct supervision of an individual licensed by a state to engage in  
33 the practice of public accountancy.

34 (c) Qualifying experience for licensure includes providing any  
35 type of service or advice involving the use of accounting, attest,  
36 compilation, management advisory, financial advisory, tax, or  
37 consulting skills.

38 (d) The board shall prescribe rules related to the experience  
39 requirements set forth in this section, including a requirement that  
40 each applicant demonstrate to the board satisfactory experience in



1 the attest function as it relates to financial statements. For purposes  
2 of this subdivision, the attest function includes audit and review of  
3 financial statements in this section.

4 (e) This section shall remain in effect only until January 1,  
5 2006, and as of that date is repealed, unless a later enacted statute,  
6 that is enacted before January 1, 2006, deletes or extends that date.

7 SEC. 12. Section 5084 of the Business and Professions Code  
8 is amended to read:

9 5084. For applicants seeking licensure pursuant to  
10 subdivision (b) of Section 5090, the board shall grant one year's  
11 credit toward fulfillment of its public accounting experience  
12 requirement to a graduate of a college who has completed a  
13 four-year course with 45 or more semester units or the equivalent  
14 thereof in the study of accounting and related business  
15 administration subjects, of which at least 20 semester units or the  
16 equivalent thereof shall be in the study of accounting.

17 The members of the board shall prescribe rules establishing the  
18 character and variety of experience necessary to fulfill the  
19 experience requirements set forth in this section.

20 This section shall remain in effect only until January 1, 2006,  
21 and as of that date is repealed, unless a later enacted statute, that  
22 is enacted before January 1, 2006, deletes or extends that date.

23 SEC. 13. Section 5087 of the Business and Professions Code  
24 is amended to read:

25 5087. (a) The board may issue a certified public accountant  
26 license to any applicant who is a holder of a valid and unrevoked  
27 certified public accountant license issued under the laws of any  
28 state, if the board determines that the standards under which the  
29 applicant received the license are substantially equivalent to the  
30 standards of education, examination, and experience established  
31 under this chapter and the applicant has not committed acts or  
32 crimes constituting grounds for denial under Section 480. To be  
33 authorized to sign reports on attest engagements, the applicant  
34 shall meet the requirements of Section 5095.

35 (b) The board may in particular cases waive any of the  
36 requirements regarding the circumstances in which the various  
37 parts of the examination were to be passed for an applicant from  
38 another state.

39 SEC. 14. Section 5088 of the Business and Professions Code  
40 is amended to read:



1 5088. (a) Any person who is the holder of a valid and  
2 unrevoked license as a certified public accountant issued under the  
3 laws of any state and who applies to the board for a license as a  
4 certified public accountant under the provisions of Section 5087  
5 may, after application for licensure and after providing evidence  
6 of qualifying continuing education, perform the same public  
7 accounting services in this state as a certified public accountant  
8 licensed under Section 5092 or 5093 until the time his or her  
9 application for a license is granted or rejected.

10 (b) An applicant meeting the requirements of subdivision (a)  
11 who certifies that he or she has met the requirements of Section  
12 5095 may perform attest services in this state until the time his or  
13 her application for a license is granted or rejected.

14 SEC. 15. Section 5090 is added to the Business and  
15 Professions Code, to read:

16 5090. (a) An applicant for the certified public accountant  
17 license shall comply with the education, examination, and  
18 experience requirements in either Section 5092 or 5093.

19 (b) Notwithstanding subdivision (a), an applicant who applied  
20 ~~and qualified for admission to~~, *qualified, and sat for at least two*  
21 *subjects of the examination for the certified public accountant*  
22 *license before December 31, 2001, may complete the examination*  
23 *and qualify for licensure based on the requirements in Sections*  
24 *5081.1, 5082, 5082.2, 5083, 5084, and applicable regulations*  
25 *adopted by the board that were in effect on December 31, 2001, or*  
26 *comparable examination requirements adopted by the board in the*  
27 *event the form or format of the examination changes, provided the*  
28 *applicant qualifies and applies for licensure no later than before*  
29 *January 1, 2006.*

30 SEC. 16. Section 5091 is added to the Business and  
31 Professions Code, to read:

32 5091. At the time of application for the examination, the  
33 applicant shall choose whether he or she is making an application  
34 under Section 5092 or 5093. An applicant making an application  
35 under Section 5093 may change and apply under Section 5092  
36 without having to retake sections of the examination already  
37 passed provided those sections were passed in accordance with the  
38 requirements of Section 5092.

39 SEC. 17. Section 5092 is added to the Business and  
40 Professions Code, to read:



1 5092. (a) To qualify for the certified public accountant  
2 license, an applicant who is applying under this section shall meet  
3 the education, examination, and experience requirements in  
4 subdivisions (b), (c), and (d) of this section. The board may adopt  
5 regulations as necessary to implement this section.

6 (b) An applicant for the certified public accountant license  
7 shall present satisfactory evidence that the applicant has  
8 completed a baccalaureate or higher degree conferred by a college  
9 or university, meeting, at a minimum, the standards described in  
10 Section 5094, the total educational program to include a minimum  
11 of 24 semester units in accounting subjects and 24 semester units  
12 in business related subjects. This evidence shall be provided prior  
13 to admission to the examination for the certified public accountant  
14 license, *except that an applicant who passed the examination*  
15 *before December 31, 2001, may provide this evidence at the time*  
16 *of application for licensure provided the applicant applies and*  
17 *qualifies for licensure before January 1, 2006.*

18 (c) An applicant for the certified public accountant license shall  
19 pass an examination in accounting, auditing, and other subjects the  
20 board deems appropriate. An applicant who fails this examination  
21 has the right to reexamination. During the time this examination  
22 is a written, paper and pencil examination, an applicant who passes  
23 two or more subjects at any examination shall receive a conditional  
24 credit for those subjects and does not need to sit for reexamination  
25 in those subjects. The applicant shall have the right to be  
26 reexamined in the remaining subject or subjects only at the six  
27 subsequent *consecutive* examinations immediately following  
28 receipt of the conditional credit. If the remaining subject or  
29 subjects are passed during the six subsequent examinations, the  
30 candidate shall be considered to have passed the examination.

31 The conditional credit period provided in this section may be  
32 extended by the board upon a showing of extraordinary  
33 extenuating circumstances that prevented the applicant from  
34 retaking the examination during this period.

35 (d) The applicant shall show, to the satisfaction of the board,  
36 that the applicant has had two years of qualifying experience. This  
37 experience may include providing any type of service or advice  
38 involving the use of accounting, attest, compilation, management  
39 advisory, financial advisory, tax, or consulting skills. To be  
40 qualifying under this section, experience shall have been



1 performed in accordance with applicable professional standards.  
2 Experience in public accounting shall be completed under the  
3 supervision or in the employ of a person licensed or otherwise  
4 having comparable authority under the laws of any state or country  
5 to engage in the practice of public accountancy. Experience in  
6 private or governmental accounting or auditing shall be completed  
7 under the supervision of an individual licensed by a state to engage  
8 in the practice of public accountancy.

9 SEC. 18. Section 5093 is added to the Business and  
10 Professions Code, to read:

11 5093. (a) To qualify for the certified public accountant  
12 license, an applicant who is applying under this section shall meet  
13 the education, examination, and experience requirements  
14 specified in subdivisions (b), (c), and (d) of this section. The board  
15 may adopt regulations as necessary to implement this section.

16 (b) (1) An applicant for admission to the certified public  
17 accountant examination under the provisions of this section shall  
18 present satisfactory evidence that the applicant has completed a  
19 baccalaureate or higher degree conferred by a college or  
20 university, meeting, at a minimum, the standards described in  
21 Section 5094, the total educational program to include a minimum  
22 of 24 semester units in accounting subjects and 24 semester units  
23 in business related subjects. This evidence shall be provided at the  
24 time of application for admission to the examination, *except that*  
25 *an applicant who passed the examination before December 31,*  
26 *2001, may provide this evidence at the time of application for*  
27 *licensure provided the applicant applies and qualifies for licensure*  
28 *before January 1, 2006.*

29 (2) An applicant for issuance of the certified public accountant  
30 license under the provision of this section shall present satisfactory  
31 evidence that the applicant has completed at least 150 semester  
32 units of college education including a baccalaureate or higher  
33 degree conferred by a college or university, meeting, at a  
34 minimum, the standards described in Section 5094, the total  
35 educational program to include a minimum of 24 semester units  
36 in accounting subjects and 24 semester units in business related  
37 subjects. This evidence shall be presented at the time of application  
38 for the certified public accountant license.

39 (c) An applicant for the certified public accountant license shall  
40 pass an examination in accounting, auditing, and other subjects the



1 board deems appropriate. An applicant who fails this examination  
2 has the right to reexamination. During the time this examination  
3 is a written, paper and pencil examination, the applicant shall pass  
4 the examination in accordance with the requirements of  
5 paragraphs (1) and (2) of this subdivision.

6 (1) If at a given sitting of the examination an applicant passes  
7 two or more subjects, but does not pass all subjects, the applicant  
8 shall be given conditional credit for those subjects and the  
9 applicant does not need to sit for reexamination in those subjects,  
10 provided that:

11 (A) At that sitting the applicant sat for all subjects for which the  
12 applicant does not have credit.

13 (B) The applicant attained a minimum standardized score of 50  
14 as determined by the board on each subject taken at that sitting.

15 (2) In order to pass the examination pursuant to the conditional  
16 credit described in paragraph (1), the applicant shall pass the  
17 remaining subjects within six *subsequent* consecutive  
18 examinations given after the one at which the first subjects were  
19 passed.

20 (A) At each subsequent sitting at which the applicant seeks to  
21 pass in any additional subjects, the applicant sits for all subjects for  
22 which the applicant does not have credit.

23 (B) In order to receive credit for passing additional subjects in  
24 any subsequent sitting, the applicant attains a minimum  
25 standardized score of 50 as determined by the board on the subjects  
26 taken at that sitting.

27 The conditional credit period provided in this section may be  
28 extended by the board upon a showing of extraordinary  
29 extenuating circumstances that prevented the applicant from  
30 retaking the examination during this period.

31 (d) The applicant shall show, to the satisfaction of the board,  
32 that the applicant has had one year of qualifying experience. This  
33 experience may include providing any type of service or advice  
34 involving the use of accounting, attest, compilation, management  
35 advisory, financial advisory, tax, or consulting skills. To be  
36 qualifying under this section, experience shall have been  
37 performed in accordance with applicable professional standards.  
38 Experience in public accounting shall be completed under the  
39 supervision or in the employ of a person licensed or otherwise  
40 having comparable authority under the laws of any state or country



1 to engage in the practice of public accountancy. Experience in  
2 private or governmental accounting or auditing shall be completed  
3 under the supervision of an individual licensed by a state to engage  
4 in the practice of public accountancy.

5 SEC. 19. Section 5094 is added to the Business and  
6 Professions Code, to read:

7 5094. (a) In order for education to be qualifying, education  
8 shall meet the standards described in subdivision (b) or (c) of this  
9 section.

10 (b) At a minimum, education must be from a university,  
11 college, or other institution of learning accredited by a regional  
12 institutional accrediting agency included in a list of these agencies  
13 published by the United States Secretary of Education under the  
14 requirements of the Higher Education Act of 1965 as amended (20  
15 U.S.C. Sec. 1001 and following).

16 (c) Education from a college, university, or other institution of  
17 learning located outside the United States may be qualifying  
18 provided it is deemed by the board to be equivalent to education  
19 obtained under subdivision (b). The board may require an  
20 applicant to submit documentation of his or her education to a  
21 credentials evaluation service approved by the board for  
22 evaluation and to cause the results of this evaluation to be reported  
23 to the board in order to assess educational equivalency.

24 (d) The board shall adopt regulations specifying the criteria and  
25 procedures for approval of credential evaluation services. These  
26 regulations shall, at a minimum, require that the credential  
27 evaluation service (1) furnish evaluations directly to the board;,  
28 (2) furnish evaluations written in English; (3) be a member of the  
29 American Association of Collegiate Registrars and Admission  
30 Officers, the National Association of Foreign Student Affairs, or  
31 the National Association of Credential Evaluation Services; (4)  
32 be used by accredited colleges and universities; (5) be reevaluated  
33 by the board every five years; (6) maintain a complete set of  
34 reference materials as specified by the board; (7) base evaluations  
35 only upon authentic, original transcripts and degrees and have a  
36 written procedure for identifying fraudulent transcripts; (8)  
37 include in the evaluation report, for each degree held by the  
38 applicant, the equivalent degree offered in the United States, the  
39 date the degree was granted, the institution granting the degree, an  
40 English translation of the course titles, and the semester unit



1 equivalence for each of the courses; (9) have an appeal procedure  
2 for applicants; and (10) furnish the board with information  
3 concerning the credential evaluation service that includes  
4 biographical information on evaluators and translators, three  
5 letters of references from public or private agencies, statistical  
6 information on the number of applications processed annually for  
7 the past five years, and any additional information the board may  
8 require in order to ascertain that the credential evaluation service  
9 meets the standards set forth in this subdivision and in any  
10 regulations adopted by the board.

11 SEC. 20. Section 5095 is added to the Business and  
12 Professions Code, to read:

13 5095. (a) To be authorized to sign reports on attest  
14 engagements, a licensee shall complete a minimum of 500 hours  
15 of experience, satisfactory to the board, in attest services.

16 (b) To be qualifying under this section, attest experience shall  
17 have been performed in accordance with applicable professional  
18 standards. Experience in public accounting shall be completed  
19 under the supervision or in the employ of a person licensed or  
20 otherwise having comparable authority under the laws of any state  
21 or country to engage in the practice of public accountancy and  
22 provide attest services, and this experience shall be verified.  
23 Experience in private or governmental accounting or auditing  
24 shall be completed under the supervision of an individual licensed  
25 by a state to engage in the practice of public accountancy and  
26 perform attest services, and this experience shall be verified. An  
27 applicant may be required to present work papers or other evidence  
28 substantiating that the applicant has met the requirements of this  
29 section and applicable regulations.

30 (c) An individual who qualified for licensure by meeting the  
31 requirements of Section 5083 shall be deemed to have satisfied the  
32 requirements of this section.

33 (d) The board shall adopt regulations to implement this section,  
34 including, but not limited to, a procedure for applicants under  
35 Section 5092 or Section 5093 to qualify under this section.

36 SEC. 21. This act shall become operative only if Senate Bill  
37 No. 133 of the 2001–02 Regular Session is enacted and becomes  
38 effective on or before January 1, 2002.

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