



CALIFORNIA BOARD OF ACCOUNTANCY

Consumer Protection Through Licensure, Enforcement, and Regulation



A N N U A L R E P O R T

FISCAL YEAR 2024–25



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Dominic Franzella
Executive Officer

MESSAGE FROM THE EXECUTIVE OFFICER

As the Executive Officer of the California Board of Accountancy (CBA), it is my pleasure to present our *Fiscal Year 2024-25 Annual Report*. This report contains an overview of the CBA's accomplishments from the last fiscal year and outlines how we continue to fulfill our consumer protection mission by providing high-quality services to applicants, licensees, and consumers.

CBA-SPONSORED LEGISLATION

The biggest story of the year has been the development of **Assembly Bill (AB) 1175** and its journey through the legislative process. The CBA approved a legislative proposal in the fall of 2024 which was then drafted into AB 1175 and introduced by Assemblymember Jacqui Irwin on February 21, 2025.

AB 1175 seeks to clarify the CPA licensure requirements while removing potential barriers to entry and modernizing mobility. I am pleased with its progress, and the fact that it did not receive a single "nay" vote at any point speaks to the hard work we did in listening to many stakeholders along the way to reach the language everyone could support. I also want to thank the California Society of CPAs (CalCPA) for their strong support of the bill.

2025-29 STRATEGIC PLAN

The CBA collaborated with the Department of Consumer Affairs' (DCA) SOLID Planning Unit to assist with the development of the new objectives for the goals outlined in our **2025-29 Strategic Plan**. This five-year plan was officially adopted at the May 2025 CBA meeting and will guide the CBA's efforts over the coming years. We are working CBA-wide to ensure the 34 objectives are put into action so the plan's goals are ultimately achieved.

With this Strategic Plan taking effect late in the fiscal year, there will be references to both the current (2025-29) and previous (2022-24) Strategic Plans in this Annual Report.

ENFORCEMENT

The Enforcement Program continued to implement case management process improvements to adapt to a continual increase in complaints received. Key enforcement issues addressed by staff include complaints regarding unlicensed activity and internal referrals for failing to comply with continuing education (CE) requirements.

LICENSING

Staff maintained a processing time frame of 30 days or less for all complete examination and licensing applications. The implementation of the new Uniform CPA Examination (CPA Exam) in January 2024 led to a change in the CPA licensure requirements. Because of the duplicative content between the new CPA Exam and Professional Ethics Examination (PETH), the CBA removed this requirement and now requires new licensees to complete a CBA-approved Regulatory Review Course for their first license renewal.

The Licensing Program led the way in the development of AB 1175 and its future rulemaking package, and initiated work on a project to modernize CE requirements.

BUSINESS MODERNIZATION

The digitalization of certain processes continues, as we aim to modernize the way that the CBA operates and give our applicants and licensees additional online options. CBA Connect is now firmly established as the primary tool for license renewals, and as of this year accounting firms are now also able to renew through the online system.

OUTREACH AND SOCIAL MEDIA

Outreach staff had another busy year, combining in-person outreach events with online activities such as webinar presentations and live Q&A sessions. I am proud of the excellent multimedia productions staff create on a regular basis. AB 1175 was (and continues to be) a significant focus of outreach, as we strive to raise awareness of the proposed licensure and mobility changes to those who will be affected.

The past 12 months have been very productive for the CBA. I am looking forward to seeing the eventual passage of AB 1175 and the positive enhancements that will come along with it. And as always, the CBA will continue to develop initiatives over the next year to ensure we are meeting our mission to protect the consumers of California.

Dominic Franzella

Executive Officer



MISSION STATEMENT

To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

VISION STATEMENT

All consumers are well informed and receive quality accounting services from licensees they can trust.

ORGANIZATION

For nearly 125 years, the California Legislature has entrusted the CBA with protecting the public related to the practice of public accountancy in California. The CBA's mission to protect consumers is at the core of the work that is undertaken.

The breadth of the CBA's influence in the regulatory environment stretches beyond California's borders.

The CBA regulates nearly 115,000 licensees, including individuals (certified public accountants and public accountants) and accounting firms (partnerships, corporations, and out-of-state registered accounting firms). CPAs work in a variety of areas, including accounting firms, private industry, government, and academia. CPAs provide services to clients and businesses of all sizes and needs. Many of the accounting firms the CBA regulates have national and international footprints, servicing clients worldwide.

The CBA recognizes the scope of its regulatory influence. The protection of the public shapes the policies, regulations, and enforcement decisions reached by the CBA. Collectively, the three divisions of the CBA—Enforcement, Licensing, and Administration—work to ensure that consumers are protected, and stakeholders receive high-quality customer service.



CALIFORNIA BOARD OF ACCOUNTANCY COMPOSITION

The CBA is composed of 15 members, eight of whom are public members not licensed by the CBA, and seven of whom are licensees of the CBA. The governor appoints four of the public members and all licensee members. The Senate Rules Committee and the Speaker of the Assembly each appoint two public members.

California Board of Accountancy Members



Yen C. Tu
President
Senate Rules Committee
Appointee



Kristian Latta, CPA
Vice President
Governor Appointee



Doug Aguilera, CPA
Secretary/Treasurer
Governor Appointee



Patricia R. Batchelor, CPA
Governor Appointee



Nancy J. Corrigan, CPA
Governor Appointee



Nancy Duong
Governor Appointee



Karriann Farrell Hinds, Esq.
Governor Appointee



Yanira Guzmán
Speaker of the Assembly
Appointee



Tony Lin
Governor Appointee



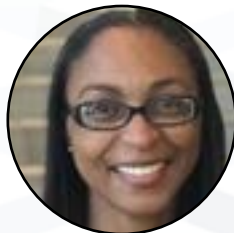
Bruce Raful
Senate Rules Committee
Appointee



Joseph Rosenbaum, CPA
Governor Appointee



Theresa N. Thompson, CPA
Governor Appointee



Evangeline Ward
Governor Appointee

Vacant: Governor Appointee
Vacant: Speaker of the Assembly Appointee





CBA-SPONSORED LEGISLATION TO ENHANCE CPA LICENSURE REQUIREMENTS

The Students Understanding the Requirements to be a CPA (SURE CPA) Project which began in 2023 took major steps forward in fiscal year 2024-25. After discussing the data from Phases 1 and 2 of the SURE CPA Project at the July 2024 CBA meeting, the CBA directed staff to begin incorporating the CPA licensure requirement enhancements and mobility modernization into a legislative proposal (refer to [last year's CBA Annual Report](#) for more specific details).

Staff presented the legislative proposal at the September 2024 CBA meeting, which the CBA approved. The CBA, in collaboration with the CalCPA, worked to identify a legislator to author the bill, and was honored that Assemblymember Jacqui Irwin (D-Thousand Oaks) agreed to introduce the legislation, which became known as [Assembly Bill 1175](#).

Assemblymember Irwin introduced the bill in February. It passed the Assembly in May and is now being deliberated upon in the Senate. Should it become law, AB 1175 would take effect on January 1, 2026, with a 12-month implementation period before the licensure requirement changes become effective on January 1, 2027.

The educational requirements enhancements of the bill would focus on the degree earned instead of a particular number of units, making the pathway to licensure more flexible. Consistent with the 2022-24 Strategic Plan objective to remove artificial barriers to licensure, the bill would eliminate the 150 total unit requirement for entry into the profession that a costly fifth year of school poses, especially within minority communities.

The educational requirements would consist of a bachelor's degree and an accounting concentration of courses. Additional flexibility was added with an advanced degree substituting for one year of general accounting experience, or a CBA-recognized certificate from a community college or extended studies program to substitute for six months of experience. These flexible licensure requirements would create opportunities for a more diverse and skilled workforce to enter the profession and assist in ensuring there are enough CPAs to meet consumer demand.

The mobility provisions of the bill create an open mobility framework instead of relying on the substantial equivalency of each state's licensure requirements. Should the CBA determine a state is not providing proper consumer protection, it is authorized to remove the ability for that state's licensees to practice with no notice in California. This is in addition to the safeguards that were already in place regarding practice privilege for out-of-state licensees.

Through the last half of 2024-25, the CBA engaged in policy discussions to inform a rulemaking package that will eventually help further define and implement AB 1175. The CBA plans to initiate this rulemaking in fiscal year 2025-26.





BUDGET

OVERVIEW

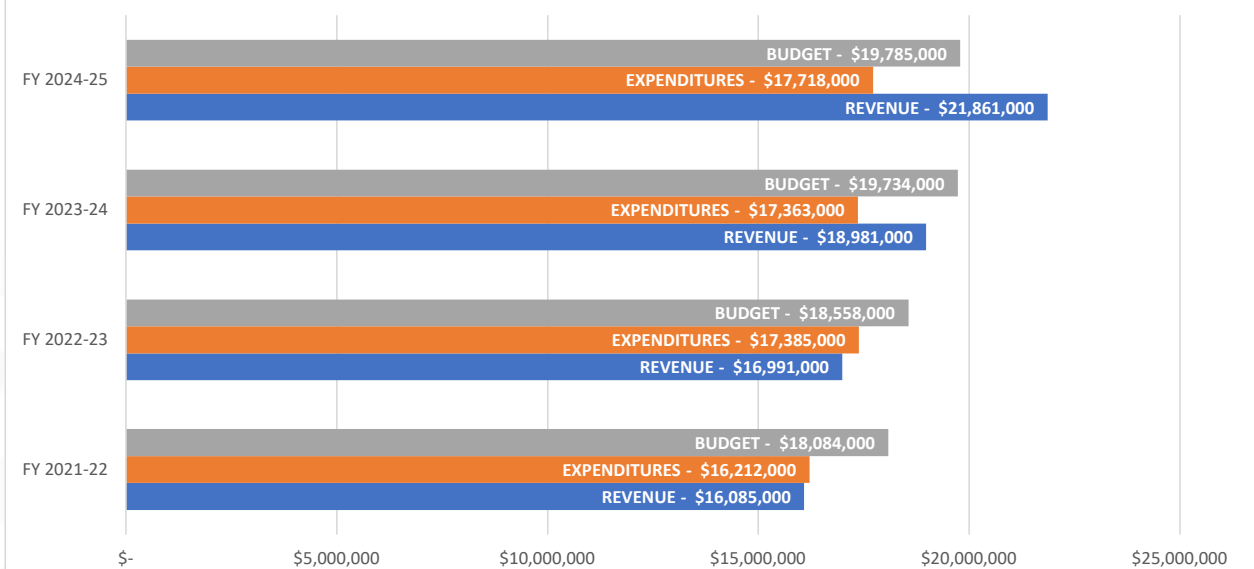
The CBA's statutory mandate and highest priority is to protect the public. To achieve its mission, the CBA operates in a fiscally responsible manner to ensure funds are spent exclusively to support this mandate.

STRATEGIC PLAN HIGHLIGHTS

One of the objectives of the CBA's 2022-24 Strategic Plan under Laws and Regulations was to maintain an appropriate fee structure to support CBA operations. Based on the outcome of a fee analysis of the Accountancy Fund and fee level structure conducted in fiscal year 2022-23, the CBA approved a legislative proposal to increase the application fee for accounting firms and the license renewal and initial license fees for CPAs and accounting firms in a two-step, staggered approach.

Following the passage of Senate Bill 816 (Roth, Chapter 723, Statutes of 2023) the first increase was implemented on July 1, 2024, and the second is scheduled for implementation on July 1, 2026. The need for fee increases was threefold: (1) to align fees more closely with the cost of performing the related service, (2) to eliminate the negative annual cash flow, where authorized expenditures outpace revenues, and (3) to increase the CBA reserve.

CBA BUDGET, EXPENDITURES, AND REVENUE¹

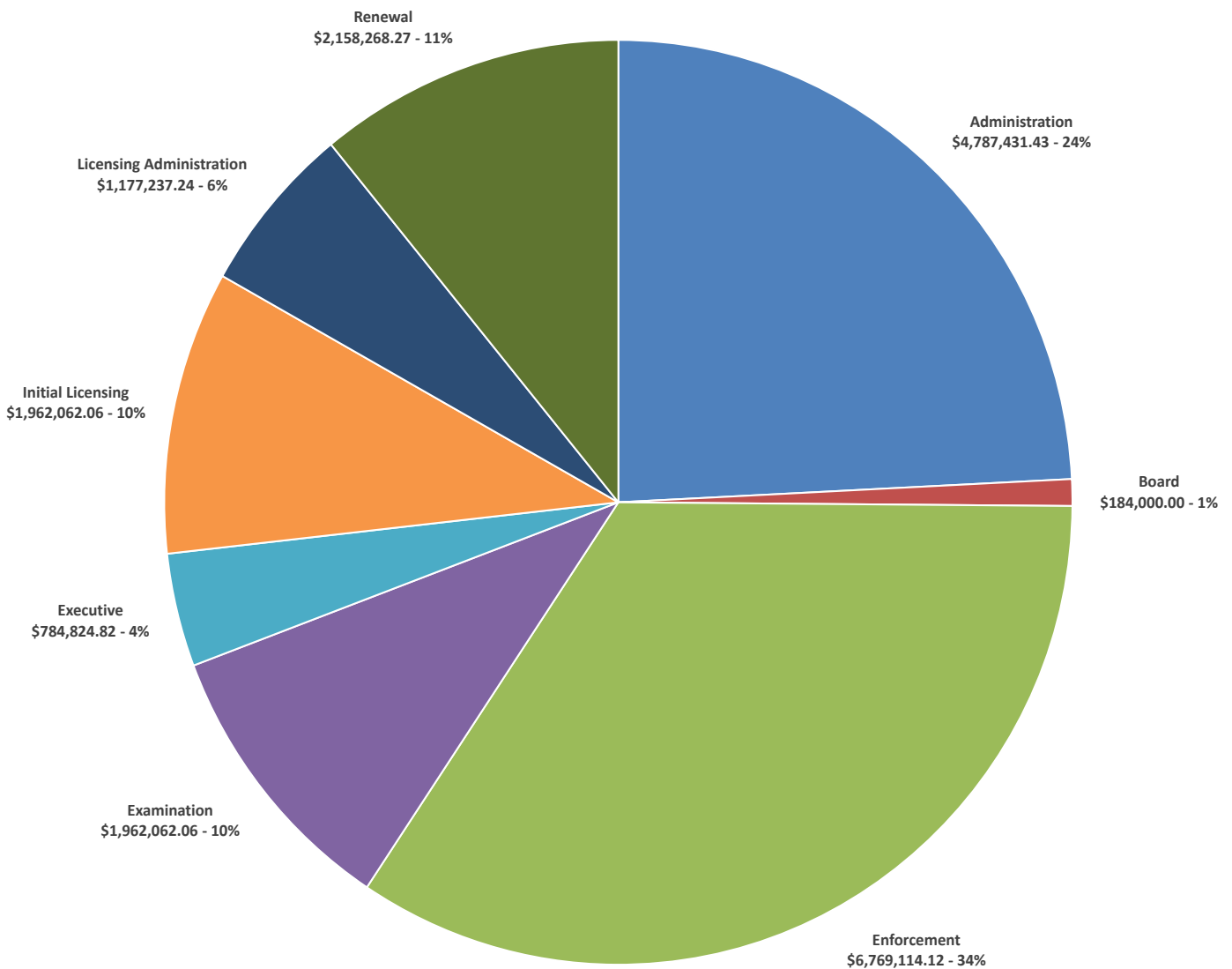


¹ Expenditures are based on fiscal month 13 reports and reflect actual amounts expended. The expenditure amounts shown are not equal to the amounts shown on the fund condition report due to the fund condition displaying both expended and encumbered amounts, minus reimbursements.

BUDGET ALLOCATION

The CBA allocates its budget to various organizational units to best meet its consumer protection mission while also striving to provide the best customer service to its stakeholders. The chart below depicts the organizational units comprising the CBA and their associated funding levels for fiscal year 2024-25.

FY 2024–25 Allocations Total Budget: \$19,785,000



FY 2024–25 Expenditures	
Personnel Services	\$11,612,496
General Expense	\$155,915
Printing	-\$8,572
Communications	\$45,422
Postage	\$87,875
Insurance	\$132
Travel In-State	\$89,554
Travel Out-of-State	\$6,327
Training	\$7,232
Facilities Operations	\$684,903
Consulting and Professional Services (Internal)	\$758,590
Consulting and Professional Services (External)	\$842,675
California Department of Consumer Affairs Pro Rata	\$3,117,113
Departmental Services	\$42,480
Consolidated Data Centers	\$62,985
Information Technology	\$81,789
Equipment	\$120,930
Special Items of Expense	\$10,557
Total Expenditures	\$17,718,403¹

¹ Total expenditures are based on fiscal month 13 reports and reflect actual amounts expended not including encumbrances.

RESERVE LEVEL

At the end of 2024-25, the CBA's reserve level stood at \$24,665,000, which is approximately 14.9 months in reserve. The CBA operates within its legislatively established budget and ensures spending does not exceed its authorized amount. At the end of each fiscal year, the CBA will revert any unspent monies to its reserve.

Fund Condition Statement (Dollars in Thousands)		
	FY 2023-24	FY 2024-25
Beginning Balance	\$10,914	\$21,147
Prior Year Adjustments	\$91	\$410
Adjusted Beginning Balance	\$11,005	\$21,557
Revenues	\$17,927	\$20,749
Interest Income Revenue	\$850	\$1,113
Accrued Interest, Loans to General Fund	\$204	N/A
Loan Repayment from General Fund	\$10,000	N/A
Total Revenue and Transfers	\$28,981	\$21,862
Budget Authority	\$19,734	\$19,785
Actual Expenditures	\$17,428	\$17,519 ¹
Disbursements to Other State Agencies	\$1,411	\$1,235
Fund Balance	\$21,147	\$24,665
Months in Reserve	13.5	14.9

¹ This total includes expenditures of \$17,718,403 plus encumbrances of \$188,728, minus reimbursements of \$388,000. Reimbursements: Money that was refunded or reimbursed to the CBA, reducing the total expenditures.



ON THE HORIZON

The CBA implemented the first step of its fee increase on July 1, 2024. The second step of the fee increase is scheduled to take effect on July 1, 2026.

The 2024 Budget Act and Budget Letter 24-10 provides the Department of Finance a directive to 1) reduce departmental budgets by 7.95% in 2024-25 and ongoing, and 2) reduce departmental budgets to capture savings related to vacant positions that will be permanently eliminated beginning in fiscal year 2025-26. Although the CBA's budget was reduced and positions were eliminated, the CBA ended 2024-25 with an approximate \$2 million reversion. This reflects the CBA's work to be positive stewards of CBA resources.

ADDITIONAL RESOURCES

To keep CBA members and stakeholders apprised of the CBA's fiscal standing, a budget report is presented during CBA meetings. The information includes revenues, expenditures, year-end projections, and the Accountancy Fund status. The budget information for CBA meetings is posted on the website. The presentation on the CBA's budget can be viewed live during the meeting webcast or on demand on the [Previous Meetings](#) page of the CBA website.

For additional transparency, a report on the CBA's budget is provided annually in the summer issue of the *UPDATE* publication. This report contains budget allocation information for the recently concluded fiscal year. Additional information can be found in prior annual reports on the CBA website by clicking [CBA Reports](#) under the Communications and Outreach tab.







OUTREACH ACTIVITIES

OVERVIEW

The CBA is committed to its mission of consumer protection and vision of promoting public trust in the accountancy profession. Through strategically aligned outreach efforts, the CBA endeavors to position itself as a reliable authority, fostering confidence and integrity among all stakeholders. The CBA strives to be viewed as a trusted, supportive, and credible organization dedicated to ensuring high standards in the profession. Each year, the CBA approves an **Outreach Plan** to guide staff in its outreach planning, with the latest version being approved at the January 2025 CBA meeting. This fiscal year, the CBA rebranded its “communications and outreach” efforts to simply “outreach.”

STRATEGIC PLAN HIGHLIGHTS

The Outreach goal of both the 2022-24 and 2025-29 CBA Strategic Plans is to provide outreach to reach a wide audience, grow audience diversity, and increase consumer protection. This was accomplished through a variety of methods this year.

New pages were added to the CBA website to inform stakeholders about AB 1175, the **CBA-Sponsored Legislation**, and assistance available to those impacted by the **Los Angeles wildfires**. Communications surrounding AB 1175 were a major focus of this year. Outreach events were held in person and virtually, and social media continued to grow and expand the CBA's reach. Multimedia productions, such as videos and infographics, further educated consumers, applicants, and licensees about many topics.

For the first time, episodes of the Accounting for California Podcast were also featured in video. News releases and other materials were translated into languages other than English. Staff went live on social media monthly to answer stakeholder questions with a new CBA Live campaign.

The CBA celebrated Consumer Protection Week in March with a full week of social media activity. Every day a different video highlighted another way the CBA is here to help consumers.

2025-29 STRATEGIC PLAN

To help shape its long-term goals and strengthen its commitment to consumer protection, the CBA collaborates with DCA's SOLID Planning Solutions every few years to create a Strategic Plan that steers the agency's priorities and initiatives. The CBA entered the latest strategic planning cycle this year with SOLID gathering internal and external stakeholder input through interviews and surveys that were used to create an “environmental scan.” The results were presented during a Strategic Planning Workshop at the November 2024 CBA meeting. Based on feedback, staff drafted the **2025–29 Strategic Plan**, which was finalized and approved at the May 2025 CBA meeting.

The plan outlines seven key goals in Enforcement, Licensing, Customer Service, Outreach, and other units across the CBA, each supported by measurable objectives aimed at improving CBA's programs and operations. The full plan is available to the public and posted on the CBA website.

OUTREACH EVENTS

The CBA provided a combination of in-person and virtual outreach events in the last fiscal year on college campuses and online. By tapping into the benefits of both styles of events, the CBA maximized participation and availability. Many outreach events were branded as “Your CPA Roadmap,” which generally consisted of a CBA member(s) presenting about the Role of the CBA and Value of a CPA License, and staff discussing the Requirements for Examination and Licensure and the Application Process, and rounded out by a Q&A session.

September 2024

University of California, San Diego Extended Studies

Vice President Yen C. Tu and CBA Member Doug Aguilera, CPA, joined staff at University of California, San Diego Extended Studies on September 18 to deliver the CBA’s “Your CPA Roadmap” presentation. The CBA was joined by a representative from the CalCPA at the event.



David Hemphill, Information and Planning Officer, presenting to the students at University of California, San Diego Extended Studies.



CBA President Yen C. Tu presenting at University of California, San Diego Extended Studies.

California State University, San Marcos

Another “Your CPA Roadmap” presentation took place the following day at California State University, San Marcos in conjunction with the September CBA meeting which happened on campus. CBA Member Nancy J. Corrigan, CPA, and Secretary/Treasurer Kristian Latta, CPA, gave the presentations, followed by a Member Meet & Mingle session for students to interact informally with CBA members. Staff conducted transcript reviews with many grateful students at this event.



California State University, San Marcos event flyer for the “Your CPA Roadmap” presentation.



Member Meet and Mingle session with students from California State University, San Marcos.



Students attending Your CPA Roadmap at California State University, San Marcos.

October 2024

California State University, East Bay

Staff delivered the “Your CPA Roadmap” presentation virtually for California State University, East Bay students on October 10.

Roseville Joint Union High School District Career Fair

The CBA hosted a table at a career fair organized by the Roseville Joint Union High School District attended by students from six area high schools on October 16. The young people learned about a career in accounting, and some of the benefits they could receive by becoming a CPA. Materials created for the event included a superhero-themed sign and trading cards spotlighting different CBA members.

Selma Community Resource Fair

The CBA hosted a table at a resource fair aimed at local seniors organized by Assemblymember Dr. Joaquin Arambula in Selma on October 24. Staff provided consumer assistance resources to the attendees.



CBA staff handing out flyers at the Selma Community Resource Fair

November 2024

Two-Year Bridge Symposium

Staff provided a virtual presentation at the Two-Year Bridge Symposium on November 8 hosted by CalCPA and the American Accounting Association for community college students from a variety of ethnic backgrounds.

Buljan Middle School Career Fair

The CBA joined another career fair on November 14, this time at Buljan Middle School in Roseville, providing information about a career in accounting and encouraging young students to consider

becoming a CPA. The event featured a scavenger hunt for the students, so they were very engaged and asking questions about the CPA profession. CBA trading cards were once again a coveted collector’s item.

CalCPA Annual Student Night

The San Joaquin Chapter of CalCPA hosted their annual Student Night in Manteca on November 20, and staff attended to answer questions on the current examination and CPA licensure requirements in the “speed-mentoring” style and educate the students about the recently approved legislative proposal that would later become AB 1175. Additional staff performed transcript reviews with the students.

December 2024

CPAcon

The inaugural CPAcon event took place on December 3 in Los Angeles. The CBA sent a team of representatives to be part of this unique event full of games and activities. Vice President Kristian Latta, CPA, participated in a panel discussion, and the CBA also hosted a booth and distributed informational resources.



Careers in Accounting Panel at the 2024 CPAcon in Los Angeles.



Kathy A. Johnson, CPA, Enforcement Advisory Committee Chair and Kristian Latta, CPA, at the 2024 CPAcon.

February 2025

CalCPA's CPA Day at the Capitol

CBA Executive Officer Dominic Franzella participated in CalCPA's annual CPA Day at the Capitol on February 5. The free event was held in Sacramento to initiate CalCPA's advocacy efforts for the upcoming legislative year.

University of California, Berkeley

The first "Your CPA Roadmap" presentation of 2025 took place in person at the Haas School of Business at the University of California, Berkeley on February 21, the day AB 1175 was officially introduced in the Legislature. Qualifications Committee Chair Jeffrey Moline, CPA, and staff gave the presentations to a large group of highly engaged students.



Students from University of California, Berkeley during the "Your CPA Roadmap" presentation.

California State University, Northridge

The CBA held a virtual "Your CPA Roadmap" event for California State University, Northridge students on February 28 featuring CBA Member Theresa N. Thompson, CPA, alongside CBA staff giving the presentations.

April 2025

Cordova Senior Info Fair

Staff hosted a booth at the Cordova Recreation & Park District's Senior Info Fair in Rancho Cordova on April 30. Over 200 seniors attended and were actively interested in topics such as preventing elder financial abuse and how to select a trustworthy CPA.

May 2025

California State University, San Bernadino Spring Banquet 2025

The CBA was invited back for the annual Spring Banquet at California State University, San Bernardino on May 8 to give the "Your CPA Roadmap" presentation. CBA Member Nancy J. Corrigan, CPA, and staff spoke to over 100 students and faculty members, along with representatives from local firms. Transcript reviews were conducted by Licensing staff.



Students from California State University, San Bernadino, engaging in transcript review with CBA staff.



CBA Member Nancy J. Corrigan, CPA, presenting to students at the California State University, San Bernadino Spring Banquet 2025.



California State University, San Bernadino campus Coyote statue.



California State University, San Bernadino Spring Banquet room.

CalCPA's Candidate Town Hall

The CBA also presented at the CalCPA's virtual Candidate Town Hall on May 8, giving details about the requirements for examination and CPA licensure.

SOCIAL MEDIA

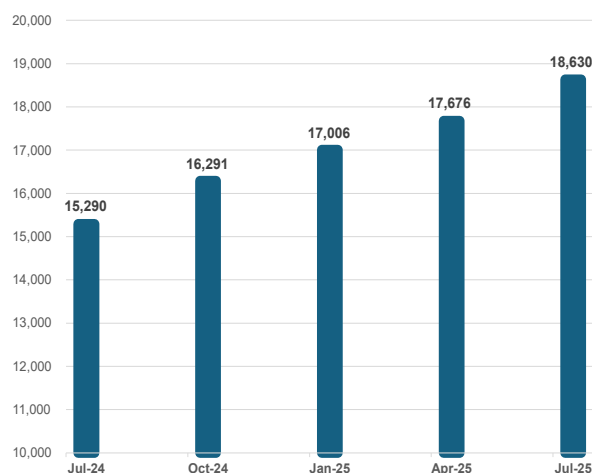
This year marked a new peak in CBA social media success with a substantial increase in engagement and a broader overall reach. A staggering 4,000 individuals began following the CBA over the last 12 months, a significant 27% overall increase.

LinkedIn continues to be the CBA's most followed social media platform, with a 62% increase in followers since the beginning of the fiscal year, a gain of 3,365 followers. LinkedIn has also steadily increased engagement with the top post recording 16,578 impressions.

The CBA's newest social media platform, Instagram, has also had a significant increase in followers with a gain of 328 followers this fiscal year, a 267% increase! The CBA's other social media platforms, X and Facebook, both reflected at least a 3% gain in followers.

The CBA's strategic social media communication strategies around AB 1175 further strengthened online presence, demonstrating the vital role these platforms play in providing key updates and mobilizing stakeholders.

CBA Total Social Media Followers



MULTIMEDIA

Videos continued to be a priority over the last year, following feedback from stakeholders that this was one of their most desired formats in which to receive information. A total of 20 new videos were created, a slight increase from last year.

A recap video was produced following each

CBA meeting featuring Information and Planning Officer David Hemphill highlighting the major topics discussed. These newsreel-style videos are generally released the week following the meeting.

Full videos of outreach events were uploaded to the [videos page](#) of the CBA website, as well as the CBA Live webinar series, introduced in April 2025, to allow for those who were unable to watch the events live the opportunity to watch on demand on their own schedule. The video versions of three episodes of the Accounting for California Podcast are viewable on the page as well as all of the other videos produced over the year, many of which were videos created to keep stakeholders informed about the licensure requirement changes proposed by [AB 1175](#).

ON THE HORIZON

When AB 1175 does become law, outreach surrounding the bill will grow, as staff are planning an ambitious campaign branded as the 2025-26 Campus Tour. The Tour is designed to deliver presentations to as many colleges and universities as possible focused on how the bill's new licensure requirements will affect current students so they will feel confident in their educational decisions.

Upon the bill's passage another blast of communications will occur to ensure CBA stakeholders are aware of the significant accomplishments and enhancements coming to CPA licensure and mobility.

The CBA will also be increasing its outreach to consumers through presence at in-person events, particularly at senior-focused fairs. Staff is developing a presentation to complement and highlight the resources found on the CBA's [Elder Financial Abuse webpage](#) which can be given to community groups to raise awareness of the issue.

ADDITIONAL RESOURCES

The CBA produced three issues of its UPDATE newsletter during 2024-25, which can be [read](#) or [downloaded](#) on the CBA website under the "Communications and Outreach" tab.

Follow the CBA on any or all of its social media pages: [LinkedIn](#), [X](#), [Instagram](#), [Facebook](#), or [YouTube](#).





ENFORCEMENT ACTIVITIES

OVERVIEW

The Enforcement Program's primary responsibility is to oversee the enforcement of California laws and rules governing the practice of public accountancy. It does this by:

- Conducting complex investigations regarding practice issues that require the expertise of a licensed CPA.
- Conducting investigations for administrative violations and unlicensed activity.
- Issuing citations and fines for violations that do not rise to the level of discipline.
- Filing accusations and imposing discipline.
- Assigning and monitoring referrals to the Office of the Attorney General.
- Monitoring licensees on probation.
- Monitoring compliance with the mandatory peer review program.

STRATEGIC PLAN HIGHLIGHTS

The Enforcement Program implemented strategies to enhance its case management best practices which resulted in the effective management of case inventory as illustrated:

- The Enforcement Program closed 5,935 investigations. Staff closed nearly 88% of the investigations within the first six months, and 98% within one year.
- The average number of days to complete the entire enforcement process for cases not transmitted to the Attorney General decreased from 108 to 87 (including intake and investigation).
- The overall inventory of pending cases at the end of fiscal year 2024-25 was 442. This represents a 70% decrease from fiscal year 2023-24.

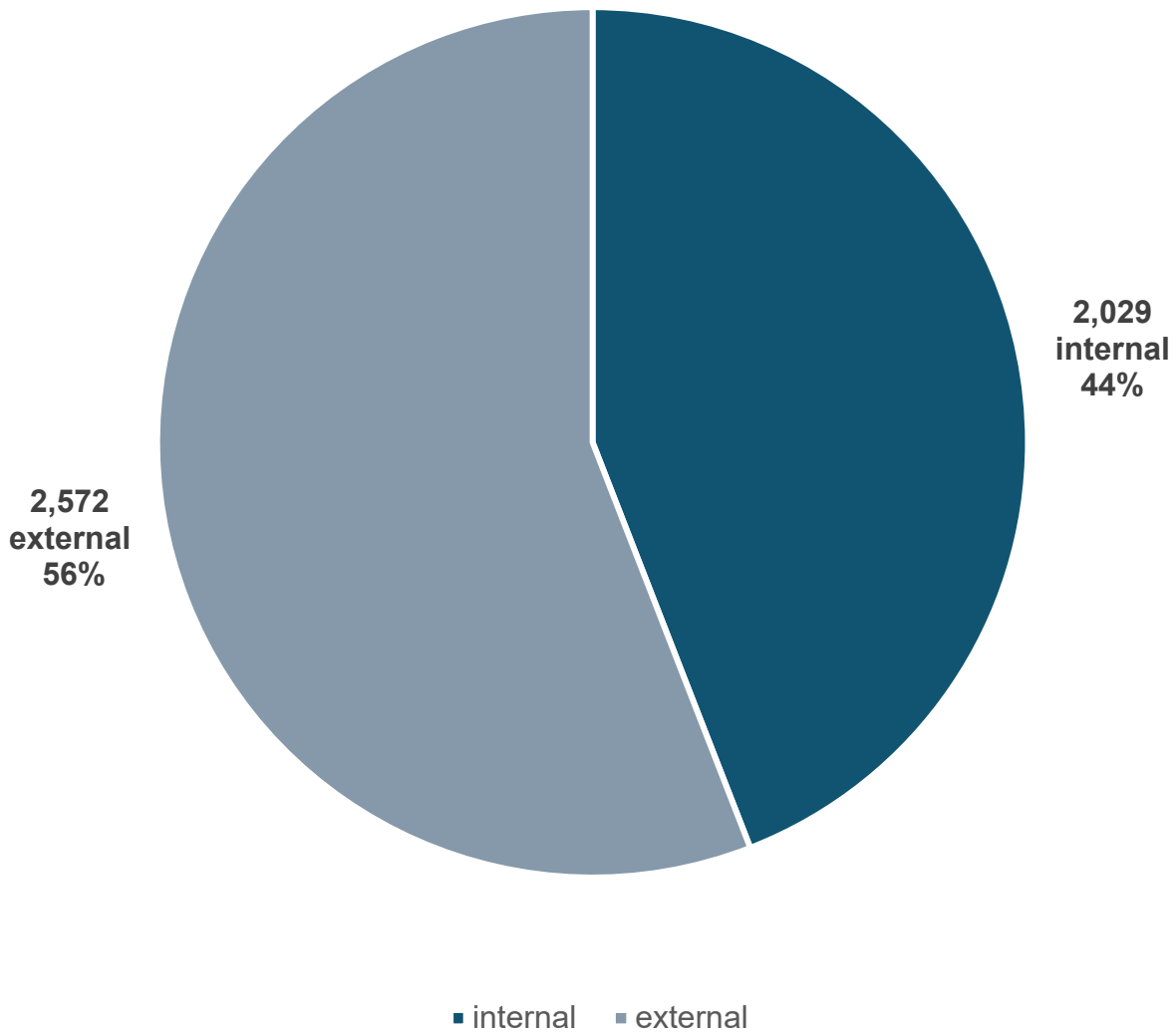
COMPLAINTS RECEIVED

The Enforcement Program receives complaints from consumers, licensees, professional societies, law enforcement, other government agencies, and internal referrals.

Internal referrals from the Licensing Program include various renewal deficiencies related to CE, discrepancies in peer review reporting, and conviction and subsequent arrest notifications.

The number of external complaints received decreased by 29%. Of the total complaints submitted, 37% are primarily related to individuals that do not have an active CPA license issued in California who may be holding out as a CPA on a specific social media platform.

4,601 Complaints Received



INVESTIGATIONS

The Enforcement Program opened 4,601 cases and closed 5,935 cases in 2024-25. The average time to close an investigation was 87 days, which is a 19% decrease compared to the prior fiscal year. The decrease in average days to close is primarily attributed to process improvements including streamlined reports for administrative violations, and updated communications associated with administrative violations designed to obtain compliance in a timely manner.

Investigations	FY 2023–24	FY 2024–25
Investigations Opened	5,842	4,601
Investigations Closed	6,518	5,935
Average Days to Close for All Investigation Outcomes	108	87

WORKING WITH THE OFFICE OF THE ATTORNEY GENERAL

The Enforcement Program referred 26 cases to the Attorney General's Office. The number of cases pending at the Attorney General's Office decreased from 30 cases in 2023-24 to 25 cases in 2024-25.

Office of the Attorney General/Disciplinary Actions	FY 2023–24	FY 2024–25
Cases Opened/Initiated	46	26
Cases Pending (AG Pre & Post Filing)	30	25

DISCIPLINARY ACTIONS

The CBA took action on 28 matters in 2024-25, the majority of which were through stipulated settlements.

Disciplinary Actions	FY 2023–23	FY 2024–25
Stipulations	19	21
Proposed Decisions	8	3
Default Decisions	9	4
Total	36	28

CITATIONS

The CBA uses its citation and fine authority for violations that do not rise to the level of discipline and as a mechanism to gain compliance from licensees. In 2024–25, the CBA issued 2,004 citations. The top three violations included:

- **California Code of Regulations section 87(a)(1) (20/12 CE requirement).**³
- **California Code of Regulations section 52 (Response to CBA inquiry).**
- **Business and Professions Code section 5050(a) (Practice without a permit).**

UNLICENSED ACTIVITY

The CBA actively investigates unlicensed matters from both consumer complaints and internally identified matters on CPAs or accountancy firms operating with an expired license, individuals without a CPA license, and unregistered accounting firms. Generally, the Enforcement Program is able to obtain compliance from individuals but does issue citations or refer matters to local law enforcement when warranted.

The number of complaints received in the area of unlicensed activity decreased by 23%, from 2,431 complaints received during 2023-24 to 1,864 complaints received during 2024-25. The investigations pending was 48, which is an 89% decrease compared to the prior fiscal year. The Enforcement Program closed 2,427 unlicensed complaints during 2024-25. These complaints primarily involved individuals advertising as a CPA on a specific social media platform.

Unlicensed Activity	FY 2023–24	FY 2024–25
Complaints Received	2,431	1,864
Investigations Pending	456	48

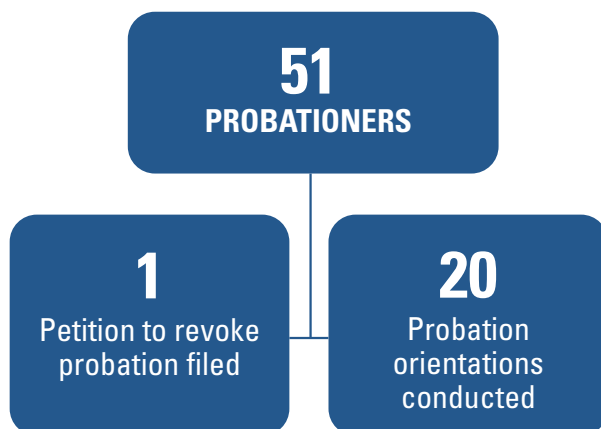
Unlicensed Activity Outcomes	FY 2023–24	FY 2024–25
Citations Issued	57	26
Closed for Compliance	3,194	2,399
Referred to District Attorney/ Local Law Enforcement	2	2
Total	3,253	2,427

³The citations issued were for licensees who failed to complete a minimum of 20 hours of CE in each year of their two-year license renewal period (with a minimum of 12 hours in technical subject matter). This regulation is commonly referred to as the “20/12 requirement.”



PROBATION MONITORING

Probation monitoring is an essential component of the CBA's consumer protection mission. Its purpose is to safeguard the public and support the rehabilitation of a licensee by verifying compliance with the terms outlined in their disciplinary order.



PRACTICE PRIVILEGE REPORTING

This table depicts the enforcement aspects of the CBA's mobility program in these identified areas:

Practice Privilege Reporting	Total
Pre-Notification Forms Received	0
U.S. Securities and Exchange Commission Discipline Identified	8
Public Company Accounting Oversight Board Discipline Identified	12
Out-of-State Accounting Firms That Reported Other Discipline	4
External Complaints Against Practice Privilege Holders	20

ENFORCEMENT PERFORMANCE MEASURES

The CBA met four of DCA's five Enforcement Performance Measure goals in 2024-25. This marks the sixth consecutive year the CBA was successful with meeting at least four of the measures. The highlight of this fiscal year was the CBA's Investigation Cycle Time decreasing to 87 days. This is down from the 108 days measured in 2023-24.

The one goal that was not met was the Formal Discipline Performance Measure, with the average number of days rising from 515 last year to 621 this year. The measure calculates the average number of days to complete the entire enforcement process from the date the complaint was received until the effective date of the final discipline. The total of 621 days was affected by processes outside of the CBA's control, such as the scheduling of hearings.

Enforcement Performance Measures	Target	Result
Number of Complaints and Convictions Received	N/A	4,601
Number of Complaints Closed or Assigned to an Investigator	N/A	4,601
Average Number of Days from Complaint Receipt to the Date the Complaint Was Closed or Assigned to an Investigator	10	1
Number of Investigations Closed (Not Including Cases Transmitted to the Attorney General)	N/A	5,935
Average Number of Days to Complete the Entire Enforcement Process for Cases Not Transmitted to the Attorney General (Includes Intake and Investigation)	180	87
Number of Cases Closed After Transmission to the Attorney General for Formal Disciplinary Action (Including Formal Discipline and Closures Without Formal Discipline, e.g., Withdrawals, Dismissals, etc.)	N/A	31
Average Number of Days of Cases Closed After Transmission to the Attorney General for Formal Disciplinary Action (Including Formal Discipline and Closures Without Formal Discipline, e.g., Withdrawals, Dismissals, etc.)	540	621
Number of New Probation Cases	N/A	20
Average Number of Days from the Date a Violation of Probation is Reported to the Date the Assigned Monitor Initiates Appropriate Action	15	1

ON THE HORIZON

Consistent with its mission of consumer protection, the Enforcement Program is enhancing its efforts through initiatives that target unlicensed activity, improve case investigation processes, and expand the role of the Enforcement Advisory Committee in complex and specialized cases.

In support of business modernization, the Enforcement Program is advancing the development of a new case management system to improve workflow efficiency and reduce case resolution timelines.

ADDITIONAL RESOURCES

The CBA offers an online complaint tool that allows consumers to submit a complaint and upload supporting documentation. It can be found on the CBA website under the **Consumers** tab.







LICENSING ACTIVITIES

OVERVIEW

The Licensing Division's primary charge in meeting the CBA's consumer protection mission is to regulate entry and continuing practice in the profession by ensuring that only those who are qualified are licensed to practice public accountancy. Its three units—Examination, Initial Licensing, and Renewal and Continuing Competency—act as gatekeepers for the profession by ensuring:

- Applicants meet education requirements prior to taking the CPA Exam.
- Applicants for licensure meet the examination, education, and experience requirements necessary for CPA licensure.
- Accountancy partnerships and corporations are appropriately registered.
- Applicants for renewal maintain currency of knowledge.
- Out-of-state registered accounting firms that intend to perform specified accounting services for entities headquartered in California meet the minimum registration requirements.

The CBA maintains a 30-day processing target for its applications. The CBA reports this target time frame to the Governor's Office and the California Legislature as part of performance-based budgeting requirements. The CBA met the 30-day processing target for complete applications in fiscal year 2024-25.

STRATEGIC PLAN HIGHLIGHTS

The implementation of the updated CPA Exam that launched on January 10, 2024, created a duplication of content in the PETH Exam. In support of the of the 2022-24 Strategic Plan objective to remove artificial barriers to licensure, as of July 1, 2024, the CBA no longer requires applicants to complete the PETH Exam for issuance of a CPA license. As part of this change, the CBA modified regulations to require newly-licensed CPAs complete a CBA-approved Regulatory Review Course for their first license renewal.

In support of the 2022–24 and 2025-29 Strategic Plans, the Licensing Program continued to work collaboratively with CBA Information Technology and DCA Office of Information Services staff to make enhancements and refinements to the online license renewal application program, CBA Connect,

that was launched in April 2022. In July 2024, the CBA successfully added the functionality for accounting firms to renew their license in the CBA Connect system. CBA Connect already included the functionality for CPAs to renew their license online. In November 2024, the CBA transitioned to using postcards to mail reminders to licensees to renew their license using CBA Connect.

Consideration of the CPA Experience Requirement Taskforce

In fiscal year 2022-23, the CBA formed a taskforce to evaluate the present attest experience requirement necessity. The taskforce, titled Consideration of the CPA Experience Requirement Taskforce (CERT), consisted of four CBA members, and one member representing each of the following: the accounting profession,

academia, consumers, the National Association of State Boards of Accountancy (NASBA), and a CBA advisory committee member with a license obtained with general accounting experience.

While the CERT did find the current attest experience requirement to be necessary and sufficient for the protection of consumers, it did make the following three recommendations for improvement that were supported by the CBA:

- Increase notification to clients when a firm is performing attest engagements, and the firm owner does not have the authority to sign reports on attest engagements. Also, increase peer review notification and professional responsibility through enforcement actions.
- Create a pathway to allow accounting firm owners who do not have the authority to sign reports on attest engagements to obtain the qualifying experience necessary to be granted authority to sign reports on attest engagements.
- Explore how current regulations may be amended to more thoroughly define reciprocity requirements for attest applicants.

The 2025-29 Strategic Plan includes a goal to implement the CBA-approved recommendations from the CERT. In support of this goal, the CBA has accomplished the following:

- In fiscal year 2023-24, the CBA initiated a rulemaking to address client notification when a firm is performing attest engagements, and the firm owner does not have the authority to sign reports on attest engagements. The regulatory amendments will become effective October 1, 2025.
- The CBA has discussed and supported a pathway that would allow accounting firm owners who do not have the authority to sign reports on attest engagements to obtain the qualifying experience necessary to do so. This pathway would require a regulatory change.

It is anticipated that the CBA will be presented with regulatory language at its September 2025 meeting to initiate the rulemaking process to provide clarity on the reciprocity requirements for attest applicants.

Modernize Continuing Education Requirements

In support of the 2025-29 Strategic Plan objective to modernize CE requirements, the CBA appointed CBA Members Doug Aguilera, CPA, and Patricia R. Batchelor, CPA, to form a CE Workgroup and to work with staff to review and propose changes to the current CE regulations. Proposed changes from the working group were presented to and discussed by the CBA. The CBA will continue to discuss options to modernize mobility and determine what options might require regulatory changes or legislation.

APPLICATIONS APPROVED FOR THE CPA EXAM

This table is an overview of the first-time and repeat application volume for the CPA Exam.

Examination Summary				
Application Type	FY 2023-24		FY 2024-25	
	Received	Approved	Received	Approved
Initial CPA Exam (Early Entry)	880	837	969	898
Initial CPA Exam (Non-Early Entry)	5,959	5,146	5,369	4,096
Total Initial CPA Exam	6,839	5,983	6,338	4,994
Repeat CPA Exam (Early Entry)	714	714	1,005	1,005
Repeat CPA Exam (Non-Early Entry)	18,661	18,661	18,281	18,281
Total Repeat CPA Exam	19,375	19,375	19,286	19,286
Total CPA Exam	26,214	25,358	25,624	24,280



APPLICATION AND LICENSURE STATISTICS

This table is an overview of the application and licensure volume for both individual and accounting firm licenses.

Initial Licensing Summary				
Licensing or Registration	FY 2023-24		FY 2024-25	
	Received	Approved	Received	Approved
CPA	2,995	2,881	3,767	3,384
Accounting Firm—Corporation	261	233	272	267
Accounting Firm—Partnership	41	41	67	65
Accounting Firm—Out-of-State	75	75	65	63
Fictitious Name	87	87	117	108
Total	3,459	3,317	4,288	3,887

LICENSE RENEWALS

CPA licensees are required to renew their licenses biennially, in conjunction with their birth month. Accountancy corporations, partnerships, and out-of-state accounting firms are also required to renew biennially, corresponding with their registration date with the CBA. Additionally, a Fictitious Name Registration holder must renew every five years from the date of issuance.

Renewal Summary		
License or Registration Renewal	FY 2023-24	FY 2024-25
CPA/PA	42,893	45,707
Accounting Firm—Corporation	1,886	1,956
Accounting Firm—Partnership	618	566
Accounting Firm—Out-of-State	168	127
Fictitious Name	271	266
Total	45,836	48,622

License Renewal Review		
	FY 2023-24	FY 2024-25
Total Reviewed	45,540	45,202
Deficient	2,701	2,474
Deficiency Rate	6%	5%

Continuing Education Audits	
	FY 2024-25
Complaint	520
Deficient – Non-Compliant CE Outstanding	11
Deficient – Non-Compliant CE Resolved	77
Enforcement Referral	59
Pending Review/Audit in Process	63
Total Selected	730

Licensing Population				
Licensing Type	Active	Delinquent	Retired	Inactive
CPA/PA	66,662	14,949	5,615	21,221
Accounting Firm (Corporation, Partnership, Out-of-State)	6,083	1,568	N/A	N/A
Fictitious Name	1,231	25	N/A	N/A
Total	73,976	16,542	5,615	21,221

ON THE HORIZON

The CBA will continue to focus on the goals and objectives of its 2025-29 Strategic Plan. The primary focus in the Licensing Program remains the efficient processing of applications. The CBA will continue exploring methods that incorporate new technology to streamline processes, create efficiencies, and leverage resources to quickly process applications and assist applicants on their pathway to licensure. Further, the CBA will continue to work on implementing statutory and regulatory changes to enhance licensure requirements and modernize mobility and CE.

ADDITIONAL RESOURCES

The [CBA website](#) contains significant resources for applicants and licensees including:

- [Exam Quick Tips](#), [Licensing Quick Tips](#), and [Educational Requirements for CPA Licensure Tip Sheet](#).
- Frequently Asked Questions (FAQs) for [examination](#), [licensure](#), and [renewal](#).
- [Informational videos](#) on examination, licensure, and renewal.





ASSISTANCE TO MILITARY AND REFUGEES/ ASYLEES/SPECIAL IMMIGRANT VISA HOLDERS

The CBA is committed to increasing awareness of benefits and improving assisting California military members and provides information on its website focused on assisting the military and their families. The CBA not only includes information to military members, but also to refugees/asylees/special immigrant visa holders regarding available resources, such as priority review and expedited application processing.

The CBA also provides both a military-specific and a refugee/asylee/special immigrant visa holder-specific email address and toll-free telephone number. A military and refugee/asylee/special immigrant visa holder liaison is also appointed. The liaison serves as a primary point of contact and is available to personally assist these applicants and licensees.

Since the implementation of these practices, the CBA has received positive feedback from those using the liaison's assistance. The newly implemented practices have improved our customer service and application processing times for these individuals, and we look forward to continuing to serve them in this manner in the future.

APPLICATIONS APPROVED FOR MILITARY AND REFUGEES/ASYLEES/SPECIAL IMMIGRANT VISA HOLDERS

Applications and Licenses for Military and Refugee				
Application or License Type	FY 2023-24		FY 2024-25	
	Received	Approved	Received	Approved
Initial CPA Exam (Military)	86	86	93	93
Initial CPA License (Military)	38	29	60	47
CPA Renewal (Military)	4	4	9	9
Initial CPA Exam (Refugee)	16	16	29	29
Initial CPA License (Refugee)	3	3	4	4
Total	147	138	195	182

ADDITIONAL RESOURCES

- **Military**—Email militaryinfo@cba.ca.gov or call (833) 992-0577.
- **Refugee/asylee/special immigrant visa holder**—Email refugeeinfo@cba.ca.gov or call (833) 656-2318.





LEGISLATION AND REGULATIONS

OVERVIEW

The CBA's legislative and regulatory programs help ensure California laws support the CBA's consumer protection mission. This is accomplished by:

- Tracking and monitoring the status of bills that may impact the CBA's mission or its operations.
- Developing and maintaining relationships with the Legislature to help ensure the CBA has the resources and policies in place to protect consumers.
- Communicating with the authors of bills of interest to the CBA, inviting those authors to attend CBA meetings, providing them with the CBA's legislative analyses, and expressing willingness to meet and discuss pending legislation.
- Identifying activities that help the CBA effectively engage with the Legislature and appropriately advocate for its position on bills and emerging issues.
- Engaging with stakeholders including DCA, other boards and bureaus, representatives of CalCPA, national accounting firms, and consumer advocates.
- Initiating changes to statutes or regulatory requirements consistent with CBA-approved policy.

STRATEGIC PLAN HIGHLIGHTS

The CBA continues to focus on the Strategic Plan goal of maintaining an active presence with the Legislature through engagement and collaboration regarding legislation that impacts consumer protection and the regulation of the accounting profession. The CBA monitors and takes positions on various legislation related to the CBA's mission and operations.

In 2024, the CBA was focused on the Sunset Review process and the associated AB 3251 (Berman, Chapter 586, Statutes of 2024) which extended the CBA's authority until January 1, 2029, and made several legislative changes to make operational improvements. Another vital piece of legislation was AB 1175, the CBA's sponsored bill to enhance the requirements to obtain CPA licensure and modernize mobility in California.

LEGISLATION

During 2023–24, the CBA was successful in its engagement with the Legislature, DCA, and other stakeholders to advocate for the CBA's position on the following key bills:

Assembly Bill 1175 (Irwin)

CBA Position: Support

Summary: This bill would add, amend, and repeal various Business and Professions Code (BPC) sections to: 1) enhance the requirements to qualify for the CPA Exam and obtain CPA licensure, and 2) modernize practice privilege (mobility) requirements that enable out-of-state licensees to practice in California without obtaining a California license. Established January 1, 2027, as the effective date of the new licensure requirements.

Assembly Bill 3251 (Berman)

CBA Position: Support

Outcome: Chapter 586, Statutes of 2024

Summary: This bill extended the sunset date of the CBA from January 1, 2025, to January 1, 2029. It contained the following provisions:

- Addressed the issue of accounting firms with ownership comprised solely of licensees who are not authorized to sign reports on attest engagements.
- Allowed licensees with a permanent practice restriction to obtain a Retired status license.
- Updated references for educational accreditation agencies consistent with the Code of Federal Regulations.
- Eliminated authority for the Mobility Stakeholder Group because it completed its statutory directives.
- Removed references that require physical mailings to and from the CBA.
- Deleted an outdated and inoperative provision.



REGULATORY CHANGES

The CBA advanced its pending rulemaking packages throughout 2023–24. This table indicates each pending or approved regulatory change:

Title 16 California Code of Regulations/Status	Subject
Approved	
41, 50.1	Firm Responsibilities and Attest Engagement Notification
43, 45	Peer Review Reporting Form
Pending	
98	Disciplinary Guidelines and Model Orders, 11th Edition

ON THE HORIZON

The CBA will be working to implement the updated examination and licensure requirements contained in AB 1175 and is preparing a rulemaking package to carry out the policy directives made by the CBA throughout the past fiscal year. The enhanced licensure requirements would provide greater flexibility for aspiring CPAs and modernize mobility provisions to ensure California consumers have access to the necessary accounting services.

ADDITIONAL RESOURCES

The following legislative and regulatory information is posted on the CBA website:

- [California Accountancy Act](#).
- Current and pending [CBA Regulations](#).
- [Pending Legislation](#) upon which the CBA has taken a position.





INFORMATION TECHNOLOGY

OVERVIEW

The CBA's Information Technology (IT) Unit strives to create and maintain a strong technology foundation for all CBA operations through architecture, hardware, software, and staff support. Further, the CBA's Business Modernization Project efforts look to achieve future automation with various CBA operations.

STRATEGIC PLAN HIGHLIGHTS

The IT Unit will continue its work to achieve the objectives contained in the newly adopted 2025-29 Strategic Plan. The primary objective is to develop and implement a comprehensive application processing and enforcement case management system to modernize CBA operations by improving efficiency and enhancing internal and external user experience. Further, as part of this initiative, the IT Unit will explore options to secure a new software solution to house all CBA-related licensee information to support Business Modernization initiatives and replace the DCA licensee database.

a new enforcement case management system that would complement the Connect platform. This is a multi-year project that will have many milestones in future years.

The IT Unit initiated work on database configurations that would support the transition to accept credit card payments for examination applications, which is expected to occur in late 2025. Other phases include transitioning to a paperless process for examination applications, modernizing the application, and creating a new internal staff interface for the applications.

BUSINESS MODERNIZATION PROJECT

Beginning in early 2025, the CBA worked with DCA IT staff to implement changes to its online license renewal system to postpone license renewal fee payments for individuals impacted by the Los Angeles wildfires. The changes were successfully launched at the end of January.

The CBA began preliminary work on identifying possible software solutions for its Business Modernization Project. The focus was to leverage the current Connect system for examination, licensure, and license renewal processes and have

The IT Unit also focused on ensuring the CBA website was current and met accessibility standards. CBA meeting materials posted to the website were modernized to allow stakeholders to click links on an agenda to be sent directly to the agenda item materials, instead of having to scroll through a lengthy document to find the item they were seeking. Finally, continued IT support was provided to staff and CBA and committee members to ensure they can carry out work to meet the CBA's consumer protection mission.



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