CALIFORNIA BOARD OF ACCOUNTANCY

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NEWS RELEASE

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CALIFORNIA BOARD OF ACCOUNTANCY LAUDS SIGNING OF PEER REVIEW BILL

Governor Schwarzenegger signs AB 138 enhancing consumer protection

SACRAMENTO- Mandatory peer review for accounting firms in California will become law in California on January 1, 2010. Sponsored by the California Board of Accountancy (CBA) and passed by the Legislature, AB 138 (Hayashi) was signed into law by Governor Arnold Schwarzenegger on October 11, 2010.

Under the new law, all California firms providing accounting and auditing services will be required to undergo a periodic peer review. Peer review is a study of a firm's accounting and auditing practice by an independent Certified Public Accountant using professional standards.

"Mandatory peer review is an integral piece in supporting the CBA's mission to protect California consumers, and we are appreciative of Assemblymember Mary Hayashi authoring the measure, the support of the Legislature and the Governor for signing it into law," said Patti Bowers, Executive Officer for the CBA.

The California Board of Accountancy sees the measure as a way to protect consumers in an ever-changing financial climate by keeping accounting firms knowledgeable of current professional standards, thereby promoting consumer confidence in these firms. "AB 138 protects consumers by enhancing the quality of public accounting services in California," explained Bowers. "Mandatory peer review benefits everyone."

The law will take effect January 1, 2010, with the first group of peer review reports due by July 2011.

Created by statute in 1901, the CBA's mandate is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

The CBA currently regulates more than 81,000 licensees, the largest group of licensed accounting professionals in the nation, including individuals, partnerships, and corporations.

For more information on the CBA, please visit www.cba.ca.gov

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