

**CALIFORNIA BOARD OF ACCOUNTANCY**

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NEWS RELEASE

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CONSUMER PROTECTION BILL REQUIRING SCRUTINY OF PUBLIC ACCOUNTING FIRMS MOVES TO THE SENATE

AB 138 receives bi-partisan support in the Assembly

SACRAMENTO- Legislation designed to improve consumer protection by implementing mandatory peer review of accounting firms registered in California will be heard by the Senate Committee on Business Professions and Economic Development, June 29, 2009 at 1:30 p.m. in Room 3191. Garnering strong bi-partisan support, Assembly Bill 138 passed the Assembly 73-6. The peer review bill is sponsored by the California Board of Accountancy, in support of its mission to protect California consumers.

Under Assembly Bill 138, all California firms providing accounting and auditing services will be required to complete 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.

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.

"A.B. 138 protects consumers by enhancing the quality of public accounting services in California," explained Patti Bowers, Executive Officer for the California Board of Accountancy. "Mandatory peer review benefits everyone."

Created by statute in 1901, the Board's mandate is to ensure that only qualified persons and firms are licensed to practice public accountancy and that appropriate standards of competency and practice, including ethics, objectivity, and independence are established and enforced.

AB 138 moves to Senate

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

The text of A.B. 138 is available at: http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0101-0150/ab_138_bill_20090423_amended_asm_v97.html. More information on peer review is available at www.cba.ca.gov

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