

AMENDED IN SENATE JULY 6, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 1260

Introduced by Assembly Member Machado

February 23, 1995

An act to amend ~~Section~~ *Sections 5027 and 5053* of, and to repeal and add Section 5009 to, the Business and Professions Code, relating to accountants.

LEGISLATIVE COUNSEL'S DIGEST

AB 1260, as amended, Machado. State Board of Accountancy: licensees.

Under existing law, the State Board of Accountancy is authorized to prepare a printed register that contains specified information, including an alphabetical list of the names, certificate numbers, business connections and addresses of all certified public accountants whose permits are in full force and effect, an alphabetical list of the names of the partnerships of certified public accountants whose permits are in full force and effect, an alphabetical list of the names, permit numbers, business connections and addresses of all public accountants whose permits are in full force and effect, and an alphabetical list of the partnerships practicing public accountancy whose permits are in full force and effect. This register is required to be mailed to those persons listed, and to other persons or concerns as the board, in its discretion, determines is for the public welfare.

This bill would repeal this provision and instead require the board to compile and maintain, or have compiled and maintained on its behalf, a register of licensees that contains information that the board determines is necessary for the purposes for which the board was established.

Existing law provides that the board must prescribe basic requirements for continuing education.

This bill would specify the continuing education requirements for several categories of licensees.

Under existing law, a person who is not a certified public accountant or public accountant may serve as an employee of, or an assistant to, a certified public accountant or public accountant or partnership composed of certified public accountants or public accountants holding a permit to practice, if the employee or assistant works under the control and supervision of a certified public accountant, or a public accountant authorized to practice public accountancy, or a corporation permitted to continue its practice under its corporate form and arrangement, and if the employee or assistant does not issue any statement over his or her name.

This bill would recast the above provision to authorize those persons to serve as employees of, or assistants to, a corporation composed of certified public accountants or public accountants under the above conditions, if under the control and supervision of a certified public accountant, or a public accountant authorized to practice accountancy.

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. Section 5009 of the Business and
- 2 Professions Code is repealed.
- 3 SEC. 2. Section 5009 is added to the Business and
- 4 Professions Code, to read:
- 5 5009. The board shall compile and maintain, or may
- 6 have compiled and maintained on its behalf, a register of
- 7 licensees that contains information that the board
- 8 determines is necessary for the purposes for which the
- 9 board was established.



1 SEC. 3. *Section 5027 of the Business and Professions*
2 *Code is amended to read:*

3 5027. The board shall by regulation prescribe, amend,
4 or repeal rules including, but not limited to, all of the
5 following:

6 (a) A definition of basic requirements for continuing
7 education.

8 (b) A licensee who plans, directs, or approves any
9 financial or compliance audit report on any
10 governmental agency shall complete a minimum of 24
11 hours of qualifying continuing education in the area of
12 governmental accounting and auditing or related
13 subjects during the two-year license renewal period.

14 ~~(b)~~

15 (c) *A licensee who provides audit, review, or other*
16 *attestation services shall, during the two-year license*
17 *renewal period, complete a minimum of 16 hours of*
18 *qualifying continuing education in the area of accounting*
19 *and auditing related to reporting on financial statements.*

20 (d) *A licensee with a valid permit to practice public*
21 *accountancy shall, within a six-year period, complete a*
22 *continuing education course on the provisions of this*
23 *chapter and the rules of professional conduct.*

24 (e) *A licensee on inactive status shall complete the*
25 *continuing education course required by subdivision (d)*
26 *prior to reentering public practice.*

27 (f) A delineation of qualifying programs for
28 maintaining competency.

29 ~~(e)~~

30 (g) A system of control and *compliance* reporting.

31 In exercising its power under this section, the board
32 shall establish standards which will assure reasonable
33 currency of knowledge as a basis for a high standard of
34 practice by ~~certified public accountants and public~~
35 ~~accountants~~ licensees. The standards shall be established
36 in a manner to assure that a variety of alternatives are
37 available to licensees to comply with the continuing
38 education requirements for renewal of licenses and
39 taking cognizance of ~~specialized areas of practice~~
40 *specialization.*



1 SEC. 4. Section 5053 of the Business and Professions
2 Code is amended to read:

3 5053. Nothing contained in this chapter ~~shall preclude~~
4 *precludes* a person who is not a certified public
5 accountant or public accountant from serving as an
6 employee of, or an assistant to, a certified public
7 accountant or public accountant or partnership or a
8 corporation composed of certified public accountants or
9 public accountants holding a permit to practice pursuant
10 to the provisions of this chapter if the employee or
11 assistant works under the control and supervision of a
12 certified public accountant, or a public accountant
13 authorized to practice public accountancy pursuant to
14 the provisions of this chapter and if the employee or
15 assistant does not issue any statement over his or her
16 name.

17 This section does not apply to an attorney at law in
18 connection with his or her practice.

