

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 984

State and Local Government Committee Substitute Adopted 4/29/99

Short Title: Accountant/CPA Audits.

(Public)

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Sponsors:

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Referred to:

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April 15, 1999

A BILL TO BE ENTITLED

AN ACT AUTHORIZING CERTAIN ACCOUNTANTS AND CERTIFIED PUBLIC ACCOUNTANTS TO ISSUE AUDITS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 93-1(a)(5) reads as rewritten:

" (5) A person is engaged in the "public practice of accountancy" who holds himself or herself out to the public as a certified public accountant or an accountant and in consideration of compensation received or to be received offers to perform or does perform, for other persons, services which involve the auditing or verification of financial transactions, books, accounts, or records, or the preparation, verification or certification of financial, ~~accounting~~ accounting, and related statements intended for publication or renders professional services or assistance in or about any and all matters of principle or detail relating to accounting procedure and systems, or the recording, ~~presentation~~ presentation, or certification and the interpretation of such service through statements and reports. An accountant or certified public accountant who meets the requirements of G.S. 93-12(8c)g. may, in the public practice of accountancy, issue an audit and any review of a financial statement, any compilation of a financial statement, and any agreed upon procedure."

Section 2. G.S. 93-12(8c)f. reads as rewritten:

"f. For purposes of this section, a firm means an entity, individual proprietorship, ~~partnership~~—partnership, or professional association through which one or more certificate—~~holder~~ ~~engages~~ holders or accountants engage in the public practice of accountancy through an office or offices."

Section 3. G.S. 93-12(8c) is amended by adding a new sub-subdivision to read:

"g. An accountant may issue an audit to a qualified client if: (i) the qualified client is one for which the accountant has issued an audit for the years 1997, 1998, or 1999; (ii) the accountant has completed an independent peer review program, established by a recognized professional accounting association deemed acceptable by the Board, of the accounting systems, procedures, and examples of prior reports on or before December 31, 2000, and every three years after that date; (iii) the accountant notifies the Board and provides satisfactory evidence to the Board that he or she has met the requirements of (i) and (ii) of this sub-subdivision prior to December 31, 2000; and (iv) no more than two years has lapsed since the accountant provided an audit to the qualified client."

Section 4. This act is effective when it becomes law.