



OFFICE OF THE GOVERNOR

NEWS RELEASE

PO BOX 004
CONTACT: Jayne O'Connor
(609) 777-2600

TRENTON, NJ 08625
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GOV. CHRISTIE WHITMAN SIGNS BILL EXPANDING TYPES OF ACTIVITIES REQUIRING ACCOUNTING LICENSES

Gov. Christie Whitman today signed the Accountancy Act of 1997 which expands the tasks for which an accounting license is required to include audits, reviews and compilation of financial statements.

"This legislation will make our state laws better reflect the nature of the accounting profession today," Whitman said. "It will better protect the public by expanding the types of accounting functions for which a license is required. And it will help protect the hard-earned reputation of certified public accountants by strengthening the continuing education requirements for CPAs."

The bill, S-2089, which repeals the Public Accounting Act of 1977 and conforms New Jersey law with accounting laws in most states, specifies standards concerning confidential communications and the proper handling of an accountant's working papers. It also increases the continuing education requirement for public accountants from 48 to 120 hours every two years.

In addition, the bill authorizes out-of-state licensees to practice in New Jersey without maintaining a residence, office or affiliation with a firm registered in New Jersey. The purpose of this authorization, as well as other sections of the bill, is to promote uniformity in accounting practices and foster reciprocity on an interstate level, allowing New Jersey CPAs to practice in other states and countries.

Under the law, the State Board of Accountancy is authorized to adopt a Quality Enhancement Program to review the work of public accounting firms to determine whether the work complies with applicable accounting and auditing standards.

The bill was sponsored by Senators Donald T.DiFrancesco (R-Middlesex/Morris/Somerset/ Union) and John "Jack" Casey (D-Burlington/Camden) and Assembly Members Paul DiGaetano (R-Bergen/Essex/Passaic) and Jack Collins (R-Salem/Cumberland/Gloucester).

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