

# Don't expand Sarbanes, accounting groups say

BY JIM FREER

Several top South Florida accounting groups said they will oppose government efforts to require private companies and nonprofit organizations to comply with parts of the Sarbanes-Oxley Act.

The 2002 federal law, passed in the wake of scandals such as Enron and WorldCom, requires public companies to improve their systems for detecting inaccuracies and fraud in their financial reports.

Sarbanes-Oxley permits Congress and state legislatures to extend sections of the law to private companies and nonprofits. But several accounting industry leaders said they will oppose any plans for that expansion.

They said it is unlikely the Legislature will pass a Florida version of Sarbanes-Oxley, but add there is a chance Congress might this year put charitable organiza-

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tions and other nonprofits under some internal control rules similar to those of Sarbanes-Oxley.

The Florida Institute of Certified Public Accountants, whose president-elect is Miami-based Richard Berkowitz, is among accounting groups opposed to those changes.

"Sarbanes-Oxley is about public companies and I do not think its rule should be extended to nonprofits and non-public companies," said Berkowitz, managing partner of Miami-based accounting firm Berkowitz Dick Pollack & Brant.

But Sarbanes-Oxley is raising awareness of the importance of strong internal controls, especially for charitable organizations and other nonprofits, he said.

"Charitable organizations that are run for the benefit of the public and handle donor money have an obligation to have appropriate internal controls and systems," said Berkowitz, who on July 1 will begin a one-year term as FICPA president.

Berkowitz is among accountants who hope the post-Sarbanes focus on controls will lead to closer internal monitoring by nonprofits and a closer watch by state legislatures and regulators – without passage of new laws.

Many nonprofits and private companies are enhancing their internal controls amid

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