

Facilitated State Board Access in Florida Member Frequently Asked Questions

1. What is Facilitated State Board Access (FSBA)?

It is a new process that the American Institute of CPAs (AICPA) has created to help keep up with the evolving changes in the business and regulatory environments and to address the demand for greater peer review transparency. The State of Florida's Board of Accountancy (BOA) is not authorized by law to access peer review results, so the Florida Institute of CPAs (FICPA) participation in FSBA is limited and focuses on the part of the process that will allow us to post peer review documents for access by other states' authorized BOAs, and only those as specifically requested by firms.

2. How does my firm benefit from this new Facilitated State Board Access process?

This new process is intended to create a nationally uniform system through which CPA firms can satisfy state board or licensing body peer review information submission requirements, increase transparency, and retain control over their peer review results. The AICPA and CPA state societies are working together to allow this process to become the primary means by which all State Boards of Accountancy (BOAs) obtain peer review results. Over time, this new process will help to make submission of your firm's peer review information easier.

3. Which firms in Florida will be affected by the FSBA process?

Firms with their main office in Florida that have their peer reviews administered by the FICPA and had their review accepted on or after March 24, 2009 will participate in the FSBA process.

This includes firms that already allow their peer review results to be posted to the existing public file as a condition of membership in the Governmental Audit Quality Center (GAQC), Employee Benefit Plan Audit Quality Center (EBPAQC) or Private Companies Practice Section (PCPS). *Please refer to question #15 in this Q&A for the specific process for these firms.*

4. Will a firm's peer review information be made public as a result of this new process?

No, a firm's peer review information will not be made available to the public as a result of this process. A firm's peer review results will be posted to a secure BOA access-only web site that will only be available to authorized state board representatives.

However, many firms already make their peer review results available as part of their AICPA membership or a Government Accountability Office (GAO) or BOA requirement. In addition, many firms make their peer review results available upon client request as it demonstrates a firm's commitment to quality.

5. Will my firm's peer review information that is posted to the secure BOA web site be shared with others?

That is not the intention of this process; however, each BOA's laws and regulations govern this matter. In addition, due to the Freedom of Information Act (FOIA) legislation that applies in some instances, BOAs may share information with others once they have obtained it.

6. Why Facilitated State Board Access?

After careful evaluation of the various options, stakeholders determined that the best way to address the user demands for greater peer review transparency, while considering member and state CPA society concerns, was to use the existing peer review process to facilitate the voluntary disclosure of peer review results to BOAs. The intent of this new process is to create a nationally uniform system through which CPA firms can satisfy state board peer review information submission requirements, increase transparency, and retain control over their peer review results.

7. When will Facilitated State Board Access be implemented?

Florida began the FSBA process for firms that had their reviews accepted on or after March 24, 2009. Full national implementation occurred throughout 2009 in connection with the acceptance of new peer review reports issued under the revised AICPA *Standards for Performing and Reporting on Peer Reviews (Standards)*.

8. What states are participating in the Facilitated State Board Access program?

Alabama, Colorado, Connecticut, Delaware, The District of Columbia, Florida, Georgia, Guam, Idaho, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Commonwealth of Northern Mariana Islands, New Jersey, New Mexico, Oregon, Pennsylvania, Virginia, Virgin Islands, Washington, West Virginia and Wisconsin. The following states began participating in FSBA in October 2007: North Carolina, Ohio, Oklahoma, South Dakota, Tennessee and Texas. Participation by other states was pending and may have since begun.

9. How will this new process work?

FSBA uses an opt-in process that allows peer review results to be made available to select BOAs on a voluntary firm basis, using a secure, BOA access-only web site that will only be available to authorized state board representatives. In Florida/for firms whose peer review is administered by the FICPA, an additional section is included in the firm's scheduling form through which firms may indicate which authorized BOAs it would like to have access to their peer review results. Peer review documents for all reviews are posted to the FSBA website. Only the authorized BOAs that you indicate on your firm's scheduling form (or separately in writing) may view the results, and if your firm is a member of the AICPA's EPBAQC, GAQC or PCPS, the results are automatically in the Public file. **Access will be limited to only those BOAs participating in the program.**

10. When can I expand access to other BOAs outside of those currently participating?

Firms will be provided with the opportunity to select additional BOAs to receive expanded access. However, access will not be granted until the selected state or states are participating / authorized in the FSBA process.

11. What peer review information will be posted by the Florida Institute of CPAs to the secure BOA web site for firms that do not opt out?

The following documents will be posted, as applicable, to the secure BOA web site. The number of documents posted for each firm can vary based upon the results of the peer review.

- Peer review report
- Letter of comments
- Letter of response
- Acceptance letter
- Letter(s) signed by the reviewed firm indicating that the peer review documents have been accepted with the understanding that the reviewed firm agrees to take certain actions
- Letter notifying the reviewed firm or individual that certain required actions have been completed

12. What if my firm changes its mind and wants to opt out after the information has been posted?

Since Florida does not require peer review for licensure or membership in the FICPA, your peer review results will not be accessible by the Florida BOA because they are not authorized by law. However, if you chose to expand access to other eligible BOAs and change your mind, you may opt out at any time by notifying the FICPA in writing. Once the FICPA has been notified, selected/indicated state BOAs would no longer be indicated. Certain information (which is currently publicly available), however would remain posted to the secure BOA web site. *Please refer to question #13 for more information.*

13. What happens if my firm decides to opt out?

If a firm chooses to have no authorized state BOAs indicated to view their peer review results, certain information (which is currently publicly available) will still be posted to the FSBA web site. The information is available to the public by written or verbal requests as per the AICPA Peer Review Program Standards. This includes:

- The firm's name and address
- The firm's enrollment in the Peer Review Program
- The date of acceptance and the period covered by the firm's most recently accepted peer review
- Whether the firm's enrollment in the program was terminated or dropped.

14. Isn't this an example of how rules imposed on large firms can cascade down to small firms?

No. There is growing demand for increased transparency in all facets of business; this demand is driven by marketplace and regulatory trends that affect firms of all sizes. As of 2009, 46 out of 54 state boards of accountancy either mandate peer review as a condition of licensure or have announced plans to do so, and about half of those states already require some form of submission of peer review information as a condition for renewal of a license.

15. What happens if my firm already allows its peer review results to be posted to the existing public file as a condition of membership in the Governmental Audit Quality Center (GAQC), Employee Benefit Plan Audit Quality Center (EBPAQC) or Private Companies Practice Section (PCPS)?

The results will continue to be posted to the existing public file based on these memberships, and will also be available to be viewed by any authorized BOAs you indicate on your peer review scheduling form, or that you indicate in writing to the FICPA you would like authorized.

16. What if my firm is enrolled in the Center for Public Company Audit Firms (CPCAF) Peer Review Program?

These firms began participation in early 2009.

17. Who do I contact if I have questions?

You may contact Barbara E. Bennett at the FICPA or you can contact Gary Freundlich, CPA, Director of Peer Review at the AICPA at gfreundlich@aicpa.org.