CPA Firm Mobility FAQs:
Public Protection, Peer Review, and Facilitated State Board Access

What is CPA firm mobility? How does it work?

CPA firm mobility allows CPA firms to provide all services (including attest services) across state lines without having to register in each state in which they offer those services. This is an extension of the popular individual mobility initiative that allows individual CPAs to provide services in 52 states and jurisdictions without having to obtain a reciprocal license.

Just as with individual mobility, firms would operate under a "no notice, no fee, no escape" law. While out-of-state firms would not need to provide notice to a state board of accountancy to provide attest services, nor need to register as an out-of-state firm, they would be subject to that board's rules, regulations, and requirements. In this way, CPA firm mobility ensures strong regulatory protections for the public, while eliminating unnecessary compliance costs and fees.

How is the public protected under a CPA firm mobility law?

The public has the exact same protections under a CPA firm mobility law as they do with a law that requires out-of-state firms to register with the state board of accountancy. The board's authority to investigate, fine, or even revoke a practice privilege remains unchanged.

Additionally, state boards of accountancy initiate investigations into potential wrongdoing by home state or out-of-state CPA firms whenever they receive credible evidence meriting such an investigation. As such investigations are generally complaint-driven, a registry of out-of-state firms is of limited utility.

How does CPA firm mobility address varying state rules?

CPA firm mobility requires out-of-state CPA firms to meet the same requirements as in-state firms. Specifically, CPA firms must abide by the peer review and firm ownership laws of any state in which they seek to offer services, even if those rules are more stringent than the firm's home state. Thus, a firm must provide peer review reports to the board of accountancy for the state in which it wishes to practice if that board would require peer review information for its in-state firms – even if the firm's home state does not have access to those same reports. This ensures that incoming CPA firms consistently meet a state's core requirements for quality, competence, and professional oversight.

How can boards of accountancy determine whether an out-of-state firm is enrolled in a peer review program?

State boards of accountancy can determine whether an in-state or out-of-state firm is enrolled in a peer review program through the AICPA's Facilitated State Board Access (FSBA) process. In addition to enrollment information, this secure website provides state boards with information regarding the firm's name, location, date of peer review acceptance, period covered by the most recently accepted peer review, and whether the firm's enrollment in the program has been dropped or terminated.

Does CPA firm mobility already exist in certain parts of the country? How is it working?

CPA firm mobility is already the law of the land in almost a third of the country. The experience in these 14 states indicates that it works very well. State boards of accountancy with CPA firm mobility in place are not reporting any significant problems with their laws or enforcement responsibilities, and CPA firms are finding that they are able to be more competitive and efficient under this type of regulatory regime.

For more information on CPA firm mobility or Facilitated State Board Access, contact Mat Young, Vice-President for State Regulatory and Legislative Affairs, at myoung@aicpa.org.