

AICPA Launches Early Adoption of Facilitated State Board Access Program

Idaho is participating in early adoption of the American Institute of CPAs (AICPA) Peer Review Facilitated State Board Access (FSBA). As an early adopter, Idaho is helping to ensure a smooth transition to national implementation.

What is Facilitated State Board Access?

It is a new process that the American Institute of CPAs (AICPA) has created to help the profession keep up with the evolving changes in the business and regulatory environments and to address the demand for greater peer review transparency.

How Will Facilitated State Board Access Benefit My Firm?

The goal 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. 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. **However, until further notice, this new process WILL NOT replace the current peer review information submission requirements of the Idaho State Board of Accountancy, which licenses firms practicing in Idaho. Therefore, firms will need to follow the current Idaho State Board of Accountancy requirements until notified differently. For additional information on the peer review information submission requirements in Idaho, see *Firm Registration Instructions* - <http://www.isba.idaho.gov/documents/pdf/firm%20registration%20instructions.pdf> or see the *Firm Registration Form* - <http://www.isba.idaho.gov/documents/pdf/firm%20registration.pdf>.**

What This Means for Your Firm

This new process, called Facilitated State Board Access, uses the existing peer review process to facilitate the voluntary disclosure of peer review results to BOAs. To accommodate this new process, the AICPA has made some alterations to your peer review acceptance process. Firms to which the process will be applicable will receive a notice of these changes.

Why Facilitated State Board Access?

After carefully evaluating 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. The AICPA and state CPA societies are working together to allow this process to become the primary means by which all BOAs obtain peer review results. Over time, this new process will help to make submission of your firm's peer review information easier. *Please refer to the [Member Q&A](http://www.aicpa.org/download/transparency/102307_Facilitated_State_Board_AICPA_Member_OA_final.pdf) - http://www.aicpa.org/download/transparency/102307_Facilitated_State_Board_AICPA_Member_OA_final.pdf for additional information on this new process.*

When Will Facilitated State Board Access Be Implemented?

The following states participated in the FSBA pilot that ended in March 2008: North Carolina, Ohio, Oklahoma, South Dakota, Tennessee and Texas. Alabama, Delaware, The District of Columbia, Guam, Idaho, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Commonwealth of Northern Mariana Islands, Oregon, Pennsylvania, Virginia, Virgin Islands, and Washington are currently participating. Full national implementation will occur 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)*.

How Will This New Process Work?

FSBA uses an opt-out 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 available only to authorized state board representatives. The form “Information Required for Scheduling Reviews” now contains a section covering FSBA. The firm’s peer review results will be made available to the Idaho State Board of Accountancy, unless the box to opt out is checked. The form also provides the option to expand access of the firm’s peer review results to the State Board(s) of Accountancy that are chosen by the firm. For firms whose main office is located in Idaho, their peer review administering entity is the Idaho Society of CPAs. Firms that are not members of the AICPA Employee Benefit Plan Audit Quality Center, Governmental Audit Quality Center or Private Companies Practice Section will be given the opportunity to opt out of the process. Below are the details of how the new process will work.

In Idaho, the process will entail:

- Making peer review results available to select BOAs on a voluntary firm basis, using a secure, BOA access-only web site that will be available only to authorized state board representatives. The Idaho Society of CPAs will post applicable peer review information related to a firm’s most recently accepted review to this secure BOA web site unless the firm requests that its information be excluded. The firm will be notified by the Idaho Society of CPAs of its intention to post the firm’s peer review results and the firm will have 30 days to opt out of the process.
- Once the Idaho Society of CPAs posts the information, the firm’s managing partner and peer review contact will receive a confirmation via email (or regular mail if email is not available) informing them that the results have been posted to the site and a reminder that the firm has 30 days from the date of the acceptance letter to opt-out of the process. The email also provides the partner and peer review contact the opportunity to make the firm’s results available to additional select BOAs.
- After 30 days, if the firm does not opt out, the firm’s peer review results will be available to authorized BOA representatives via a secure BOA web site. It is anticipated that this option will be beneficial, over time, to firms with multi-state practices.

Firms can request that their results be made available to more than one BOA, so long as the BOAs require peer review and are not prohibited from obtaining access to peer review information. **However, during early adoption, access will be limited only to those BOAs that participated in the pilot program or are participating in early adoption.**

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

Firms will be notified by the Idaho Society of CPAs when the BOA(s) that they have selected to expand access to are participating in FSBA. This will remind firms of their selection and provide them with the opportunity to change their decision regarding expanded access.

What Documents Will Be Posted Under This Process?

The number of documents posted to the secure BOA web site for a firm varies based upon the results of the peer review. A firm will not choose which documents will be posted as each of those that are applicable (based on the results of the review) will be posted. **It is important to note that unless a firm opts out, all applicable documents will be posted even if it is not a state requirement.**

The following documents will be posted to the secure BOA web site, as applicable:

- 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

Firms that are not members of the AICPA Employee Benefit Plan Audit Quality Center, Governmental Audit Quality Center or Private Companies Practice Section will have the opportunity to opt out at any time even after their information has been posted by notifying the Idaho Society of CPAs in writing. Once the notification is received, the Idaho Society of CPAs will remove the posted information. If a firm chooses to opt out, it is important to note that certain information (which is currently publicly available) will be posted to the secure BOA web site. This information will help us to maintain a complete database of all firms in the peer review program. The information that will remain posted should a firm opt out is as follows:

- Firm's name and address
- 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
- If the firm's enrollment in the program has been terminated. Beginning January 1, 2009, effective with the revised *Standards*, this will also include firms that have been dropped.

For Additional Information or Questions

Additional information is available by visiting the **AICPA website** – <http://www.aicpa.org/Professional+Resources/Peer+Review>.