

## **FAQ Regarding AICPA Peer Review Program Request for Enrolled Firms to Provide Federal Employer Identification Number (EIN)**

### **1. Why is the AICPA Peer Review Program (Program) asking enrolled and enrolling firms for their EINs?**

The AICPA and all state CPA societies are aware of firms that claim to have not performed certain types of engagements subject to peer review when they actually had performed such engagements. In some cases, firms had no peer review at all or a peer review with a material departure from the peer review requirements. The lack of integrity of one firm weakens the integrity of the entire CPA profession. To ensure a level playing field for all CPA firms, the Program is asking all enrolled and enrolling firms to provide the firm's EIN. The EIN is unique and the most widely used business identifier (and social security numbers are not acceptable or appropriate for this purpose).

If the firm is not enrolled in the Program, but rather a program administered by a state society or group of state societies, the AICPA is requesting this information on behalf of those programs. To ensure that the information for population of enrolled firms is complete, all firms must provide their EINs.

### **2. How will the Program use EINs?**

The Program plans to use EINs as a unique identifier to compare relevant information from third party databases of federal regulators (such as the Department of Labor, Federal Audit Clearinghouse and others), state boards of accountancy and potential other reliable sources to confirm peer review compliance, including firm enrollment and engagement completeness.

### **3. What authority does AICPA have to ask firms for EINs?**

Asking for EINs is a part of an initiative from the [AICPA's Enhancing Audit Quality \(EAQ\) 6-Point Plan](#) (page 7) to validate firm and engagement completeness through peer review. The initiative was approved by AICPA's Peer Review Board (PRB) as part of its role in EAQ. The PRB has the authority to request information (that is not deemed to be confidential) deemed necessary to administer the program.

### **4. What is the AICPA doing to protect the information?**

AICPA legal counsel has determined that firm EINs are not "confidential information," rather "sensitive information," similar to personally identifiable information. As such, this information is subject to AICPA's standard security and privacy procedures. In addition, firm EINs will be maintained in the Peer Review Information System Manager (PRISM) system, behind a secure firewall that is not accessible to anyone without the need for such access. In addition, firm EINs are not allowed to be shared with parties outside of the AICPA or those involved with the firm's peer review (for example, the peer reviewer) without the knowledge and consent of the firm.

### **5. I am a sole practitioner and not required to have an EIN for any other purpose. Am I exempt from this requirement to provide an EIN?**

No. Even sole practitioners enrolled in the Program must obtain and provide a firm EIN.

### **6. I am not a member of the AICPA and not enrolled in the Program, rather a state society's program. Does this requirement apply to my firm?**

Yes. If the AICPA asked your firm to provide an EIN, it is on behalf of the state society that administers your firm's peer review. We have requested and received information from state societies to facilitate this initiative for non-AICPA firms. This includes collection of EINs and, if necessary, noncooperation procedures.

**7. The IRS website indicates that EINs are issued for the purpose of tax administration and are not intended for participation in any other activities. Since peer review is not for tax administration, why should I obtain or provide the AICPA with my firm's EIN?**

EINs are used in situations other than those intended by the IRS, including use by entities such as state licensing jurisdictions and federal regulators. In addition, the benefit of obtaining an EIN is to provide a unique identifier for business purposes rather than using a personal social security number.

**8. I am going to apply for an EIN on [www.irs.gov](http://www.irs.gov). What purpose should I specify?**

The online EIN application lists five pre-populated reasons for a sole practitioner to apply for an EIN. Per the IRS instruction, "If your main reason for applying is not on the list, please pick the option closest to your main reason." We recommend you choose "Banking purposes" if you are obtaining an EIN to satisfy this peer review requirement and none of the other reasons apply.

**9. What happens if I fail to provide my firm's EIN to the AICPA when requested?**

Similar to the requests for information about your firm and its practice, firm EINs are necessary to administer and schedule peer reviews. Providing your firm's EIN is a matter of cooperation with the Program. Failure to provide requested information may result in your firm's enrollment being dropped.

**10. Where can I find more information about peer review compliance and completeness?**

The Program sent a direct communication to managing partners and peer review contacts of all AICPA firms enrolled in the program about the importance of complying with the requirements of the program. The [Important Message to Firms Regarding Peer Review Compliance and Completeness August 2014](#) is maintained on the [aicpa.org](http://aicpa.org) Peer Review webpage for CPA Firms.