

# A CONSUMER'S GUIDE TO **SELECTING A CERTIFIED PUBLIC ACCOUNTANT**

*Consumer Assistance from the California Board of Accountancy*



CALIFORNIA BOARD OF  
ACCOUNTANCY



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## THE MISSION OF THE CBA

The mission of the California Board of Accountancy (CBA) is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

## THE VISION OF THE CBA

The vision of the CBA is that all consumers are well informed and receive quality accounting services from licensees they can trust.

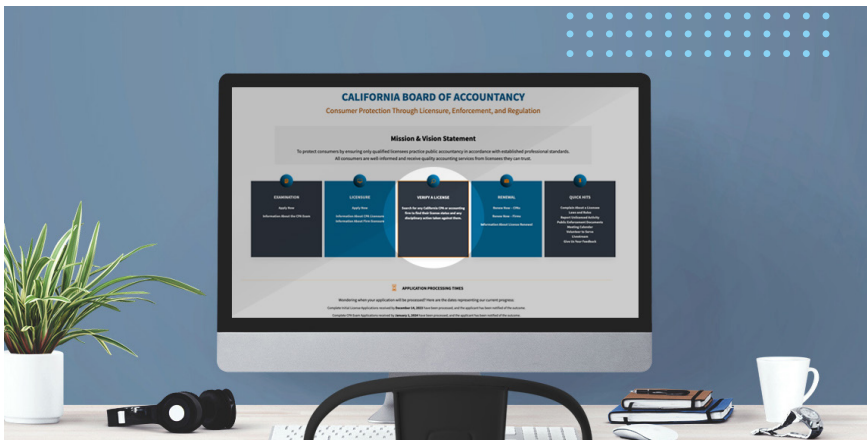
*We at the CBA aim to provide information, like this booklet, that you can use to make decisions as you seek to use the services of a licensed CPA in California.*

## WHAT IS A CPA?

A Certified Public Accountant (CPA) is a professional who holds a state license to practice public accounting. A California-licensed CPA is a professional who has passed the Uniform CPA Examination, met the education and experience requirements of California state law, and has been issued a license to practice public accountancy by the CBA. The CBA regulates over 115,000 licensees, the largest group of CPAs and accounting firms in the United States.

To maintain the ability to practice public accountancy, CPAs are required to complete continuing professional education on a regular basis designed to maintain or enhance their knowledge and competence.





## TIPS FOR CHOOSING A CPA

Most of us need the advice and services of a CPA at some time in our lives, and establishing a relationship with a CPA you can trust can be important to the financial health of your family, your business, or both. Here are some helpful tips to assist in making this very important hire.



### GET RECOMMENDATIONS FROM FAMILY AND FRIENDS

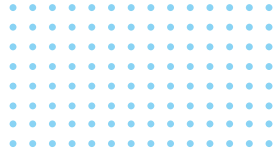
Recommendations should be where your search begins, not ends. Once you get several recommendations, be thorough in checking out potential candidates.



### VERIFY ON LICENSE LOOKUP

Find your candidates on the License Lookup feature of the CBA website ([www.cba.ca.gov](http://www.cba.ca.gov)) by clicking the Verify a License box on the front page. There you can search for a California-licensed CPA or accounting firm by name or by license number. License Lookup will allow you to see if the CPA or accounting firm you are considering has a current and active license, and if there have been any disciplinary actions or license restrictions against them.

When clicking the More Details box, you will notice an Experience Completed indication. An A means the licensee has the authority to sign reports on Attest engagements, while a G means the licensee does not have the authority to sign reports on Attest engagements. You can find more information about licensees with or without Attest authority by clicking on the Consumers tab of the CBA website.



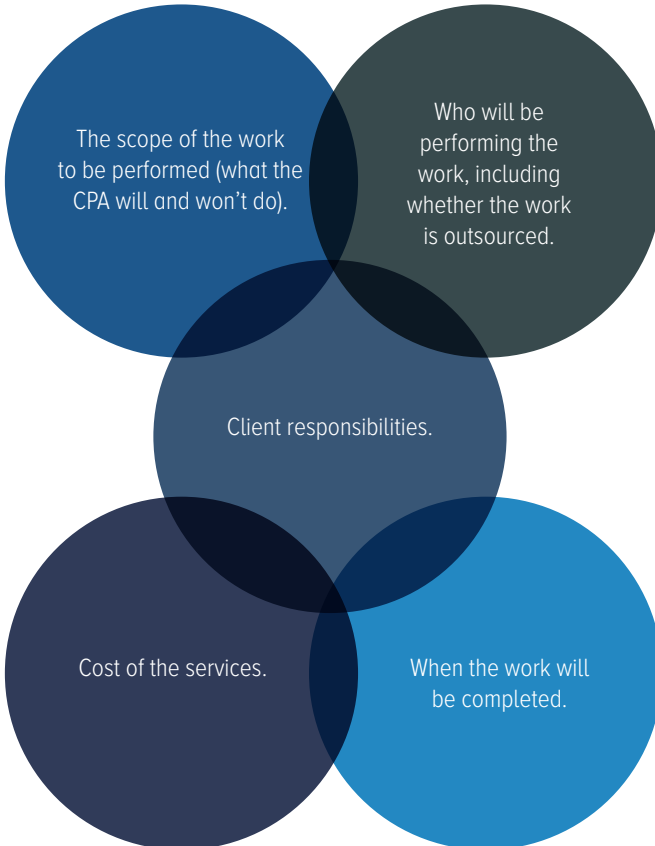
## MEET THE CPA

Because you will be trusting someone with your financial information, being comfortable that they can meet your needs is important to a good long-term relationship. The best way to determine that is through an interview, preferably in person, but at the very least online or over the phone. Please be aware that the CPA may charge for an interview. You can find questions to ask on the next page.

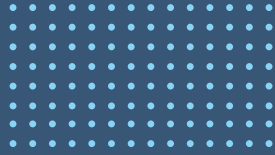


## ENGAGEMENT LETTER

Before any work is done by the CPA, it is important to make certain that you receive an engagement letter regarding the purpose of the engagement and the work the CPA will perform for you. This letter should include:







## QUESTIONS TO ASK YOUR CPA CANDIDATE

Here are some questions to ask in an interview with a potential CPA:

- **WHAT TYPE OF ACCOUNTING WORK DOES THE CPA HAVE EXPERIENCE IN AND TYPICALLY PERFORM?**

(Remember, not all CPAs provide the same range of services. Compare the CPA's experience to your service needs. Also keep in mind that just because a CPA shows an A in License Lookup doesn't necessarily mean they are qualified to undertake all services.)

- **WHAT OFFICE HOURS DOES THE CPA OR ACCOUNTING FIRM KEEP?**

Is the office open year-round? Is the CPA available to take inquiries over the phone?

- **WHAT TYPE OF CONTINUING PROFESSIONAL EDUCATION HAS THE CPA TAKEN RECENTLY?**

- **HAS THE CPA BEEN DISCIPLINED?**

- **IS THE CPA LICENSED IN ANOTHER STATE?**

(If yes, you may check with the licensing state or [www.CPAverify.org](http://www.CPAverify.org) to review the status of that license.)

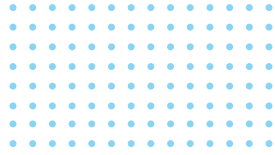
- **DOES THE CPA DISCLOSE ANY OF YOUR CONFIDENTIAL INFORMATION IN CONNECTION WITH OUTSOURCING ANY OF THE SERVICES TO BE PROVIDED?**

- **HAS THE CPA PARTICIPATED IN A PEER REVIEW?**

(If the services you require include either compiled, reviewed, or audited financial statements, the CPA is required to participate in a peer review. Ask for a copy of the most recent review. You can find more information about peer review on page 8.)

- **DOES THE CPA CARRY PROFESSIONAL LIABILITY INSURANCE?**

(Professional liability insurance helps protect you in the event a claim is made for damages arising from a CPA's failure to perform tax or other services satisfactorily.)



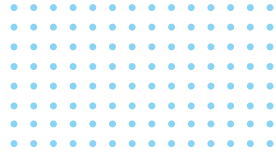
## PEER REVIEW

A peer review is a study of an accountancy firm's accounting and auditing work, reviewed by an unaffiliated CPA. It is required for all California-licensed firms, including sole proprietorships, which issue accounting and auditing reports that are prepared following specified professional standards. Tax practice is not required to be monitored by peer review. Peer review provides accountancy firms with an evaluation for whether the services they provide meet applicable professional standards.

There are three results from a peer review: pass, pass with deficiencies, and fail. If the result is pass with deficiencies or fail, the CPA must take corrective action. Ask the CPA for a copy of the letter of findings, and if the proper corrective actions have been completed.

33,245.00	3,423.00	34,668.00	42
54,322.00	2,342.00	56,664.00	34
23,312.00	3,423.00	26,735.00	34
9,220.00	234,423.00	243,603.00	45
31,428.00	31,428.00	62,856.00	45
14,772.00	14,772.00	29,544.00	14
16,392.00	16,392.00	32,784.00	16
15,168.00	15,168.00	30,336.00	15
58,680.00	58,680.00	117,360.00	58
13,704.00	13,704.00	27,408.00	13
15,924.00	15,924.00	31,848.00	15
51,000.00	51,000.00	102,000.00	51
46,884.00	46,884.00	93,768.00	46
37,872.00	37,872.00	75,744.00	37
<b>550,009.00</b>	<b>3,955,710.00</b>	<b>2,580,255.00</b>	<b>1,83</b>





## TIME TO CHOOSE A CPA!

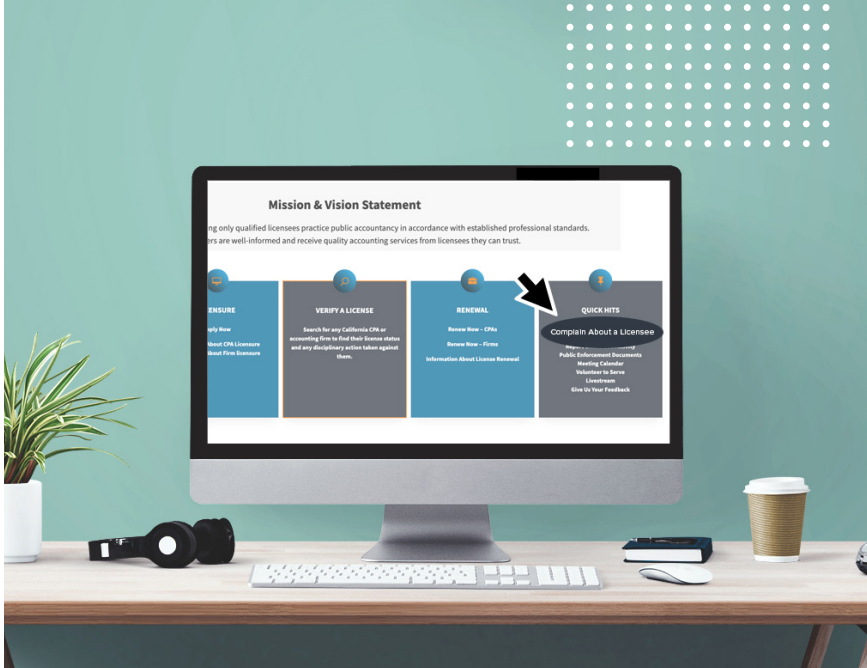
The best time to choose a CPA is when you are beginning a business venture or planning for your financial well-being, not when you have a crisis. This approach provides you both the opportunity to gather the necessary documents and make preparations to launch a successful professional relationship. All information you provide to your CPA is confidential, and your CPA is required by law to ensure that none of your confidential information is disclosed without your permission. It is important to be aware that this is a regulation that pertains only to CPAs providing services in California. Only under specified circumstances, such as a subpoena in a legal proceeding or an official inquiry by a state or federal regulatory agency, are your records authorized to be disclosed without your permission.



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## FILING A COMPLAINT

It is the CBA's responsibility to investigate complaints involving violations of the California Accountancy Act or the California Code of Regulations, which may include service or work that is of poor or substandard quality, and unprofessional conduct such as dishonesty, fraud, or negligence. If you have questions or concerns about the services you receive, and are unable to resolve them with your CPA, we encourage you to file a complaint with the CBA. Please be aware that matters involving fees and employer/employee relations are not under the jurisdiction of the CBA.



To file a complaint, go to the CBA website and select the “Complain About a Licensee” link in the Quick Hits box on the home page. You will be asked to provide a detailed description of your complaint. This will assist the CBA in addressing your concerns. If you do not wish to identify yourself, you may remain anonymous. This may limit the CBA’s ability to contact you or help you resolve your complaint, however.



**To file a complaint, go to the CBA website and select the “Complain About a Licensee” link in the Quick Hits box on the home page. You will be asked to provide a detailed description of your complaint.**

Within 10 days of receipt of your complaint, the CBA will send you an acknowledgment that your complaint was received. Every complaint is reviewed and you may be contacted for additional information. If the complaint falls within the jurisdiction of the CBA, it will be assigned for investigation. Once the investigation is completed, you will be notified of the results.

## HELPFUL LINKS

Scan these codes to be directed to more information on the CBA website.



**Submit a Complaint**



**License Lookup**



**Attest Authority**



**CBA Website**

We hope you find the tips in this booklet useful in your search for a CPA to meet your needs. Don't forget, the CBA is always here to help, so please feel free to contact us if we can be of any assistance to you. Follow the CBA on our social media pages for the most up-to-date information.



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