

Good day, Senator Slossberg, Representative Caruso, members of the Government Administration and Elections Committee. I'm Art Renner, executive director of the 6,000-member Connecticut Society of Certified Public Accountants. I am pleased to testify in favor of Raised Senate Bill No. 684, "An Act Concerning the Practice and Privileges of Certified Public Accountants."

Raised Senate Bill 684 would permit out-of-state CPAs to practice in Connecticut under what is termed "No Notice, No Fee, No Escape." That means a CPA could enter Connecticut without having to notify our State Board of Accountancy, and without paying a fee. If that CPA were accused of violating local accounting statutes, the Connecticut State Board of Accountancy would report the alleged violation to the visiting CPA's home state regulators – hence the term "no escape."

This is a "driver's license" approach to regulation. Just as your Connecticut driver's license allows you to drive in any state, mobility enables the CPA to practice in any state with reciprocal law. The Connecticut State Board of Accountancy is in favor of practice mobility, so the profession and its regulators are indeed in harmony here.

The key to practice mobility is for all states to adopt it. That is happening -- quickly. In 2005, only three states had practice mobility. Today 12 states have mobility, and another 21 states have legislation pending.

There's a wrinkle to this trend. At least one state – Massachusetts – has legislation pending to extend mobility only to reciprocating states. That means Connecticut CPAs could practice in Massachusetts under the practice mobility provision only if we adopt mobility as well.

There are safeguards. Practice mobility would only extend to states deemed "substantially equivalent" – states with the same high accountancy standards as Connecticut.

Why is practice mobility important? Many clients have operations in other states. The Internet makes practicing across state lines commonplace. And Sarbanes-Oxley – federal legislation in effect since 2002 – requires the frequent reassignment of personnel on audit engagements.

CPAs are regulated state-by-state. We need a system that will facilitate serving clients around the country while upholding the rules by which CPAs must practice. Practice mobility accomplishes both goals.

Frequently when a CPA attempts to practice across state lines, he or she must register, pay a fee, and endure indeterminate delays of paperwork processing. Opportunities are missed, client needs go wanting, and the public is not served.

CPA practice mobility is a business-friendly, 21st century regulatory model. Connecticut must adapt...or its business community and the public itself will eventually suffer negative consequences.

Again, the Connecticut Society of CPAs appreciates the opportunity to testify in favor of Raised Senate Bill 684, “An Act Concerning the Practice and Privileges of Certified Public Accountants.”

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