ILLINOIS PUBLIC ACCOUNTING ACT
AUDIT LICENSURE REQUIREMENTS

The Illinois Department of Financial and Professional Regulation (IDFPR) frequently receive questions on licensure requirements for individual CPAs, CPA Firms and Professional Service Corporations. The following is a summary of the Illinois Public Accounting Act licensure requirements for individual CPAs, CPA Firms and Professional Service Corporations to perform Financial Audits.

PERFORMING AN AUDIT

Section 8.05 of the Illinois Public Accounting Act (225 ILCS 450/8.05) outlines financial audits to include:

(1) Signing, affixing or associating the names used by a person or CPA firm to any report expressing an assurance on a financial statement or disclaiming an opinion on a financial statement based on an audit or examination of that statement...

Subsection (b) of Section 8.05 provides that activities indentified in paragraph (1) above may only be performed by licensed CPAs. Practicing as a licensed CPA includes in relevant part:

Persons, either individually, as members of a partnership or limited liability company, or as officers of a corporation, who sign, affix or associate their names or any trade or assumed names used by them in a profession or business to any report expressing or disclaiming an opinion on a financial statement based on an audit or examination of that statement (225 ILCS 450/8).

A CPA Firm can be a sole proprietorship, corporation, registered limited liability partnership, limited liability company, partnership, professional service corporation, or any other form of organization issued a license in accordance with this Act. (225 ILCS 450/0.03). CPA Firms can take on various forms of organization which requires a CPA Firm License or a Professional Service Corporation License to register with IDFPR to perform professional services within the scope of the partner, shareholder, director or agent’s individual professional license.

SOLE PROPRIETOR
A licensed CPA who is authorized to perform audits signing the audit using their individual name. This licensee must possess a valid Individual CPA License which can be verified with IDFPR website at: https://www.idfpr.com/LicenseLookUp/LicenseLookup.asp. Using License Look up drop down box, select “Certified Public Accountant.”
CPA FIRM
A licensed partnership or corporation organized as a CPA Firm or sole proprietor performing accountancy activities under a name that implies more than one individual (e.g., “and associates” or “and company”) authorized to perform and sign audits using their Firm Name and Firm License. The CPA Firm must possess a valid CPA Firm License which can be verified with the IDFPR website at: https://www.idfpr.com/LicenseLookUp/LicenseLookup.asp. Using the License Look up drop down box, select “Certified Public Accountant Firm.” See Section 14.4 of the Public Accounting Act for qualifications for licensure of a CPA Firm.

NOTE: If the Firm name does not appear or appears as canceled/not renewed, remember to look under the Professional Service Corporation to see if the firm appears as a Professional Service Corporation.

PROFESSIONAL SERVICE CORPORATION
A Professional Service Corporation is a corporation organized under the Illinois Professional Service Corporation Act (805 ILCS 10/1 et. seq.) for the purpose of rendering one category of professional services (PSCA 10/3.4(a)). A Professional Service Corporation’s shareholders, officers, directors, agents and employees must be individuals who the State of Illinois has duly licensed to render that particular category of professional service or related services which in this case would be accountancy activities as a Certified Public Accountant (PSCA 10/3.4(a)). The Professional Service Corporation must be registered with IDFPR to perform accountancy activities which can be verified with the IDFPR website at: https://www.idfpr.com/LicenseLookUp/LicenseLookup.asp. Using the License Look up drop down box, select “Professional Service Corp.” The IDFPR listing will not specify the scope of services that a PSC may perform.

CITATIONS
Illinois Public Accounting Act


Professional Service Corporation Act


Note: Out of State Licensed CPA Firms may perform financial audits in Illinois provided they have an Illinois Firm License.

The Illinois CPA Society, founded in 1903, is the fourth largest state CPA society in the nation, with approximately 23,000 members. During its over 100 years of existence, the society has advanced the highest ethical and financial standards of the profession and has been a leader in educating the public on financial issues.