



Uniform Accountancy Act Update: Definition of Attest and Firm Mobility

NASBA Regional Meetings

2013 June

Definition of Attest

Current UAA Definition of “Attest”

- Audit/other engagement under Statements on Auditing Standards (SAS)
- Review of financial statement under Statements on Standards for Accounting and Review Services (SSARS)
- Examination of prospective financial information under Statements on Standards for Attestation Engagements (SSAE)
- Any engagement under PCAOB standards

Important exclusions =

- ***Compilations under SSARS***
- ***All other SSAE engagements***

Changing Landscape of Assurance/Attestation

■ **Generally limited to audits and reviews of historical financial statements**



■ **Reports on representations other than historical financial statements**

Examples of Emerging Services Not Covered

- Exam/review on sustainability reports
- Exam/AUP on XBRL tagged data
- Exam on internal control
- Exam on system reliability



Activities to Support Changing Landscape

■ Attestation standards

- ASB Clarity project

■ Guidance for assurance service performance

- SOC
- XBRL

■ Training and tools, including “how tos” and certificate programs

■ State legislation/regulation = Change in UAA

Protecting the Public is Paramount

- **Misleading and confusing for non-CPAs to issue reports in accordance with AICPA standards**
- **Implies CPA licensure and certain level of regulation/government oversight**
- **Implies CPA competence/integrity levels**

Delay = More Potential Harm

Place the public at further risk from service providers less qualified than CPAs

Allow non-CPA use of AICPA standards in a manner that implies CPA qualifications

Increase market confusion

UAA Definition of “Attest”

CURRENT DEFINITION	PROPOSED DEFINITION
Audit/engagements under SAS	No Change
Reviews under SSARS	No Change
Audits/engagements under PCAOB	No Change
Examinations of prospective financial information under SSAE	Examinations, reviews and agreed-upon procedures under SSAE

Expanded UAA Definition of “Attest”

- **Continues to exclude compilations**
- **Applies to performance by licensed CPAs practicing in licensed CPA firms**
 - Unlawful for a non-CPA to report on the service
- **Preserves existing *individual* mobility efforts**
- **Coordinates with *firm* mobility efforts when state is ready**

Other Elements to be Considered

- **Unlicensed firms that already perform these services (including affiliates)**
- **Timing of state legislative sessions**
- **Risk and work level associated with any legislative effort**
- **State priorities**

Firm Mobility

The “Concept” of Firm Mobility

- **First discussed during the individual CPA mobility initiative**
- **Preserve “No notice, No fee, No escape”**
- **Exempts out-of-state firms from notification and fee requirements when providing attest services (“no notice, no fee”)**
- **Ensures firms are subject to accountancy laws and regulations in both states (“no escape”)**
- **Requires firm license for physical presence**

Benefits/Challenges

Benefits:

- Eliminates paperwork & compliance complications
- Consistent with commitment to promoting ease of cross-border practice
- Considers model already in existence in some states
- Maintains strong regulatory oversight in mobility states as well as home states

Challenges:

- Revenue impact to state boards
- State budget environments
- State legislative priorities
- Perception of state board oversight activities

Next Steps

- **Exposure Draft to be voted for public comment**
- **UAA Committee consideration of ED comments**
- **Vote on final UAA language by AICPA/NASBA boards**
- **Final UAA issued**
- **State legislative/regulatory action**