



Adopting the Comprehensive Definition of Attest: Protecting the Public

Who can perform an attest service?

Only CPAs operating within CPA firms can perform attest services. Just as a person must have a medical license to practice medicine or be a member of their state bar in order to practice law, an individual must be licensed as a CPA in order to perform attest services.

What are the types of attest services?

Most people have heard of audits, which are one type of attest service. However, there are many other types of attest services, including reviews of financial statements, examinations of prospective financial information, engagements performed pursuant to the Public Company Accounting Oversight Board (PCAOB)¹ and — in some states — compilations.

In 2014, the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) updated the Uniform Accountancy Act (UAA) to close loopholes that allowed unregulated non-CPAs to perform certain attest services using the accounting profession's standards. The updated UAA, which is the profession's model state legislation, now includes all examinations, reviews and agreed-upon procedures completed in accordance with the AICPA's Statements on Standards for Attestation Engagements. This updated definition addresses the fact that CPAs are now being asked to perform attest services on non-financial information such as XBRL, sustainability reports, greenhouse gas emissions and Service Organization Control reports.

Why is it important for states to adopt the more comprehensive definition of attest in their statutes?

Attest reports imply CPA licensure, CPA competency levels and a certain level of state regulation. The public needs to know that when they engage a professional for an attest service, that professional has the necessary expertise, education and regulatory oversight — a combination available only from a CPA operating within a CPA firm.

How many states already have the comprehensive definition of attest as defined in the UAA?

Currently, 38 states have the comprehensive definition of attest. In 2016, seven states (Kansas, Michigan, Mississippi, Nebraska, Rhode Island, Washington and West Virginia) adopted the all-inclusive definition. Three state CPA societies (Guam, Pennsylvania, and Washington, DC) are also working with their legislatures to amend the definition of attest this year.

For more information on how your state can protect the public interest by adopting the more comprehensive definition of attest, please contact your state CPA society or James Cox, AICPA senior manager for state legislation, at 202.434.9261 or jacox@aicpa.org.

¹The PCAOB sets standards for engagements performed of public companies, such as those that issue stocks and bonds.