



Oregon Society of Certified Public Accountants

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78th Oregon Legislative Assembly – 2015 Regular Session Amending the State Accountancy Statute’s Definition of Attest Hearing – Senate Bill 272

DATE: April 27, 2015

BACKGROUND:

Chair Representative Holvey, Vice-Chair Representative Barton, Vice-Chair Representative Kennemer, Members of the Committee, for the record, my name is Robert Moody, Jr. I am a past chair of the Oregon Society of Certified Public Accountants (OSCPA).

On behalf of the 4,700 members of the OSCP, we respectfully support Senate Bill 272. The bill would, among other things, revise the definition of attest in the Oregon Board of Accountancy’s statutes.

POSITION:

We urge you to pass Senate Bill 272 as requested by the Board. The bill will enable the Board to more effectively and efficiently regulate the CPA profession in its mission to protect the public.

Nationally, both the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) have jointly called for states to pass revised attest language, as provided in the newest co-written edition of the model Uniform Accountancy Act (UAA).

Attest services in Oregon are defined in ORS 673.010. While CPAs perform a broad range of services for the public that other individuals also can perform, attest services as defined are a set of protected services that can only be performed in Oregon by an individual licensed by the Oregon Board of Accountancy.

The public relies on this regulatory protection and needs to know that when they engage a professional for attest services that the professional has the appropriate degree of expertise, education, and regulatory oversight.

The requirements to become and remain a CPA are high:

- CPAs are highly trained and must meet rigorous criteria to obtain their licenses. Oregon CPA licensure under the Oregon Board of Accountancy requires at least 150 hours of college-level education, a year of qualifying supervised experience, and passage of the difficult Uniform CPA

Examination. CPAs are required to abide by detailed professional standards including a professional code of conduct, and are subject to multiple levels of regulation.

Additionally, the Oregon Board of Accountancy is empowered to take disciplinary action, suspend or revoke CPA licenses if CPAs violate applicable laws, regulations or professional standards including a code of conduct. **The scope of attest services is relatively limited and encompasses:**

- Audits of financial statements and other engagements performed under the American Institute of CPAs (AICPA) Statement on Auditing Standards (SAS);
- Reviews of financial statements performed under the AICPA's Statement on Standards for Accounting and Review Standards (SSARS);
- Examinations of prospective financial information performed under the AICPA's Statement on Standards on Attestation Engagements (SSAEs);
- And, engagements performed pursuant to the Public Company Accounting Oversight Board (PCAOB), the federal regulator of auditors of publicly traded companies.

Please note that all of these services are performed in accordance with established and specific standards.

Because the public and other third parties are relying on the attested information in these categories, it is particularly important that end users of the information know that the engagement was performed by a regulated CPA.

The scope of attest services in the marketplace has been changing over the past decade, expanding beyond financial statements. The assurance services that CPAs are being asked to provide were not contemplated in original laws. These services now include subject matters such as sustainability, security and privacy controls, among others.

While CPAs are able and willing to perform these services, others in the marketplace without the same credentials, experience, and regulation are also offering these services *and they are using the CPA profession's standards as written under the Standards for Attestation Engagements (SSAEs).*

Non-CPAs should be able to provide their lawful services to the public. However, to avoid confusion to the public, they should not be allowed to use CPA professional standards when they perform engagements. The public rightly assumes that the SSAEs, written by and for CPAs, are used by those qualified to use them – CPAs. In Oregon, they assume that the Oregon Board of Accountancy will monitor these engagements and provide regulatory oversight, but this is not the case if others in the marketplace are also using CPA profession standards.

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