



## CPA SERVICES

### ATTEST SERVICES

Only CPAs operating within a CPA firm can provide attest services.

#### ASSURANCE SERVICES

In an assurance service, a CPA issues a report in which he or she expresses an opinion or a conclusion on the subject matter (for example, financial statements) so that a user can make informed decisions.



#### Audit

In an audit of financial statements, the CPA plans and performs the audit to obtain reasonable assurance (which is a high level of assurance) about whether the financial statements are free from material misstatement. The CPA selects procedures based on his or her judgment. Such procedures may include inquiry, physical inspection, observation, third-party confirmation, examination and other procedures. Audits of financial statements of nonissuers<sup>1</sup> are performed in accordance with the the AICPA Statements on Auditing Standards (SASs) — which is referred to as generally accepted auditing standards (GAAS) — while audits of issuers<sup>2</sup> are performed in accordance with the Public Company Accounting Oversight Board (PCAOB) Auditing Standards.



#### Examination

Examinations are audit-level engagements designed to provide a high level of assurance on information *other* than historical financial statements. Examinations are performed in accordance with the the AICPA Statements on Standards for Attestation Engagements (SSAEs), and might be performed on information related to security and privacy controls, sustainability, greenhouse gases, eXtensible Business Reporting Language (XBRL) and other business matters.



#### Review

In a review of financial statements, the CPA seeks to obtain limited assurance as a basis for reporting whether the CPA is aware of any material modifications that should be made to the financial statements in order for them to be presented in accordance with an applicable financial reporting framework. A review is substantially less in scope than an audit, and often is performed for privately held companies that are required to provide financial statements to outside parties such as banks, creditors, or potential purchasers. Reviews of financial statements are conducted in accordance with the the AICPA Statements on Standards for Accounting and Review Services (SSARSs), except for reviews of certain interim financial information that are conducted in accordance with the AICPA Statements on Auditing Standards (SASs). Reviews of subject matter other than historical financial statements are performed in accordance with the AICPA Statements on Standards for Attestation Engagements (SSAEs).

<sup>1</sup> Nonissuers are any entity not subject to the Sarbanes-Oxley Act of 2002 or the rules of the SEC.

<sup>2</sup> "Issuers" generally means those public entities that issue or propose securities such as stocks and bonds. Issuers are subject to the Sarbanes-Oxley Act of 2002 or the rules of the SEC.

## NON-ASSURANCE SERVICES

In non-assurance services, CPAs issue reports that do not express an opinion or conclusion on the subject matter (for example, financial statements).



### Agreed-Upon Procedures Engagement

An agreed-upon procedures engagement is one in which a CPA is engaged by a client to issue a report of findings based on procedures agreed upon between the CPA and specified parties at the outset. In an agreed-upon procedures engagement, the CPA issues a report, but does not express an opinion or a conclusion on the subject matter.

## COMPILATION SERVICES

Some states consider compilation services to be non-assurance attest services that only CPAs can provide. Other states consider compilation services to be non-attest services that anyone can provide.



When a CPA undertakes this type of service, the CPA applies accounting and financial reporting expertise to assist his or her client in the presentation of financial information, but the CPA does not seek to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. Additionally, the CPA is required to determine if he or she is independent of the client, and the CPA will include this determination in a report issued in accordance with the AICPA Statements on Standards for Accounting and Review Services (SSARs).

## NON-ATTEST SERVICES

While both CPAs and non-CPAs can provide non-attest services, CPAs follow a more rigorous set of reporting standards.



### Preparation Services

In a preparation service, a CPA uses his or her knowledge of the client business to prepare financial statements in accordance with the AICPA Statements on Standards for Accounting and Review Services (SSARs). Those standards do not require the CPA to determine if he or she is independent of the client, nor is the CPA required to issue a report on his or her services.

### STANDARDS APPLICATION

- **Statements on Auditing Standards (SAs)** — Audit reports for entities not included under the authority of the PCAOB
- **PCAOB Auditing Standards (ASs)** — Audit reports for issuers as defined by the Sarbanes-Oxley Act of 2002
- **Statements on Standards for Attestation Engagements (SSAEs)** — All other engagements, except those services covered by SAs or SSARs, in which a CPA is engaged to issue or does issue an examination, review, or agreed-upon procedures report on subject matter (or an assertion about subject matter) that is the responsibility of another party
- **Statements on Standards for Accounting and Review Services (SSARs)** — Engagements on unaudited financial statements or other unaudited financial information for nonpublic entities

For more information visit [aicpa.org/state](http://aicpa.org/state) or contact Lindsay Patterson, [lpatterson@aicpa.org](mailto:lpatterson@aicpa.org), 202.434.9201.

