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## The Uniform Accountancy Act - State Leaders Speak Out

by Laurie S. Swinney

### Introduction

The Uniform Accountancy Act and Uniform Accountancy Act Rules (UAA) is model legislation jointly published by the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA). The leaders of these national organisations support the UAA as a vehicle which will primarily bring uniformity to state accountancy laws (Kirch and Tarantino, 1993). Currently, CPAs must be licensed in each state in which they practice public accountancy. Further, in order to be licensed, individuals must meet each state's licensure requirements in the areas of education, experience, and examination. Although the requirements for examination are fairly standard across the states, the education and experience requirements may vary widely. Requirements which vary by state include but are not limited to (1) the number of college credit hours required to take the CPA examination, (2) the number of years of public accounting experience required, (3) a reduction of the amount of experience required for individuals holding advanced degrees, (4) the amount and type of non-public accounting experience which qualifies, and (5) the amount of auditing experience required.

Mednick (1996) states that licensure requirement variance impedes both the interstate practice and mobility of CPAs. The importance of facilitating interstate practice has increased due to improvements in travel and communication which make it possible to serve clients in any or all of the 50 states. In addition, the World Wide Web creates an environment where clients in other states may be served without ever travelling to that client's state. An AICPA survey of AICPA council members and NASBA members reported that 70% of the respondents used electronic technology to serve clients across state lines (AICPA 2000a).

The leaders of both the AICPA and NASBA also support the UAA as a medium for removing barriers that limit CPAs from using the CPA title. Traditionally, most states required that individuals not only meet licensure requirements but also be employed by a CPA firm and meet CPE requirements in order to use the designation. This practice, however, is currently under attack. Licensed CPAs who have moved out of public accounting to non-CPA firm employers would like to continue to use the CPA designation. In addition, individuals who were formerly licensed but are not currently licensed because of insufficient CPE would also like to continue to use the CPA designation. Some states have changed their CPA designation restrictions due to successful challenges to these laws in the courts (AICPA, 1997). Other states are reviewing the laws due to a growing percentage of members in the State Societies of CPAs who are not currently licensed due to employment by non-CPA firms and insufficient CPE but recognise the value of calling themselves CPAs.

The leaders of both the AICPA and NASBA also support the UAA as an instrument for removing barriers that limit the types of services which CPAs may

provide. CPAs recognise the need to offer a wide scope of financial services which step outside the traditional areas of accounting, auditing, and taxation. In order to survive in the financial services area, CPAs must compete with other professionals who offer services which are compensated through commissions and/or contingent fees. Thus, 40 states have already changed their laws to allow such compensation arrangements (AICPA 2000a). The UAA seeks to remove these barriers to once again promote uniformity across all regulatory jurisdictions.

A final barrier considered by the UAA relates to non-CPA ownership of CPA firms. Traditionally, only licensed CPAs could be owners of CPA firms. Allowing ownership by non-CPAs, however, enables CPA firms to provide incentives to unlicensed individuals who provide non-accounting services to the firm's clients. Allowing non-CPA ownership also facilitates a broader capital base for the CPA firm.

Finally, the leaders of the AICPA and NASBA believe that legislation modelled after the UAA will protect the public interest. First, the UAA provides that individuals who use the CPA designation should be licensed regardless of the place of their employment. The public can thus be assured that all CPAs are subject to the authority of a regulatory board. Second, the UAA provides for licensure and regulatory control for all firms that call themselves CPA firms. Finally, the UAA reserves attest services to CPAs and calls for more stringent regulation for CPAs or CPA firms who engage in attest services. Reservation of attest services to CPAs is deemed appropriate based on (1) the public reliance on those services, (2) the adverse consequences of disseminating faulty financial information, and (3) the existing information asymmetries between providers and users of attest services that make assessing auditor quality difficult (Colbert and Murray, 1999).

Although the leaders of the national organisations support the UAA, the *model* legislation contained in the UAA will become *state* legislation only if state leaders support the UAA. The State Society of CPAs and the State Board of Accountancy are the two organisations at the state level who are the most influential in lobbying for or against proposed changes to state accountancy laws. Thus, enactment of the UAA is dependent upon garnering the support of the officers of the State Societies and members of the State Boards of Accountancy. Garnering the needed support, however, may not be easily achieved. Leon Blazey, executive director of the Accountant Coalition, compared "moving the UAA into state law to trying to herd four cats into a sack" (Haberman, 1997). Further, some State Board of Accountancy members do not believe that the UAA protects the public but rather "is by the profession, for the profession, and selfishly in the best interest of the profession" (Hunter, 1997). Mason (1997) reports that some State Boards continue to bristle because "NASBA presumed to represent boards...with recommendations that dilute and diminish the prestige of the CPA certificate and license to practice."

This article reports the results of a survey mailed to State Board of Accountancy members and State Society of CPA officers to determine (1) whether they

would vote for the enactment of the UAA in its entirety, and (2) the level of their support for each provision of the UAA.

### **Methodology and Results**

Survey instruments were mailed to State Board of Accountancy members and State Society of CPAs officers in December 1998. Mailing addresses for the State Board of Accountancy members were obtained from executive directors of the State Boards. Addresses of the State Society of CPAs officers were obtained from the executive directors of the State Societies. 648 surveys were initially mailed and 367 surveys were returned resulting in a response rate of 57%.

#### *Support for the UAA*

To address the first research objective, respondents were asked to answer the following question:

If given the opportunity, would you vote to support the UAA in its entirety in your state?  
YES..... NO.....

The results indicate that 209 (57%) respondents would vote to support the UAA, 134 (37%) would not vote to support the UAA, and 24 (6%) abstained from answering the question. Although a narrow majority of state leaders participating in the survey support the UAA, over one-third of the state leaders oppose the UAA, and another 6% were undecided. Thus, the state leaders do not appear to present the "united front" that would facilitate transforming the model legislation into state legislation.

#### *Support for UAA Provisions*

Although both NASBA and the AICPA encourage adoption of the UAA in its entirety, the UAA is formatted so that individual provisions of the Act could be enacted into State legislation. To address the second research objective, survey respondents were asked to indicate their level of agreement to statements relating to the nine provisions of the UAA. They were also asked to "speak out" and explain why they agreed or disagreed with a provision.

#### *Substantial Equivalency*

The substantial equivalency provision is considered the cornerstone to providing greater ease of mobility across state lines for CPAs (AICPA, 2000a). According to the substantial equivalency provision, if individuals are licensed in a state which uses licensing criteria similar to the UAA criteria, then those individuals are qualified to practice in states other than their licensing state. Further, if individuals personally meet the UAA criteria, even though licensed in a state which does not use licensing criteria similar to the UAA criteria, then those individuals are also qualified to practice in states other than their licensing state. The UAA provides for a NASBA Qualification Appraisal Service which is available for determining whether state criteria is substantially equivalent to UAA criteria and whether individuals substantially meet UAA criteria. Finally, the UAA also recognizes that State Boards of Accountancy should be able to discipline individuals who practice in their state even though they are not licensed in their state. Table 1

reports strong agreement with the basic idea of substantial equivalency and the right of the State Boards to retain disciplinary power, but lesser agreement about how the provision will be implemented. The respondents fall into approximately three equal groups - those supporting NASBA determination of substantial equivalency, those against NASBA determination of substantial equivalency, and those undecided about NASBA determination of substantial equivalency.

**Table 1: Substantial Equivalency Frequencies**

	Strongly Disagree	Disagree	Undecided	Agree	Stongly Agree	Total
A reciprocal license should not be required for individual CPAs who practice across state lines if they hold a valid license from another state that utilised CPA certification criteria that is substantially equivalent to the UAA, or if they are individually deemed substantially equivalent.	35	36	12	115	165	363
A NASBA committee should decide who meets the substantial equivalency standards.	59	45	103	109	43	359
State Boards should be able to discipline licensees from other states who practice in the Board's state under substantial equivalency even though the CPA does not have a reciprical license.	4	11	19	126	201	361

Respondents recognised the need for substantial equivalency but commented that it will work only if essentially all states adopt all the provisions of the UAA. Comments included:

- Uniformity across state lines is needed.
- We are a mobile society and service a multi-state environment. There should be ease in practicing as long as the CPA meets all the requirements of the UAA.

Another thread of comments indicated that individuals practicing under substantial equivalency should notify the State Board of their practice within the state:

- A temporary license should be issued if practicing across state lines.
- Should register with the state they are going into. Notification.
- Some form of notification should be made.

Finally, a number of respondents indicated that licensing should still be required of all individuals who practice within a state:

- Reciprocal license should be issued using substantial equivalency.
- A temporary license should be issued if practicing across state lines.

- Licenses should be required but simplified if applicant is licensed in an equivalent state. State Board's priority must be to protect its public.
- I believe states will not give up the right to collect a fee from CPAs who cross state lines. State legislatures will not let them.

Many comments were made supporting involvement of the AICPA in determining substantial equivalency:

- Probably NASBA and AICPA should jointly form a committee to decide.
- AICPA should have input.
- AICPA should participate with NASBA to determine who meets the substantial equivalency requirement.

Many respondents indicated that they did not object to NASBA input as long as the State Boards retained the final authority in granting substantial equivalency.

- NASBA can perform the mechanical determination of who meets state standards, but each state should retain the right to identify its own standards.
- NASBA should fulfil an advisory, not a decision-making role.

Finally, the unanimity of agreement with the State Board's right to discipline was not reflected in the wide-ranging comments made:

- We are all tainted by a "bad" CPA, and we need to be able to monitor what goes on in our own state.
- A CPA should be subject to discipline in the state where the work was performed.
- State Boards should refer the matter to the licensee state.
- The discipline is limited to "cease and desist."
- Probably no enforcement right.
- State Boards regulate *only* those whom they license.

#### *Experience Requirements*

The UAA only requires one year of professional business experience for licensure as a CPA. Business experience includes not only employment in public accounting, but also employment in government, industry, and academia. Further, the UAA broadly defines business experience to include any type of service or advice which involves the use of accounting, attest, management advisory, financial advisory, tax, or consulting skills. In addition, this experience does not need to be supervised by a licensed CPA, only verified by a licensed CPA. This level of experience is less in both quantity and quality than the experience currently required by most states. Table 2 reports general support for the expanded definition of experience. The table also shows, however, that 60% of the respondents do not agree with the one-year time-frame, and 59% do not agree with experience being verified rather than supervised by a current licensee.

**Table 2: Experience Requirements Frequencies**

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
One year of experience is enough for new licensees.	78	95	43	101	43	360
In addition to experience gained through employment in public accounting, experience gained through employment in government, industry, and academia should also be allowed in meeting the experience requirement.	39	56	42	159	60	356
Experience should include providing any type of service or advice which involves the use of accounting, attest, management advisory, financial advisory, tax, or consulting skills.	18	49	28	197	67	359
Experience should be verified by a licensee although it is not necessary to be supervised by a licensee.	69	108	35	118	29	359

Many respondents commented that their acceptance of the one-year experience requirement was contingent upon requiring 150 hours of education:

- Experience is a “big” issue. One year is deemed sufficient if the 150 hour academic requirement is met.
- Assuming 150 is passed - two years if not.

Other respondents suggested other amounts of experience:

- I question the need for experience - even one year.
- No experience should be required. Florida, which requires no experience, has never had anyone charged with “malpractice” anywhere near the first year after they have been licensed! Most problems have come from “older” CPAs who have become lazy in their practice.
- The evolution of the profession is such that the experience requirement is outdated. What is experience? The requirement is geared toward accounting and auditing, but there are many CPAs who are not, and do not want to be auditors.
- One year’s experience is not enough. The experience requirement to become a CPA must be the same for everyone.
- I support a two-year experience requirement.

Although most respondents supported the broadened definition of experience, the following refinements were suggested:

- It should require more experience outside public accounting than inside. Two year minimum inside and four to five years in industry, government, and education.
- One year public - three years other.
- 25% of experience must be in accounting or attest.
- CPAs are licensed to do audits, therefore, they need audit experience in addition to everything else mentioned.

Respondents generally commented that verification by a licensee was not a good substitute for supervision by a licensee:

- Verification is a little weak if no supervision.
- Experience should be supervised by someone licensed somewhere.
- Licensee should supervise work or else how can the licensee verify.

*Education and Examination Requirements*

The education and examination UAA provisions are the least controversial. The UAA requires 150 semester-hours of college education for licensure as a CPA. Currently, 48 states have incorporated this provision into their state accountancy laws (AICPA, 2000b). The UAA also requires that an applicant for the CPA exam receive at least a grade of 75 on two sections and at least a grade of 50 on the remaining sections to "condition." If an applicant "conditions," then the applicant does not have to be re-examined for the "passed" sections when re-examined for the "failed" sections. This provision is very similar to the existing accountancy laws in most states. All states consider 75 a passing grade and all states require that two sections are passed to "condition." Eleven states, however, do not have a minimum score required on the failed section if three sections are passed. Table 3 shows strong agreement for both the education and examination requirement.

Although the passing of the 150-hour requirement into state law is basically a moot issue, respondent comments indicated that some may be having second thoughts about the impact of the provision:

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
New licensees should have at least 150 hours of college education including a baccalaureate or higher degree with an accounting concentration or the equivalent.	24	31	19	132	158	364
Applicants who take the CPA exam should pass at least two of the four sections with a score of 75 and attain a minimum grade of 50 in each of the remaining sections in order to "condition."	7	17	20	174	146	364

- I agree in concept. The problem is that students with 150 hours are in other occupations and clients are unwilling to pay the extra costs required.
- Where does the money come from to pay these new licensees the salaries they will demand?
- The 150-hour requirement may have been a mistake. We are now seeing fewer accounting graduates than before, and I am not sure they are any better prepared than prior years' undergraduates.

Respondents also suggested ways to improve the 150-hour requirement:

- Ideally should require MSA or MBA.
- Should be 120 hours baccalaureate and 30 hours master or MBA.
- "Seat time" should not be the issue but rather a competency base model similar to that suggested for CPE.

Comments made by respondents relating to criteria for passing the CPA exam related to anticipated changes necessitated by possible computerisation of the exam:

- A computerised exam, you either know it or you do not!
- The proposed changes to the CPA exam will affect the nature of it greatly, and those proposals should be focused on, e.g. computerised, pass-fail, no essays, etc.
- As long as this is the way the exam is administered. Computerisation may soon change this.

Other comments questioned the reasonableness of requiring a minimum grade of 50 on sections which were not passed in order to "condition."

- A leg at a time should be OK.
- If you get 75, keep the part.
- Why is the 50% so important? The breadth of knowledge required to pass should be more important than knowing all, or a significant portion, at once.

#### *Use of the CPA title*

The UAA requires that all individuals who use the CPA designation be licensed regardless of their place of employment. Further, the UAA provides that individuals who use the CPA designation should be subject to a State Board of Accountancy regardless of the nature of their employment and regardless of whether they use their CPA title. Table 4 reports strong agreement (94%) with this provision.

Although the UAA requires 120 hours of CPE during a three-year period for licensure renewal, the UAA allows individuals who were formerly licensed but do not meet this requirement because they are retired or inactive to continue to use the CPA designation. These individuals must include the word "inactive" ad-



adjacent to the designation. The UAA also allows individuals who are licensed but who work for non-CPA firms to use the CPA designation. Table 4 shows that only 39% of respondents believed that formerly licensed CPAs who are not current on their CPE should be allowed to use the CPA designation. Table 4 shows strong support (86%), however, for allowing CPAs in non-CPA firms to use the designation.

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
Individuals who use the CPA title should be licensed and regulated by a State Board even if they are employed by non-CPA firms.	2	12	9	106	235	364
Individuals who have not fulfilled their CPE requirements should be allowed to use the CPA designation as long as they place the word "inactive" adjacent to the designation.	86	87	48	110	32	363
Licensed CPAs should be able to use the CPA title even if they do not work for a licensed CPA firm.	17	18	17	204	106	362

The strong disagreement with the use of the "CPA, inactive" designation was consistent with the strong comments made:

- You are either "qualified" or "not qualified." When you fail to get the CPE requirement, you are not qualified and should not be allowed to use the CPA designation for "work" purposes.
- General public relies on the CPA reputation. Therefore, if you hold yourself as a CPA, you should be aware of the changing scene before you give advice.
- Learning and education is a commitment we made to the general public. This has to be ongoing.
- If the designation is important enough to use, then the individual should be willing to fulfil the necessary CPE requirements.

Although a strong majority recognised that CPAs in non-CPA firms should be able to use the title, those opposed expressed concerns:

- Should not use title if the public is being misled by representation.
- Only those who are working in a "public accounting" firm should be able to call themselves CPAs.

- What does *use* mean?

*Regulation of Fees*

The UAA allows CPAs to receive commissions and charge contingent fees that are disclosed from non-attest clients. Table 5 shows that three-fourths of the respondents agree with this provision of the UAA which is consistent with 80% of states who have already incorporated this provision into their accountancy laws.

	Strongly Disagree	Disagree	Undecided	Agree	Stongly Agree	Total
CPAs should be allowed to receive commissions from non-attest clients with proper disclosure.	35	41	28	161	99	364
CPAs should be allowed to charge contingent fees from non-attest clients with proper disclosure.	35	35	29	164	102	365

Respondent comments ranged from a concern that the provision would damage the profession’s image to suggestions relating to constraints of the provision:

- Public may conceive a conflict of interest.
- Commissions destroy objectivity and independence.
- Commission issue contains malpractice insurance concerns as well as public perception concerns.
- What is proper disclosure and to whom do we disclose?
- I believe a CPA should be able to receive a commission from an attest client as long as the CPA is not receiving a commission from an attest service.

*Regulation of CPA Firms*

The UAA includes a provision that all firms which provide attest services or use the term “CPA” in association with the firm name must be licensed and subject to State Board regulation. Stated in another way, this provision allows CPAs to practice in firms which are not licensed as long as they do not include CPA in the firm name or provide attest services. Table 6 reports that less than half of the respondents agreed that it was not necessary to license firms under these conditions.

The UAA also provides for an expansion of the capital base of CPA firms by allowing non-CPA ownership in CPA firms as long as a simple majority of the ownership is maintained by licensed CPAs. Ownership is defined in terms of both voting interest and financial interests. Non-CPA ownership is also constrained by the requirement that non-CPA owners must be active participants in the firm. Table 6 indicates that approximately two-thirds of the respondents agree



**Table 6: Regulation of CPA Firms Frequencies**

	Strongly Disagree	Disagree	Undecided	Agree	Stongly Agree	Total
It is not necessary to license firms owned by licensed CPAs as long as the firm does not perform attest services and does not use the CPA designation in their name.	54	81	69	138	20	362
CPA firms should be allowed to have non-licensed owners as long as a simple majority of the voting rights are granted to licensed CPAs.	40	59	41	168	57	365
CPA firms should be allowed to have non-licensed owners as long as a simple majority of the financial interests belong to licensed CPAs.	41	69	65	140	50	365
All non-CPA owners of the firm should be active participants in the firm.	15	38	62	103	132	350

with these statements relating to non-CPA ownership.

Respondents commented that the public could be confused by a “non-CPA” firm which is owned by CPAs:

- The problem is that the individual still uses the term CPA and there is no clarity as to peer review, etc. The public will suffer.
- I think any firm owned by CPAs that performs traditional CPA services (even with no attest services and no use of CPA in firm’s name) should be licensed. I assume the individual CPAs in the firm would continue to hold themselves out as CPAs. When a firm, or any practicing CPA screws-up, it is a blight on our profession...

The most common “non-CPA ownership” comments related to the percentage of CPA ownership which should be required. Many believed that two-thirds CPA ownership should be required. Other comments from those who opposed any non-CPA ownership included:

- Non-CPA ownership lowers the professional standards, reduces the accountability of the firms’ owners, and lowers the accountability of the profession to the public. This proposal would change the CPA profession from a “professional group” to a “trade group with profit as the main focus.” This is about “money” and “greed” with non-CPAs trying to get a piece of the action.
- Let them operate in non-CPA firms.

- Not yet convinced as to non-licensee ownership. Matters of independence and management control are subject to question.

*Reserved Services and SSARS Compilations*

The UAA reserves attest services to licensees. The latest revision of the UAA defines attest services as (1) any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS); (2) any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS); and (3) any examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE). Earlier versions of the UAA, in affect when the survey was mailed, included compilation of financial statements in the list of attest services. The UAA further provides that non-CPAs may compile financial statements but must include a disclaimer with the compiled financial statements. The UAA rules (AICPA/NASBA, 1999) suggest the following safe harbour language:

“I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing in the form of financial statements information that is the representation of management (owners).

I (we) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them.”

Table 7 reports that over half of the respondents did not agree with the UAA provision which allows non-CPAs to prepare financial statements as long as they include a disclaimer with the statements.

	Strongly Disagree	Disagree	Undecided	Agree	Stongly Agree	Total
Non-licensed individuals should be allowed to prepare financial statements as long as they include a “disclaimer” which states that they have not audited, reviewed, or compiled the statements which they have prepared.	74	82	36	132	35	359
Attest services should be defined to include not only audits but also reviews, compilations, and examinations of prospective financial information.	27	47	23	149	117	363

Respondents’ comments suggested that the disclaimer itself might be confusing to the public:

- Prefer non-licensed issue plain paper statements without a report.
- Prefer no opinion.

- Anyone can put together a financial statement - just cannot attach an opinion. Do not like the idea of a disclaimer statement - it is confusing to the public. It sounds too much like the opinion on a compilation.

Others who disagreed with the “safe harbour” statement questioned the Board’s ability to regulate non-licensed individuals:

- Why should a non-licensed individual be required to state they have not audited, reviewed, or compiled the statements? Most preparers of financial statements are non-licensed. I can just see all of these government departments producing statements with such a disclaimer. Ludicrous!
- We have no jurisdiction over the preparation of financial statements by anyone other than CPAs and then it only relates to the conduct of the CPA and the level of assurance given. How can we require non-CPAs to say anything?

Although Table 7 shows strong agreement relating to the definition of attest services, those who disagreed may have supported the statement if compilations had not been included in the definition. Many may have questioned how the public’s interest is served by limiting compilation of financial statements to CPAs since compilation is “no-assurance assurance” (Telberg, 1999).

- Not sure that compilations fall under attest standards.
- Compilation reports can in no way be considered an attest function so long as the accountant’s report letter includes that the report contains data that are the representation of management.

*Competency Requirement for Attest and Compilation Services*

The UAA experience provision also requires that CPAs who provide attest services demonstrate additional competency as dictated by professional standards. Earlier versions of the UAA, in affect when the survey was mailed, provided for an additional year of experience. The specific type of experience was to be determined by professional standards. Table 8 reports that 71% of the respondents agreed that additional experience is necessary for individuals providing attest services. Further, 61% agreed that professional standards should dictate what ex-

**Table 8: Competency Requirement for Attest and Compilation Services Frequencies**

	Strongly Disagree	Disagree	Undecided	Agree	Stongly Agree	Total
Additional experience should be required for licensees who supervise attest engagements for their firm and/or sign reports on financial statements.	18	48	38	142	114	360
The additional attest experience should be determined by professional standards rather than specified by each State’s accountancy laws.	33	58	50	143	73	357

perience is appropriate for meeting this requirement.

The primary concern expressed by respondents to requiring additional experience related to problems resulting from the creation of a two-tiered licensing structure:

- Let us not create differing “levels” of CPA.
- Adding an additional experience requirement for the attest area creates a two-tier licensing structure that divides our profession.
- How are you going to distinguish this difference to the public? If there is no outside discernment of the difference, you cannot police.

Another stream of comments followed the change to the provision made in the latest version of the UAA:

- Experience should be competency based - not based on performing tasks.
- For attest services, specific attest experience should be required (not necessarily “additional”). Experience requirements should be met by demonstrating competencies, not by passage of time.

Finally, some respondents felt that State Boards rather than professional standards should make the experience determination:

- Come on! State boards, not NASBA or the AICPA regulate licensees!
- Each state board is better qualified to set professional standards for that state.
- Should be a joint decision by standards and the respective Boards.

### **Conclusion**

The AICPA and NASBA both support the UAA as an instrument to promote the interstate practice and mobility of CPAs. In a state based regulatory system, however, accountancy laws must be enacted at the state level. The State Boards of Accountancy and the State Societies of CPAs are the two most influential bodies in each state for generating legislative action relating to accountancy laws. This article investigated the magnitude of support for the UAA as a whole and the magnitude of support for each of the provisions of the UAA by both members of State Boards of Accountancy and officers of State Societies of CPAs.

The results of a survey mailed to these state leaders indicate that state leaders are divided in their support of the UAA in its entirety. Only 57% of the state leaders indicated that they would vote, if given the opportunity, for the UAA as a whole. Without the support of a stronger majority of state leaders, the probability of passing all of the UAA provisions into state legislation in each of the 54 jurisdictions is greatly reduced.

State leaders do strongly support, however, many of the individual provisions underlying the objectives of the UAA. First, the UAA promotes uniformity of state accountancy laws in order to facilitate the interstate practice and mobility of CPAs. State leaders strongly support the UAA provisions relating to substan-

tial equivalency, education requirements, and examination requirements. Although state leaders also agree with the broadened experience definition included in the UAA, they do not agree that one year of experience is enough. They also do not support the substitution of "verification" of experience by a licensee for "supervision" of experience by a licensee.

Second, the UAA removes barriers which constrain CPAs in their accounting practices. State leaders strongly support allowing use of the CPA title by CPAs who work in non-CPA firms. Further, state leaders strongly support non-CPA ownership of CPA firms and allowing CPAs to receive commissions and contingent fees. State leaders, however, do not agree that formerly licensed CPAs, who have not met CPE requirements, should be allowed to use the CPA title. State leaders also do not agree with the UAA provision that firms need not be licensed which neither provide attest services nor use "CPA" in their firm name.

Finally, the UAA seeks to protect the public interest by requiring licensure of all individuals who use the CPA title, and reserving attest services to licensed CPAs who work in CPA firms. State leaders strongly support licensure of all individuals who use the CPA title. They also support reservation of attest services to CPAs, the attest services definition, and the additional competency requirement for CPAs who provide attest services. State leaders, however, do not support the UAA requirement that financial statements prepared by non-CPAs must include a disclaimer.

Although the road to implementation of the Uniform Accountancy Act in its entirety may be rough and long, enactment of the UAA on a piecemeal basis is much more probable. With the support of state leaders, many of the provisions included in the UAA have either already been incorporated into state law, or are likely to soon become state law. The results of this research should help national leaders focus their discussion and educational efforts relating to the more controversial provisions of the UAA and thus move the UAA's objectives closer to reality.

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