



# Uniform Accountancy Act Roadmap

## Uniform Accountancy Act

To ensure public protection, the public accounting profession in the United States is built upon a statutory foundation that provides for the examination and licensing of members of the profession and for the regulation of their conduct. All licensing jurisdictions examine, license and regulate CPAs under state accountancy laws and regulations. The Uniform Accountancy Act (UAA) serves as a basis for the key provisions contained in this regulatory framework.

## What is the Uniform Accountancy Act?

A model bill to regulate the practice of public accountancy was first published in 1916 by the American Institute of Accountants, the predecessor of the AICPA®. In 1984, the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) published the first joint model bill, later renamed the Uniform Accountancy Act. The UAA is an evergreen model licensing law that provides a comprehensive system for enhancing public protection, facilitating consumer choice, and supporting the efficient operation of capital markets. To ensure the ease of cross-border practice, the UAA also promotes the uniformity of state accountancy laws that foster interstate and international professional practice.

A substantial majority of the state accountancy laws now in effect follow, in their principal provisions, the example earlier model accountancy bills and the Uniform Accountancy Act provided. The UAA is provided as a single comprehensive piece of legislation that could be adopted in place of existing state laws. Because each licensing jurisdiction has its own accountancy law, the UAA is also designed with separable provisions to ensure that, with appropriate amendments, its parts could be added to existing laws instead of entirely replacing such laws.



## Fundamental UAA principles

1. The regulation of CPAs protects the public welfare by providing reasonable assurance of the competence of CPAs and CPA firms and contributes to preventing public deception about levels of competency.
2. High levels of competency are required to perform a certain segment of services CPAs and CPA firms provide. Those services are referred to as the attest function. Attest services invite the highest degree of reliance by the widest segment of the public. When not performed correctly, the adverse consequences on the public are great.
3. Licensure is reserved for those practitioners who have demonstrated the skill and knowledge (gained through education, examination, and experience) needed to provide significant assurance to the public and capital markets.
4. An effective regulatory framework ensures professionals have met the requisite licensing requirements and that those without the necessary skill and knowledge to perform the attest function cannot represent to the public.
5. The interstate nature of business calls for uniformity among the regulatory framework of licensing jurisdictions.
6. Mobility for individual CPAs and CPA firms must be enhanced and substantial equivalency is the cornerstone of this approach. Substantial equivalency is the determination that a licensing jurisdiction's education, examination and experience requirements are comparable to those contained in the UAA.

## How often is the UAA updated?

The Joint AICPA/NASBA UAA committees periodically review the Model Act to ensure its relevance to the evolving changes in the practice of accountancy. Updates to the Model Act are infrequent because its components are enshrined in statute.

### Resources

*Uniform Accountancy Act, Eighth Edition*

*Uniform Accountancy Act Model Rules, November 2020*