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Statement on Standards for Attestation Engagements

December 1987

Issued by the Management Advisory Services
Executive Committee

AICPA

American Institute of
Certified Public Accountants

Attest Services Related to MAS Engagements

INTRODUCTION

This statement amends paragraph 71 of the Statement on Standards for Attestation Engagements (SSAE) *Attestation Standards*, to eliminate the temporary exclusion relating to attest engagements in which the practitioner's conclusions about the reliability of a written assertion of another party meet all the following conditions:

- a. They are an incidental part of an engagement whose principal objective is to provide advice to the client based on the practitioner's expertise, such as in management advisory services.
- b. They will be distributed solely to the client and to third parties that have the ability to negotiate directly with the party responsible for the assertion.
- c. They are not subject to other existing authoritative interpretive standards for attest engagements.

This statement provides guidance on (a) attest services as part of a management advisory services (MAS) engagement and (b) attest services involving assertions, criteria, and evidence derived from a concurrent or prior MAS engagement.

This statement also describes the nonattest evaluations of written assertions that may be performed in MAS engagements.

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STATEMENT

Attest Services as Part of an MAS Engagement

1. When a practitioner¹ provides an attest service (as defined in the *SSAE Attestation Standards*) as part of an MAS engagement, the Statements on Standards for Attestation Engagements² apply only to the attest service. Statements on Standards for Management Advisory Services (SSMASs) apply to the balance of the MAS engagement.³

2. When the practitioner determines that an attest service is to be provided as part of an MAS engagement, the practitioner should inform the client of the relevant differences between the two types of services and obtain concurrence that the attest service is to be performed in accordance with the appropriate professional requirements. The MAS engagement letter or an amendment should document the requirement to perform an attest service. The practitioner should take such actions because the professional requirements for an attest service differ from those for a management advisory service.

3. The practitioner should issue separate reports on the attest engagement and the MAS engagement and, if presented in a common binder, the report on the attest engagement or service should be clearly identified and segregated from the report on the MAS engagement.

Assertions, Criteria, and Evidence

4. An attest service may involve written assertions, evaluation criteria, or evidential matter developed during a concurrent or prior

¹ *Practitioner* is defined in the *SSAE Attestation Standards* to include a proprietor, partner, or shareholder in a public accounting firm and any full- or part-time employee of a public accounting firm, whether certified or not.

² This refers to the *SSAE Attestation Standards* and subsequent statements in that series, as issued by the AICPA.

³ This refers to SSMAS No. 1, *Definitions and Standards for MAS Practice*, and subsequent statements in that series, as issued by the AICPA.

MAS engagement. A written assertion of another party developed with the practitioner's advice and assistance as the result of such an MAS engagement may be the subject of an attestation engagement, provided the assertion is dependent upon the actions, plans, or assumptions of that other party who is in a position to have an informed judgment about its accuracy. Criteria developed with the practitioner's assistance may be used to evaluate an assertion in an attest engagement, provided such criteria meet the requirements in the *SSAE Attestation Standards*. Relevant information obtained in the course of a concurrent or prior MAS engagement may be used as evidential matter in an attest engagement, provided the information satisfies the requirements of the *SSAE Attestation Standards*.

Nonattest Evaluations of Written Assertions

5. The evaluation of statements contained in a written assertion of another party when performing a management advisory service does not in and of itself constitute the performance of an attest service. For example, in the course of an engagement to help a client select a computer that meets the client's needs, the practitioner may evaluate written assertions from one or more vendors, performing some of the same procedures as required for an attest service. However, the MAS report will focus on whether the computer meets the client's needs, not on the reliability of the vendor's assertions. Also, the practitioner's study of the computer's suitability will not be limited to what is in the written assertions of the vendors. Some or all of the information provided in the vendors' written proposals, as well as other information, will be evaluated to recommend a system suitable to the client's needs. Such evaluations are necessary to enable the practitioner to achieve the purpose of the MAS engagement.

Effective Date

6. This statement is effective for attest reports issued on or after May 1, 1988.

DISSENTS

The statement entitled Attest Services Related to MAS Engagements is issued by the Management Advisory Services Executive Committee. The statement was adopted unanimously by the fifteen members of the MAS Executive Committee.

**Management Advisory Services Executive Committee
(1986-1987)**

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Note: This statement is issued by the MAS Executive Committee under the authority granted it by the Council of the Institute to interpret rule 201, General Standards, of the Institute's Code of Professional Ethics. Members should be prepared to justify departures from this statement.