



ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

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D. Boyd Busby, CPA
Executive Director

August 14, 2023

TO: All Inactive CPAs and PAs

FROM: D. Boyd Busby, CPA

SUBJECT: Rules Pertaining to Inactive CPAs and PAs Disallowed from Practicing Public Accountancy

Per ALA. CODE (1975) §§ (34-1-11(b)(1) & (34-1-11(b)(2)), inactive CPAs and PAs are not allowed to practice public accountancy and must place "inactive" adjacent to their CPA or PA title on all publications, business cards, letterhead, LinkedIn site, resumes, etc. Rules defining the practice of public accountancy were amended and effective on September 13, 2018. The practice of public accountancy includes performing audits, review compilations but also includes, but is not limited to, bookkeeping, accounting, management advisory services, financial advisory or consulting services, or tax preparation services.

Please review ALA. ADMIN. CODE r. 30-X-1-.01(f) for compliance:

(f) Practice of Public Accounting. The practice of Public Accounting or the practice of Public Accountancy is:

1. Performing services as one skilled in the knowledge and practice of Public Accounting including, but not limited to, kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters; or

2. Providing Attest services as defined by the following services:

(i) Any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS).

(ii) Any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS)

(iii) Any engagement to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE).

(iv) Any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board (PCAOB).

(v) The statements on standards specified in this definition shall be adopted by reference by the board pursuant to rule making and shall be those developed for general application by recognized national accountancy organizations such as the AICPA and PCAOB.; or

3. Providing a service of any compilation engagement performed in accordance with Statements on Standards for Accounting and Review Services (SSARS); or

4. Providing a service of any preparation of financial statements engagement performed in accordance with Statements on Standards for Accounting and Review Services (SSARS).