

Comprehensive Question 1-23

(Organizations associated with the public accounting profession) Several private and public sector organizations are associated with the profession. Listed below are activities pertaining to these organizations.

1. License individuals to practice as CPAs. State Boards of Accountancy
2. Promulgate GAAP. Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB)
3. Issue Statements on Auditing Standards. American Institute of Certified Public Accountants (AICPA)
4. Regulate the distribution and trading of securities offered for public sale. U.S. Securities and Exchange Commission (SEC)
5. Establish its own code of professional ethics. American Institute of Certified Public Accountants (AICPA), State Societies of CPA's, and State Boards of Accountancy
6. Issue Statements of Financial Accounting Standards. Financial Accounting Standards Board (FASB)
7. Impose mandatory continuing education as a requirement for renewal of license to practice as a CPA. State Boards of Accountancy
8. Issue disclosure requirements for companies under its jurisdiction that may exceed GAAP. U.S. Securities and Exchange Commission (SEC)
9. Issue auditing interpretations. American Institute of Certified Public Accountants (AICPA)
10. Cooperate with the AICPA in areas of mutual interest such as continuing professional education and ethics enforcement. State Societies of CPA's
11. Take punitive action against an independent auditor. U.S. Securities and Exchange Commission (SEC) and State and Federal Courts
12. Establish accounting principles for state and local governmental entities. Governmental Accounting Standards Board (GASB)
13. Establish GAAS. American Institute of Certified Public Accountants (AICPA)
14. Suspend or revoke a CPA's license to practice. State Boards of Accountancy

15. Establish quality control standards. American Institute of Certified Public Accountants (AICPA)
16. Operate as proprietorships, partnerships, or professional corporations. Practice Units (CPA Firms)
17. Issue government auditing standards. U.S. Government Accountability Office (U.S. GAO)
18. Administer federal tax laws. Internal Revenue Service (IRS)

Required

Indicate the organization or organizations associated with each activity.