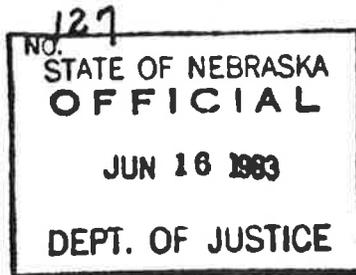


DEPARTMENT OF JUSTICE

STATE OF NEBRASKA

TELEPHONE 402/471-2682 • STATE CAPITOL • LINCOLN, NEBRASKA 68509



June 9, 1983

PAUL L. DOUGLAS  
Attorney General  
GERALD S. VITAMVAS  
Deputy Attorney General  
JOHN R. THOMPSON  
Deputy Attorney General

SUBJECT:                   Compilation Reports by Individuals Not  
Licensed to Practice Public Accountancy

REQUESTED BY:           J. Richard Biles, Executive Director,  
Nebraska State Board of Public Accountancy

OPINION BY:             Paul L. Douglas, Attorney General,  
Mark D. Starr, Assistant Attorney General

QUESTION:               Whether the issuance of a "compilation report"  
by an individual unlicensed to practice public  
accountancy in this state violates Neb.Rev.  
Stat. §1-157 (Reissue 1977), which limits the  
use of the words "accountant" and "auditor."

CONCLUSION:             Probably not.

In your letter of May 12, 1983, you ask whether the issuance of a "compilation report" by an individual unlicensed to practice public accountancy in this state violated Neb.Rev.Stat. §1-157 (Reissue 1977). This statute provides in pertinent part:

No person shall sign or affix his name . . . with any wording indicating that he is an accountant or auditor, or with any wording indicating that he has expert knowledge in accounting or auditing, to any accounting or financial statement, or to any opinion on, report on, or certificate to any accounting or financial statement, unless he holds a live permit [to practice public accountancy].

You included a copy of the compilation report in question with your letter. The preparer had utilized information furnished to him by the entity for which he was preparing the report and assembled a bank reconciliation for one year and a statement of cash receipts and disbursements. Neither of those statements bore any signature or indication of their source. They were accompanied by a document headed "compilation report," which read as follows:

Assistants

Bernard L. Peckett  
Mel Kammerlohr  
Harold I. Mosher  
Ralph H. Gillen  
Terry R. Schaaf

Marilyn B. Hutchinson  
Patrick T. O'Brien  
J. Kirk Brown  
Royce N. Harper  
Sharon M. Lindgren

Ruth Anne E. Gatter  
G. Roger Anderson  
Dale A. Comer  
Marte J. Bundy  
Mark D. Starr

Dale D. Brodkey  
Frank J. Huffless  
Linda L. Willard  
Henry M. Grether III



J. Richard Biles  
June 9, 1983  
Page -3-

Also, it would seem incongruous to find that the unlicensed person violated a statute which was designed to protect the public from misplaced reliance on financial information when the preparer clearly indicated in the disclaimer that the statements were unaudited and he could not give any assurances concerning their accuracy.

Very truly yours,

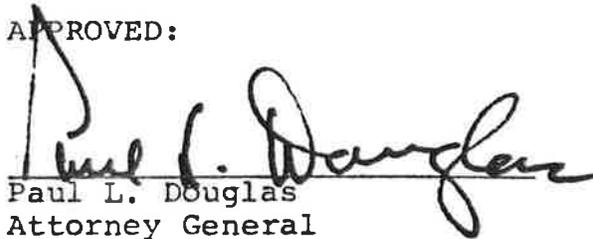
PAUL L. DOUGLAS  
Attorney General



Mark D. Starr  
Assistant Attorney General

MDS:kkh

APPROVED:



Paul L. Douglas  
Attorney General