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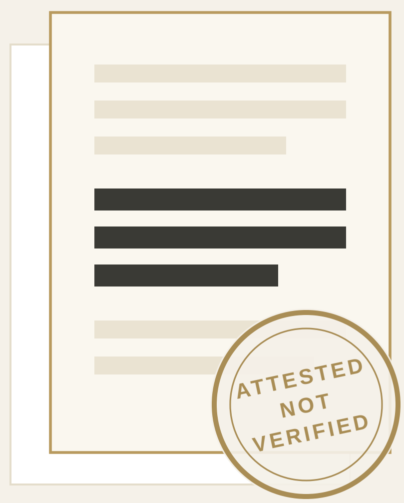
Attested Is Not Verified

A framework for independent compliance verification. The verification gap: why self-reported compliance isn't proof.



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Executive summary

Every day, organizations, funders, boards, and communities are asked to accept that an obligation has been met because the party responsible for meeting it says so. A contractor certifies that its subcontractors hold the certifications they claim. A grant recipient reports that funds were spent as promised. A vendor attests that it followed the security controls its contract required. These statements are useful. They are also, on their own, not proof.

This paper draws the line between two things that are routinely treated as one: a claim that has been **attested**, meaning asserted by the party responsible for it, and a claim that has been **verified**, meaning independently confirmed against evidence a third party can examine. The distance between the two is what we call the verification gap. It is where cost overruns hide, where unmet commitments go unnoticed until they surface as a headline or a lawsuit, and where good-faith organizations discover, too late, that no one was ever actually checking.

The argument here is not that people lie. Most attestations are made in good faith. The argument is structural: the party best positioned to report on its own performance is also the party least able to report on it impartially, and no amount of sincerity closes that gap. Only an independent look at the underlying record does.

What follows defines the gap, explains why self-reporting cannot close it, describes what independence actually requires (drawing on the recognized auditing and attestation standards that govern this work), and sets out a repeatable, document-grounded method any organization can use, or commission, to turn a claim into a verified fact. The method is deliberately plain. Its discipline, not its complexity, is what makes it credible.

1. A promise is not proof

Consider how most compliance information travels. An obligation is created, in a contract, a grant agreement, a regulation, a certification program's rules. Time passes. At some point, someone reports on whether the obligation was met. Overwhelmingly, that someone is the obligated party, or a person paid by them.

This is not a scandal. It is simply how reporting is built. Annual reports, progress reports, self-certifications, and management representations are the ordinary currency of accountability, and they exist because first-hand knowledge usually sits with the party doing the work. The problem is what happens next: the recipient of the report, a funder, a prime contractor, a board, a regulator, a community, tends to file it as settled. The claim has been *made*, so the box is checked. But a claim that has been made has not, by that act, been checked.

The gap becomes visible only under pressure. A subrecipient turns out to have been suspended or debarred the whole time. A certificate of insurance turns out to describe coverage that lapsed months before the work began.

A "completed" remediation is found, during litigation, never to have been performed. In each case the attestation existed and was accepted. What did not exist was an independent confirmation that the attestation was true. The failure is rarely dramatic dishonesty. It is the quiet substitution of *someone said so* for *the record shows so*.

2. Attested versus verifiable: two words that are not synonyms

Precision matters here, because the whole framework rests on the distinction.

An **attestation** is a statement by a party that something is true. In professional practice the party that makes the claim is called the *responsible party*, and the claim itself is often called an *assertion*. Attestations are valuable. They put a name and an accountability behind a statement, and they are frequently made under penalty of perjury or contract. But an attestation is a claim about reality, not reality itself.

Something is **verifiable** when an independent party, working from evidence the responsible party did not create for the occasion, can confirm or refute it. The key words are *independent* and *evidence*. Verification is not a stronger version of attestation offered by the same person; it is a different act performed by a different party against a different thing, the underlying record.

Three states, not two, follow from this. A commitment can be **verified** (the independent record confirms it), **contradicted** (the record refutes it), or **unverifiable** (the record needed to confirm or refute it does not exist or was not produced). That third state is the one most systems ignore, and, as Section 7 argues, it is often the most important finding of all.

3. Why attestation alone fails

Three structural forces, none of which requires bad intent, keep self-reporting from closing the gap.

Incentive. The party reporting on its own performance benefits from a favorable report. Even scrupulously honest reporters make defensible judgment calls, and defensible judgment calls, made repeatedly by an interested party, tend to accumulate in one direction. This is not a character flaw; it is the predictable result of asking anyone to grade their own work.

Information asymmetry. The responsible party controls the underlying records and decides what to summarize, what to include, and what to leave out of a report. The recipient sees the summary, not the source. A report can be entirely accurate in what it says and still mislead by what it omits.

No independent check. Most reporting relationships have no built-in step at which anyone outside the responsible party examines the source records. The report arrives, it is filed, and the loop closes without verification ever occurring. The absence is silent, which is exactly why it persists.

The professional world recognized this long ago, which is why it built an entire discipline, independent auditing and attestation, on a single foundational idea: the person who checks the claim must not be the person who made it.

4. What independence actually means

"Independent" is used loosely in ordinary speech. In the standards that govern verification work, it has a specific and demanding meaning.

Under the U.S. Government Accountability Office's *Government Auditing Standards*, known as the Yellow Book (2018 revision, effective for engagements covering periods ending on or after June 30, 2020), independence is assessed through a **conceptual framework**: the practitioner identifies threats to independence, evaluates their significance, and applies safeguards to reduce them to an acceptable level. The standard's test for "acceptable" is instructive. A threat is acceptable only when *a reasonable and informed third party* would conclude that the practitioner could do the work without compromising professional judgment. Independence, in other words, is judged from the outside, by how it would look to a fair observer, not by the practitioner's private confidence in their own objectivity.

The framework names specific threats. The most relevant to our subject is the **self-review threat**: the impairment that arises when a party is asked to evaluate work it performed itself. The Yellow Book treats this as significant enough that, for example, an auditor who prepared an entity's financial statements from its raw records faces a threat serious enough to require safeguards, and where effective safeguards are not available, independence is impaired and the firm cannot perform both roles. The principle generalizes cleanly beyond financial statements: a party cannot supply independent assurance about its own performance, because the very thing being checked and the thing doing the checking are the same. Self-review is not a lapse to be managed with more care. It is a structural disqualification.

The Institute of Internal Auditors builds on the same foundation, treating independence and objectivity as the conditions without which assurance work has no value. And the distinction runs through the private sector as much as the public one: the reason a company hires an outside auditor rather than relying on its own bookkeeper's word is precisely that outside independence is what makes the resulting assurance worth anything to a lender, an investor, or a board.

This is where an independent verification firm earns its role. Independence is not a marketing adjective; it is a testable condition. It means no financial or relational stake in the outcome, no prior involvement in producing the thing being examined, and no vendor or advocacy relationship that a reasonable observer would see as a thumb on the scale. A verifier that helped build the program it later blesses has not verified anything; it has reviewed its own work.

5. Not all checks are equal: levels of assurance

A second distinction, less obvious but just as important for anyone commissioning verification, is that independent work comes in different strengths. The AICPA's attestation standards define three levels, and knowing which one you are getting is essential to knowing what a report actually tells you.

An **examination** is the highest level. The practitioner gathers sufficient evidence to express a positive opinion on whether the subject matter conforms to the stated criteria in all material respects. This is the level that produces a definitive, opinion-style conclusion.

A **review** provides limited assurance. The procedures are narrower, typically inquiry and analysis, and the conclusion is stated in the negative: nothing came to the practitioner's attention suggesting the subject matter is not in conformity. A review is real work, but it is a lighter touch and it says less.

An **agreed-upon procedures** engagement provides no assurance at all. The practitioner performs specific procedures the parties defined in advance and simply reports the factual findings, leaving the reader to draw conclusions. This is valuable when the parties know exactly what they want checked, but it is not an opinion and should never be read as one.

The practical lesson for a funder, a board, or a business is to match the level to the stakes and to insist on knowing which one was performed. A cost-conscious "review" or a narrow "agreed-upon procedures" report is entirely appropriate for some purposes and dangerously thin for others. Trouble arrives when a limited-assurance product is received and remembered as if it were a full examination. Part of verification's value is naming, honestly and up front, how strong a check is being bought.

A note on terminology is owed here. Examinations, reviews, and agreed-upon procedures engagements under the AICPA's attestation standards are performed by licensed CPA firms. The document-grounded verification this paper describes is a distinct discipline: it does not express a CPA opinion or provide assurance under the SSAEs, and it is not a substitute for a financial statement audit where one is required. What it delivers is independent factual confirmation, each commitment traced to a citable record, at a rigor and cost suited to the many obligations that never reach a CPA's desk. The two are complements. The same honesty this section asks of assurance buyers applies to verification providers: name what the check is, and what it is not.

6. A repeatable method for independent verification

The standards establish the principles. The following method operationalizes them in a way that works across settings, whether the commitment lives in a contract, a grant agreement, a certification program's rules, or a public program's published terms. Its power is in the discipline, not in any single clever step.

Step one: define the commitment from its binding source. Verification begins not with the report but with the obligation. The exact wording of what was promised is pulled from the document that actually binds the parties, the executed contract, the signed agreement, and not from a press release, a summary, or anyone's recollection. A surprising share of accountability failures are really definition failures: the public remembers a rounder, more generous version of a commitment than the binding document contains. Getting the commitment exactly right, in its own words, is the foundation everything else rests on.

Step two: identify what evidence would confirm it, and where that evidence lives. For each commitment, the verifier asks what independent record would prove performance, and who holds it. Payroll records, licensing and registration records, payment and disbursement records, inspection reports, third-party certifications, dated filings. The point is to name, in advance, the evidence that would settle the question, so the inquiry is driven by proof rather than by whatever the responsible party chooses to volunteer.

Step three: gather the primary evidence. Wherever possible the verifier works from source records, not summaries of them, obtained from the record-holder or from public records anyone can request. Independent evidence obtained directly is worth more than a report about that evidence, for exactly the reasons in Section 3.

Step four: grade each commitment against the record, in three states. Every commitment is marked verified, contradicted, or unverifiable, and each grade is tied to a specific, citable piece of evidence, named by document and location. Nothing is graded on impression. If a reader cannot follow a finding back to the record it rests on, it is not a finding; it is an opinion.

Step five: treat what is missing as a result, not a gap to be skipped. When the record needed to confirm or refute a commitment does not exist, that is recorded plainly as its own finding, not quietly dropped. See Section 7.

Step six: cite everything and keep the work reproducible. Every conclusion carries its source, so that an independent reader, including a skeptical one, can retrace the path from claim to evidence to grade. Reproducibility is what separates verification from assertion. A verification that cannot be checked is just another attestation wearing a more authoritative coat.

7. When silence is the finding

The most overlooked result in any verification is the commitment that can be neither confirmed nor denied because the record that would settle it does not exist.

Ordinary reporting has no place to put this. A self-report will not flag the absence of a record that would have been inconvenient, and a checklist mentality treats "no evidence of a problem" as "no problem." But the absence of the record needed to verify a material commitment is itself a material fact. It means the obligation was accepted without any mechanism to confirm it was ever met. For the party relying on that commitment, a funder, a board, a community, the correct response to "we cannot verify this because the records do not exist" is not to move on. It is to ask why a promise important enough to make was never made checkable, and to treat that unanswerable state as a risk in its own right.

Naming the unverifiable is not a failure of the verification. It is often its single most valuable output, because it exposes exactly the places where everyone assumed someone else was checking and no one was.

8. What verification requires that attestation does not

Pulling the threads together, three things distinguish verification from attestation, and all three are things the responsible party structurally cannot supply about itself.

The first is **access to the underlying record**, not the summary. Verification lives or dies on primary evidence, and primary evidence is what reports, by their nature, leave behind.

The second is **methodological discipline**: commitments defined from binding sources, evidence identified before conclusions, grades tied to citations, missing records reported rather than skipped, and the whole chain reproducible. Discipline is what makes a finding survive a challenge.

The third is **independence in the demanding sense of Section 4**: no stake, no self-review, no relationship a reasonable observer would question. This is the one that cannot be borrowed or asserted. A party can be disciplined about grading its own work and still not be independent of it, and that single missing ingredient is why self-assessment, however rigorous, is not verification.

9. When to commission independent verification

Not every claim needs an independent check. The ones that do share a profile: the commitment is material, the cost of being wrong is high, and the party reporting on it has a stake in the answer. When those three line up, the attestation is exactly the thing that should not be taken on faith.

The pattern recurs across sectors. A prime contractor carries the risk when a subcontractor's claimed certification turns out to be invalid, and confirming subrecipient and subcontractor eligibility is now an explicit expectation in federal grants management, where the 2024 revision to the federal Uniform Guidance both raised the single-audit threshold to $1,000,000 in annual federal expenditures (effective October 1, 2024) and reinforced pass-through entities' duty to confirm that subrecipients are not suspended, debarred, or otherwise excluded. A grantmaker or funder relying on recipient self-reports carries the risk that reported spending and outcomes cannot be reconciled to records. A board or an audit committee accepting management's representations carries the risk that no one outside management ever tested them. A business entering a partnership, an acquisition, or a major vendor relationship carries the risk that the other side's compliance claims were never independently confirmed. In each case an independent verification, scaled to the stakes at the right level of rigor, converts a hopeful assumption into a checked fact, or surfaces, early and cheaply, the gap that would otherwise surface late and expensively.

Conclusion

Accountability systems fail quietly, not loudly. They fail when a claim that was merely made comes to be treated as a claim that was checked, and the difference goes unnoticed until the cost of the gap comes due. Closing that gap does not require suspicion or an adversarial posture. It requires one discipline, consistently applied: the party that checks a commitment must be independent of the party that made it, must work from the underlying record rather than the summary, and must be willing to report plainly what the record proves, what it contradicts, and what it cannot answer at all.

Attested is not verified. Naming that distinction, and building a habit of closing it where the stakes justify the effort, is the difference between hoping a commitment was kept and knowing.

About ESRD Global Strategics. ESRD Global Strategics LLC is an independent compliance verification and public-record research firm based in Gainesville, Virginia. The firm holds no vendor or reseller relationships that could color its findings and takes no stake in the outcomes it examines; its role is to provide the conflict-free, independent findings that funders, boards, primes, and communities can rely on. This paper is educational and general in nature and is not audit, legal, or accounting advice; independence and assurance determinations for any specific engagement are made against the applicable professional standards and the facts of that engagement.

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