

November 24, 2021

Attn: AICPA Professional Ethics Executive Committee
Ethics-Exposuredraft@aicpa.org.

Re: Exposure Draft – Accounting Standards Implementation Services

AICPA PEEC:

The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The PSC has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our comments below on the above-referenced exposure draft.

General Comments:

The proposed interpretation of independence is an attempt to provide further guidance on how much assistance a CPA may provide an attest client without violating independence. Because the current guidance is open to interpretation, independence is a common issue in peer reviews.

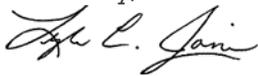
While additional clarification might be helpful in theory, the actual application of the new interpretation may be problematic. Small governmental and not-for-profit entities need detailed assistance with implementation on new and complex standards. These types of entities often lack the necessary expertise to implement new standards or have the resources to hire a separate CPA other than the firm performing their annual attest engagements. The current proposal attempts to make the current practice of using professional judgment in determining independence more prescriptive. However, absent of a clear delineation between allowed assistance and an independence infraction, this issue will remain an analysis requiring professional judgment.

The PSC thinks that the issue of accounting standards implementation services would be better served if there was a distinction made between the decision by the entity to implement new standards and the assistance provided for implementation by the CPA. The decision whether or not to implement new standards is the responsibility of management and should be documented by the CPA performing the attest engagement.

Regarding the effective date of this proposal, the PSC does not think this is a major change to current practices that would require a delay in implementation.

We appreciate the opportunity to provide input on this Exposure Draft of accounting standards implementation services.

Sincerely,



Lyle C. Joiner, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants