October 29, 2014

Ms. Lisa Snyder
Director, Professional Ethics Division
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036

AICPA Professional Ethics Division Exposure Draft: Omnibus Proposal of Revised Interpretations

Dear Ms. Snyder:

This letter provides the U.S. Government Accountability Office’s comments on the American Institute of Certified Public Accountants’ (AICPA) exposure draft.

We support the AICPA’s Professional Ethics Division’s efforts to clarify requirements surrounding the role of an individual in a campaign financial position. We agree with the terminology change from “campaign treasurer” to “campaign treasurer or other individual with similar financial responsibilities,” as it more clearly captures what role the interpretation is addressing. We also agree with expanding the coverage of the term from municipalities to any governmental entity as the concerns raised in the interpretation are broad and would affect all levels of government.

As we discuss in the Government Auditing Standards, paragraph 3.03-3.03b, “Independence comprises . . . independence of appearance. The absence of circumstances that would cause a reasonable and informed third party, having knowledge of the relevant information, to reasonably conclude that the integrity, objectivity, or professional skepticism of an audit organization had been comprised.” By clarifying the requirements around an individual in a campaign financial position, the AICPA has helped practitioners better understand threats to independence in appearance and how to respond appropriately.

Request for Specific Comment

The AICPA raised the following question in the exposure draft regarding the proposed revision of the “Client Affiliate” interpretation and the “Attest Client” definition: The proposal suggests that the exception would apply when three conditions exist. Do you believe these three conditions, set forth in paragraph .05, are adequate and sufficiently clear?

Based on our review of the proposed revisions, we believe that the three conditions are adequate and clarify the intent of the requirement.
We thank you for considering our comments on these important issues and we would be pleased to clarify our responses to the exposure draft.

Sincerely yours,

[Signature]

James R. Dalkin
Director
Financial Management and Assurance