

Feb. 11, 2020

Brian S. Lynch, Chair
AICPA Professional Ethics Executive Committee
AICPA Professional Ethics Division
New York, NY 10036
ethics-exposedraft@aicpa.org

Re: Nov. 15, 2019, Strategy and Work Plan consultation paper

Dear Mr. Lynch,

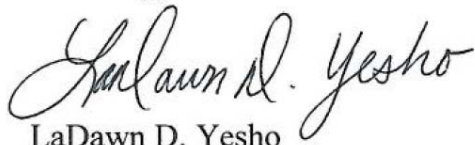
The Professional Ethics Committee (the committee) of the Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to provide its comments to the AICPA Professional Ethics Executive Committee (PEEC) regarding the Nov. 15, 2019, Strategy and Work Plan consultation paper. The PICPA is an association of more than 18,000 members working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, education, government, and industry. The committee is a cross-section of our membership, with practitioners from large, regional, and small public accounting firms, members serving in business and industry, and accounting educators.

Overall, the committee is supportive of the items included in the consultation paper, but noted the absence of any proposed activities related to peer review and audit quality other than a reference to enforcement in Appendix A. The committee notes the continuing practitioner difficulty with audit quality and supports efforts to identify and remediate firms found not to be complying with professional standards. The committee encourages greater peer reviewer outreach and education to ensure that reviewers are appropriately identifying nonconforming engagements. Furthermore, given the significant audit deficiency rate, the committee recommends that the AICPA undertake a project to ensure firms have access to the tools, training, and resources needed to successfully perform audits in a cost-effective manner.

Additionally, the committee believes continued efforts are needed to monitor the disparate and evolving state board requirements for communicating suspected noncompliance with laws and regulations to external authorities in the absence of explicit client permission to disclose such information and the implication of those evolving laws on the existing standards in the AICPA Code of Professional Conduct.

We appreciate your consideration of our comments. We are available to discuss them with you at your convenience.

Sincerely,



LaDawn D. Yeshe
Chair, PICPA Professional Ethics Committee

cc: Allison Henry, CPA, PICPA Staff Liaison