



February 3, 2020

AICPA Professional Ethics Executive Committee

Reference: Strategy and Work Plan

Overall we do not have any concerns with the proposals in the Strategy and Work Plan and commend the AICPA Professional Ethics Executive Committee for their hard work. The one exception is the proposal regarding de minimus fees.

This proposal would establish that the existence of any de minimis amount of unpaid fees from an attest client for any previously rendered professional service provided more than one year prior to the date of the current-year report would *automatically* impair independence.

We urge the committee to take into consideration that a de minimis outstanding balance should not by itself create an independence issue for firms. There could be many reasons as to why a balance may still be due 12 months later. To simply say the de minimis outstanding fee automatically creates a lack of independence is to not take into consideration the many different factors that could be contributing to the outstanding balance.

The majority of the firms in Kentucky would be considered small firms. Most of their review and audit clients have been clients for a long time. We are concerned that this proposal, as it stands, would have a negative impact on those firms and their ability to serve their clients.

Thank you for your consideration and the opportunity to provide feedback on this proposal.

Sincerely,

Darlene Zibart, CPA  
CEO  
Kentucky Society of CPAs

cc: Bill Jessee, Chair, KYCPA Professional Ethics Committee