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Certified Public Accountants**

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December 8, 2020

Mr. Brian S. Lynch  
Chair, AICPA Professional Ethics Committee  
AICPA  
220 Leigh Farm Road  
Durham, NC 27707

Dear Mr. Lynch:

The Professional Ethics Committee of The Society of Louisiana Certified Public Accountants (LCPA) has reviewed the Exposure Draft issued by the AICPA on September 8, 2020 that proposes a new interpretation on Staff Augmentation Arrangements. We appreciate the opportunity to comment.

The members of our committee that provided comment unanimously and strongly oppose the interpretation. A summary of the reasons for opposition are as follows:

- a. There are certain actions or relationships within the Code of Professional Conduct that have consistently impaired independence. Employment with an attest client is one of those relationships. Even in a temporary arrangement, we believe the self-review threat could not be reduced to an acceptable level. Regardless of the term “staff augmentation”, the employed staff of the attest firm would be performing duties of an employee at an attest client.
- b. Paragraph 1.275.007.02(a) of the proposed interpretation lists the following safeguard:

“The staff augmentation arrangement is being performed due to an unexpected situation that would create a significant hardship for the *attest client* to make other arrangements”.

Our committee strongly believes that the language in this paragraph does not describe a *safeguard*, but rather a situation that exists within a client. The definition of a safeguard is “Actions or other measures that may eliminate a threat or reduce a threat to an acceptable level”. It is clear that paragraph 1.275.007.02(a) of the proposed interpretation does not meet the definition of a safeguard, yet this paragraph describes this situation as a safeguard. This is neither an action nor an other measure that is implemented by the firm, client, profession, regulatory body, or legislation.

Our committee believes that lack of planning by an attest client for contingencies is not a sufficient reason for this threat to independence to be allowed. Also, in this global economy, it is highly unlikely that there is not another source of labor available for the attest client to “augment their staff” through means other than the audit, review, or attest firm.

- c. We believe that every entity that receives attest services would be able to overcome any hardships without having to employ members of the attest firm. It is not in the best interest of the public to allow a CPA firm to effectively allow their employees to perform functions at an attest client, regardless of the safeguards that may be put into place.
- d. The other safeguards mentioned in items b-f of the proposed interpretation are not relevant based on our position listed in items a-c above.

Thank you for your consideration of our position.

Sincerely,  
SOCIETY OF LOUISIANA CPAs

*Kurt G. Oestriecher, CPA*

Kurt G. Oestriecher, CPA  
Chair, LCPA Professional Ethics Committee