



September 28, 2020

Ms. Toni Lee-Andrews
Ethics Team
AICPA
220 Leigh Farm Road
Durham, NC 27707

Re: PEEC Proposed Revised Interpretation: Records Requests

Dear Ms. Lee-Andrews:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective.

TIC appreciates the efforts of PEEC to propose revisions to the Interpretation related to records requests to try to help members better understand their ethical responsibilities with respect to requests for records. TIC believes that some questions and answers that address specific fact patterns may be helpful in applying the provisions of this revised interpretation.

Use of the Term "Make Available"

The proposed revisions changed the word "provide" to "make available" throughout the ED. Without examples, TIC believes the term "make available" could result in confusion in practice. In the explanation section of the ED, there are some examples noted such as pick up and portal. TIC believes that perhaps some questions and answers could be issued that would include examples of how members can make those records available. TIC believes the portal example in the ED demonstrates how "make available" could be done in an electronic environment, but perhaps expanding those concepts into a question and answer format would be helpful. TIC would be happy to assist in the development of any additional implementation guidance.

Initial Versus Subsequent Requests

In the explanation section of the ED, it says the proposal clarifies that the intent was to permit withholding records for payment of retrieve/copying/shipping fees only as it relates to subsequent requests. Therefore, initial requests for records should be made available even if fees are not paid. PEEC has updated paragraphs .06 in the ED, but they left out the word "initial"

before requests. TIC believes that adding the word "initial" would be helpful. Paragraph .08a references "subsequent requests" and paragraph .11 does add "previously provided," but clarification of "initial" in paragraph .06 could help reduce misapplication or oversight.

Natural Disasters

Paragraph .08 indicates the following, in part:

Once a member has complied with these requirements, he or she is under no ethical obligation to comply with any subsequent requests to again ~~provide~~ *make* records or copies of records described in paragraphs .03–.04 *available to the client*. However, if subsequent to complying with a request, a client experiences a loss of records due to a natural disaster or an act of war, the member should comply with an additional request to provide (*or make available*) such records.

TIC believes the phrase "if practicable" should be added at the end of the last sentence to clarify that there could be circumstances related to natural disasters that would make this request impracticable.

Making Formulas Available

Paragraph 11b indicates, in part, that the member may:

~~"provide~~ make the requested records *available* in any format usable by the client. However, the member is not required to convert records that are not in electronic format to electronic format. If the client requests records in a specific format and the records are available in such format within the member's custody and control, the client's request should be honored. In addition, the member is not required to ~~provide~~ *make formulas available to the client with formulas*, unless the formulas support the client's underlying accounting or other records or the member was engaged to ~~provide~~ *make* such formulas *available* as part of a completed work product."

TIC believes the term "however" as used in the second sentence above should be removed to avoid any confusion.

In addition, TIC believes the statement regarding making formulas available could result in confusion and difficulty in applying this requirement in practice.

TIC believes that formulas should only be required to be made available when the member is engaged to prepare a formula as part of a completed work product or when the client's financial information is incomplete without them. In some cases, formulas prepared by the member are considered proprietary in nature. It may be helpful for PEEC to issue a question and answer document that member developed formulas doesn't have to be made available unless engaged to do so. In addition, exporting formulas from certain IT systems could compromise data

integrity. For example, in instances where software programs are used to perform calculations, trying to extrapolate that data to include the underlying calculations could be burdensome since formulas often are built into the system, and the client may not have access to the same system that is owned or leased by the member.

TIC appreciates the opportunity to present these comments on behalf of PCPS Member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle Supkis-Cheek", with a long, sweeping flourish extending to the right.

Danielle Supkis-Cheek, Chair
On Behalf of the PCPS Technical Issues Committee