

September 30, 2020

Hunter College Graduate Program
Economics Department
695 Park Ave.
New York, NY 10065

Re: Proposed Revised Interpretation Records Requests

To Whom It May Concern:

The Advanced Auditing Class at Hunter College Graduate Program in New York City appreciates the opportunity to respond to the request for comment from the Professional Ethics Executive Committee of the American Institute of Certified Public Accountants (AICPA) on its proposed revised interpretation "Records Requests".

The class discussed the above proposed exposure draft and have attached our comments. We hope you find our comments helpful.

Sincerely,

The Advanced Auditing Class at Hunter College

**Hunter College Graduate Program
Economics Department
Advanced Auditing Class
ACC 775**

COMMENTS TO PROPOSED REVISED INTERPRETATION RECORDS REQUEST

September 30, 2020

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General Comments:

The Advance Auditing Class has reviewed the above exposure draft and offers the following comments for consideration by the AICPA Professional Ethics Executive Committee.

Our comments mostly relate to clarity, records available through portals, fees for time, expense and shipping, and security.

I. Clarity

We agree with the change from *provide* to *make available*. However, there have been a few instances where *provide* is still used in the standard in conjunction with *made available* which suggests minor implications.

Example:

(.09) A member who has provided (or made available) records to an individual designated or held out as the client's representative, such as the general partner, majority shareholder, or spouse, is not obligated to provide or make such records available to other individuals associated with the client.

We recognize that by providing a document we are assuring the delivery of such a document which would place all the responsibility on the member. On the other hand, by *making available* that document we are placing responsibility onto the client to retrieve the document by themselves once said document has been made available. We suggest that adding definitions and examples for both terms under Par .01 will help clarify and distinguish the minor intricacies between both types of deliveries. For instance by providing a document a member would directly hand a client the document, whereas making the document available would resemble a situation where the member would upload the document and grant the client access to that uploaded document via a specific software or form of communication (ie. RIVIO). Opposingly, we are concerned that changing *provide* to

made available can potentially violate the Confidential Client Information Rule, where members cannot disclose any documents without the client's consent. There is the possibility that clients may not receive member-prepared records or member work products, and third parties, other than the beneficiary or client, may accidentally or intentionally access them under the term *made available*. Therefore we suggest adding a paragraph similar to Par. 0.14 in relation to the Confidential Client Information Rule, as it is the members obligation to ensure that the documents are made available to the correct individuals.

II. Records available through portals.

We recommend being more specific about making a record available to a client versus the client being able to access it. A member can make a record available through a portal or another electronic format but that does not guarantee that the client will be able to retrieve the record.

The fourth paragraph under the Proposed revisions questions whether members would be in compliance with the interpretation if they made the information available to the client through the client picking up the records or providing the records through a portal. If a portal was created where a client would be able to retrieve that information would it satisfy every client. Certain clients may be incapable of using portals or any cloud based or internet based alternative to receiving their records. Under those circumstances the availability of information would not be satisfied so the member would not be in compliance if they were knowledgeable of the fact that the member would not be able to access it.

We suggest that for a member to be in compliance with the interpretation if they made information available through a portal they also have to make sure that the information can be accessed by the client. The member cannot expect to just upload the records through the portal and think that they have completed the request. The record request may not be completed until the member has been reassured by the client that they have retrieved the information from the portal.

Examples:

(.08) Once a member has complied with these requirements, he or she is under no ethical obligation to

- a. 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, **or a client is unable to access the records in the format provided by the member**

(electronically, through portals, etc.) the member should comply with an additional request to provide (or make available) such records.

(.11) In fulfilling a request for ~~client-provided records~~ member-prepared records, ~~or~~ a member's work products, or the member's copy of client-provided records previously provided to the client (as referenced in paragraph .08), the member may

b. ~~provide~~ make the requested records available in any format usable **and accessible** 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.

III. Time, Expense, and Shipping Fees.

The exposure draft does not have clear guidance on shipping fees. The draft should be clear whether shipping fees will be included with time and expense fees so that everything falls under one single cost or if there are circumstances in which the client will only be charged fees for time and expense but not shipping. Some circumstances may be when clients pick up the records in person or when the records are sent electronically because no physical shipment is involved. Another circumstance can be if a member fails to update clients address and mails to records to the previous instead of the current address. It would not be fair for the client to pay for shipping fees if the member made a mistake.

We agree with the clients having to pay fees for the time, expense and shipment of the records requested, however Paragraph (.12) should elaborate what would happen if after the 45 days the client still hasn't received the records requested since the request has not been fulfilled.

Example:

(.12) A member who is required to return or ~~provide~~ make records available to the client should comply with the client's request as soon as practicable but, absent extenuating circumstances, no later than 45 days after the request is made. **After 45 days of the request made, if the client has not received records, the client should be reimbursed for all cost/ fees paid since the member did not comply with the client's request.**

IV. Security.

Currently, due to the pandemic many people are working remotely instead of in an office. Therefore, making the transfer of records to client in person difficult, with clients leaning towards online resources such as emails or cloud databases to deliver them. Increasing the risk of potential hackers and unwanted individuals to steal those highly important client information. We agree that it is not enough to simply make such records available to the client but members should be required to take additional precautions (use best practices) when making such electronic records available to their clients. For example, using a vpn or sending records to their clients through an encrypted email.