
GRANT THORNTON LLP
Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601-3370

D +1 312 856 0200
F +1 000 000 0000
S [linkd.in/grantthorntonus](https://www.linkedin.com/company/grantthornton)
twitter.com/grantthorntonus

December 20, 2021

Professional Ethics Executive Committee
Professional Ethics Division
American Institute of Certified Public Accountants
1211 Avenue of the Americas, 19th Floor
New York, NY 10036

Via Email to Ethics-ExposureDraft@aicpa.org

Re: Comments on Exposure Draft, Proposed Interpretation of the AICPA Code of Professional Conduct, Accounting Standards Implementation Services (ET sec. 1.295.113), AICPA Professional Ethics Division dated September 20, 2021

Dear Committee Members:

Grant Thornton LLP (“Grant Thornton”) appreciates the opportunity to comment on the American Institute of Certified Public Accountants (“AICPA”) Professional Ethics Executive Committee’s (“PEEC”) September 2021 Exposure Draft (“Exposure Draft”), which proposes a new interpretation of the AICPA Code of Professional Conduct “Accounting Standards Implementation Services” (ET sec. 1.295.113).

Grant Thornton supports PEEC’s proposal to provide guidance on how independence could be affected when a member assists an attest client with implementing new or existing accounting standards given the increased complexity of accounting standards. Further, we agree with PEEC’s approach for the proposed interpretation to combine key elements (as described in the Exposure Draft) from extant guidance in the “General requirements for Performing Nonattest Services” interpretation (ET sec. 1.295.040) in order to assist members in determining whether their accounting standards implementation services would impair independence. Lastly, we agree that providing specific guidance in this area will improve understanding and, therefore, compliance with the applicable independence requirements.

While Grant Thornton supports the proposed interpretation set forth in the Exposure Draft, we have provided the following comments for PEEC’s consideration.

General Comments

We suggest that PEEC consider developing non-authoritative guidance in the format of a frequently asked questions (FAQs) document that highlights various scenarios and examples, including discussion on the development of a discrete tool for assisting with accounting standards implementation [as noted in paragraph .03f of ET sec. 1.295.113, such as assisting the attest client in developing or implementing templates that meet the discrete tool exception in paragraph .03a of the “Information Systems Services” interpretation (ET sec. 1.295.145)]. We believe specific examples related to assisting the client with developing discrete tools used in accounting standards implementation will be helpful as members may experience difficulty with understanding what templates and systems will meet the discrete tool exception in this area and what related services may be acceptable.

Further, we believe FAQs that clarify circumstances and explain what factors a member needs to consider when evaluating potential implementation assistance as well as explain how such considerations associate with the examples of permissible and impermissible services provided in the proposed interpretation will assist members with consistent application of the new interpretation. We also suggest PEEC consider any additional clarifications or revisions to align or ensure consistency with the “Information Systems Services” interpretation (ET sec. 1.295.145).

Request for Specific Comments

Below are Grant Thornton’s specific comments as requested in the Exposure Draft.

Question 1: PEEC welcomes comments on all aspects of the proposed new interpretation.

Refer to the feedback provided in the section above and the suggested edits provided below (additions in **bolded red font** and deletions in ~~red strikethrough~~).

- Consider updating paragraph .01 as shown below.
 - .01 ~~When a member assists an attest client with planning and executing the implementation of an accounting standard, s~~ Self-review or management participation *threats* to compliance with the “Independence Rule” [1.200.001] may exist **when a member assists an attest client with planning and executing the implementation of an accounting standard.**
- Consider removing “technology” from paragraph .02i as shown below.
 - i. provide recommendations related to existing or new information ~~technology~~ systems as a result of the accounting standard.
- Consider adding “or supervises” to paragraph .03a as shown below.
 - a. leads **or supervises** any implementation team at the attest client.
- Consider adding “which recommendations to prioritize or” to paragraph .03b as shown below.
 - b. makes decisions on **which recommendations to prioritize or** how to implement the accounting standard.

- Consider adding “as a result of the accounting standard” to paragraph .03d as shown below.
 - d. designs new or redesigns existing internal controls over financial reporting **as a result of the accounting standard**.
- Consider adding “or develops” and “as a result of the accounting standard” to paragraph .03e as shown below.
 - e. designs **or develops** new or redesigns existing financial information systems **as a result of the accounting standard**.

Question 2: In addition, PEEC is seeking feedback on the effective date. Do you agree with the need for a delayed effective date? Why or why not?

We agree with PEEC’s proposed delayed effective date of 90 days after the interpretation’s publication in the Journal of Accountancy. The delayed effective date will provide adequate time for members to evaluate and implement the proposed interpretation, if needed. While we believe the examples of accounting standards implementation services that are permissible vs. impermissible in the proposed interpretation are commonly being followed in current public practice, there may be instances where a member determines they have accounting standards implementation engagements in process during the current period of professional engagement for an attest client that would need to be terminated or restructured in order to comply with the new interpretation.

Grant Thornton has no other comments to suggest for consideration.

We would be pleased to discuss our comments with you. If you have any questions, please contact Anna Dourdourekas, National Partner in Charge, Ethical Standards, at Anna.Dourdourekas@us.gt.com or (630) 873-2633.

Sincerely,

/s/ Grant Thornton LLP