

**Iowa Society of CPAs'
Comments and Recommendations to PEEC Ethics Exposure Draft
Noncompliance with laws or regulations (NOCLAR)
Iowa Accountancy Examining Board
May 2021**

Process and Comments:

- ISCPA created a committee of various member types to review the proposed PEEC exposure draft. The committee included representation from a big four firm, G400 firms, a smaller firm, and industry CPAs. A detailed review of all proposed changes is attached. The Iowa Society of CPAs would like to share the following general points.
 - The one-year transition period time proposed is reasonable.
 - The requirement of differences for members in business and members in public practice is a good recommendation.
 - The committee could not recommend any other exclusions but would like additional clarity if the CPA firm handles both the tax and attest work. Does the tax exemption apply to the tax member?
 - All agreed with the differentiation in requirements applicable to public practice members providing services other than financial statement attest services.
- Other overarching comments:
 - The complexity of the proposal will require education. Have we created a document too complex for compliance?
 - Have items been added to the ethics requirement that are better suited written in the attest/audit standards?
 - Example: Paragraph 13 within the Explanation for the new interpretations - is it in the right place, or should it be added to the SSARS or audit standards?
 - As it relates to confidentiality, the committee agrees with this exposure draft and believes it goes far enough and will protect the public in its current form.
 - We appreciate the work done by PEEC to improve and clarify items from the initial exposure draft.
 - To avoid confusion for Iowa CPAs when this exposure draft is finalized, please consider the following:
 - Review 542.17 Iowa's confidentiality definition
 - Update Iowa's chapter 13 Rules of Ethics and Conduct to the latest AICPA Code of Conduct if needed