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August 31, 2022

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 e-mail: Ethics-ExposureDraft@aicpa.org

Re: Comments on Exposure Draft, *Proposed New and Revised Definitions and Interpretations, Compliance Audits*, AICPA Professional Ethics Division dated June 3, 2022

Dear Committee Members:

Crowe LLP appreciates the opportunity to comment on the American Institute of Certified Public Accountants ("AICPA") Professional Ethics Executive Committee's ("PEEC") June 2022 Exposure Draft, *Proposed New and Revised Definitions and Interpretations, Compliance Audits* (Exposure Draft) which provides new definitions, a revised definition, and revised interpretations for members in public practice regarding compliance audits.

We support the PEEC's efforts to clarify the independence guidance applicable to compliance audits and provide relief to members who perform compliance audits by aligning the requirements with applicable risks. Answers to the specific questions in the Exposure Draft are included in our response.

Response to Request for Specific Comment

1. Is the definition of "compliance audit" clear? If not, please explain how it should be clarified.

We believe the definition of "compliance audit" is clear.

2. Is the definition of "compliance audit attest client" clear? If not, please explain how it should be clarified.

We believe the definition of "compliance audit attest client" is clear.

3. Do you agree that there should be an exception to the independence requirements in a compliance audit for entities that are not subject to compliance audit procedures and report amounts that are trivial and clearly inconsequential? If you disagree, please explain why.

We agree there should be an exception to the independence requirements in a compliance audit for entities that are not subject to compliance audit procedures and report amounts that are trivial and clearly inconsequential.

4. Do you agree that the affiliates interpretations should not apply in a compliance audit? If you disagree, please explain why.

We agree that the affiliates interpretations should not apply in a compliance audit.

5. Do you agree that the revision in each of the affiliates interpretations serves as a useful reminder that these interpretations do not apply to specific attest engagements (e.g. compliance audits and engagements performed under SSAEs)? If you disagree, please explain why.

We agree that the revision in each of the affiliates interpretations serves as a useful reminder that these interpretations do not apply to specific attest engagements.

6. Do you agree that entities that are not subject to compliance attestation procedures in an engagement performed under the SSAEs are not considered responsible parties and therefore are not subject to the "Independence Standards for Engagements Performed in Accordance with Statements on Standards for Attestation Engagements" subtopic (ET section 1.297)? If you disagree, please explain why.

We agree that entities that are not subject to compliance attestation procedures in an engagement performed under SSAEs are not considered responsible parties and therefore are not subject to the "Independence Standards for Engagements Performed in Accordance with Statements on Standards for Attestation Engagements" subtopic (ET section 1.297).

7. Do you agree that the effective date provides adequate time to implement the proposals? If you disagree, please explain why.

We believe the effective date, with early implementation allowed, provides sufficient time and flexibility for firms to develop policies or modify existing policies and provide training as necessary to implement the proposal.

8. What independence requirements applicable to compliance audits would you like further explained through nonauthoritative guidance?

We do not believe the independence requirements applicable to compliance audits need to be further explained through nonauthoritative guidance.

Crowe LLP appreciates the PEEC's efforts in providing the new definitions, revised definition, and revised interpretations. We would be pleased to respond to any questions regarding our responses. Should you have any questions please contact Jennifer Kary at (574) 239-7886 or Andy Gripp at (630) 586-5156.

Cordially,


Crowe LLP

cc: Matthew Schell