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To: Ethics-exposedraft <ethics-exposedraft@aicpa.org>

Subject: Exposure draft: Proposed new and revised definitions and interpretations Compliance Audits

Thank-you for the opportunity to provide the following comments on the Exposure draft: Proposed new and revised definitions and interpretations Compliance audits.

Phrase "trivial and clearly inconsequential" – From a search of current Code of Professional Conduct "Code" I only find where this phrase is used once. I do not find where the word "trivial" is used other than in this phrase. I find twice where the term "clearly inconsequential" is used other than in this phrase (1.180.101 paragraph 10 and 2.180.010 paragraph .10) and both times without the word trivial. Use of the term "clearly inconsequential" without "trivial in one place in the Code and use of it in the proposed new definition in the phrase trivial and clearly inconsequential implies "trivial" and "clearly inconsequential" have different meanings or else why would both be needed one place and not the other. Also, if both have same meaning, why would both be needed? Based on web searches and Word thesaurus I find the words trivial and inconsequential to be synonyms. In the proposed definition of compliance audit attest client, the phrase "trivial and clearly inconsequential" becomes more important and should be clearly defined and consistently used. I believe the Code using concept intended by this phrase increases the chance of it being used as a precedent later in other places for compliance audits standards/guidance making it more important to be clear in the proposed change. The Yellow Book in 6.48 allows the auditor to use judgment in how to report noncompliance which is clearly inconsequential, however based upon the \$1,000 federal expenditure example in item 30, it appears intention in ED is for a much lower level than current "management letter comment" threshold.

Suggestions:

- If intention is that trivial and clearly inconsequential have different meanings, then add definition of each in way to show difference.
- If intention is they mean the same, pick one of the terms or a new term and define. Using two terms with intention they have same meaning is both redundant and confusing.
- The definition of term used in compliance audit attest client definition for trivial and clearly inconsequential concept needs to be clear to convey the intention shown by the \$1,000 out of \$1 billion example in paragraphs 28 through 30. Such clarity is key to promoting consistency of practice. I believe this example is good and the definition needs to convey a much lower threshold than in the Yellow Book 6.48.

Please feel free to contact me if questions. Thank-you.

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