



**American Institute of Certified Public Accountants
Professional Ethics Division
Professional Ethics Executive Committee
Open meeting minutes
August 11, 2020**

The Professional Ethics Executive Committee (PEEC or committee) held a duly called meeting on August 11, 2020. The virtual meeting convened at 10:00 a.m. and adjourned at 2:25 p.m.

Attendance

Members

Brian Lynch, Chair	Jeff Lewis
Cathy Allen	Alan Long
Chris Cahill	William McKeown
Tom Campbell	James Newhard
Robert Denham	Stephanie Saunders
Anna Dourdourekas	Lewis Sharpstone
Anika Heard	Lisa Snyder
Kelly Hunter	Peggy Ullmann
Sharon Jensen	Douglas Warren
Jennifer Kary	Lawrence Wojcik

AICPA Staff

Susan Coffey, Executive Vice President – Public Practice	Michael Schertzinger, Manager
James Brackens, Vice President – Ethics and Practice Quality	John Wiley, Manager
Toni Lee-Andrews, Director – Professional Ethics Division	Shannon Ziemba, Manager
Ellen Gorla, Associate Director	Elaine Bagley, Specialist – Support Services
Jennifer Clayton, Senior Manager	Karen Puntch, Case Investigator
Michele Craig, Lead Manager	Kelly Wice, Administrative Assistant
Summer Young, Lead Manager	Henry Grzes, Lead Manager – Tax Practice and Ethics
Kelly Mullins, Manager–Support Services and Communications	Kristy Illuzzi, Technical Issues Committee (TIC) Staff Liaison
Sarah, Brack, Manager	Megan Kueck, Lead Manager – State Regulation and Legislation
Liese Faircloth, Manager	Elena Redko, Manager – Content Development and Management – MA
Jennifer Kappler, Manager	

Iryna Klepcha, Manager
Melissa Powell, Manager

Barbara Andrews, Director – Forensics,
Technology and Management Consulting

Guests

Ellen Adkins, Enforcement Subcommittee
Sonia Araujo, PwC
Coalter Baker, Baker & Cockburn, PLLC
Ian Benjamin, Chair, Enforcement
Subcommittee
Grace Berger, Montana State Board of Public
Accountancy
Claire Blanton, RSM US LLP
Bob Brooks, North Carolina State Board of
CPA Examiners
Lisa Brown, Ohio Society of CPAs
D. Boyd Busby, Alabama State Board of
Public Accountancy
Gilbert Codrington, Thomson Reuters
Allan Cohen, RSM US LLP
Debbie Cutler, Debra A. Cutler CPA PC
James Dalkin, Government Accountability
Office
George Dietz, PwC
Megan Donnellon, Deloitte
Dan Dustin, NASBA
Horace Emery, Suttle & Stalnaker, PLLC
Jason Evans, BDO
Jeremy Farrah, Runyon Kersteen Ouellette,
P.A.
Sarah Ference, CNA Insurance
Cathleen Finneran, PwC
Wendy Garvin, Tennessee State Board of
Accountancy
Jo Ann Golden, New York State Society of
CPAs

Holly Love, Deloitte
Troy McGahee, Department of Energy
Nancy Miller, KPMG
Andy Mintzer, Hemming Morse, LLP
Angela Miratsky, BKD, LLP
Karen Moncrieff, EY
Christina Moser, Plante Moran
Brad Muniz, Sobel & Co., LLC
Jessica Mytrohovich, Georgia Society of
CPAs
Donna Oklok, Accountancy Board of Ohio
Patsy Pehrson, Oak Ridge Associated
Universities
Carolyn P. Peyton, Department of Energy
Christine Piche', CLA
Tori Pitkin, New York State Society of CPAs
Jacqueline M. Reardon, TPRC
Mark Reynolds, Creative Value Consulting
John Robinson, RSM US
Joseph Sanford, Enforcement Subcommittee
Stephanie Sauer-Watts, PwC
Roby Sawyers, NC State University
April Sherman, CLA
Byron Shinn, Carr, Riggs & Ingram, LLC
CPAs
Susan Speirs, Utah Association of CPAs
Ivona Szady, Deloitte
John Szczomak, New Jersey Society of CPAs
Joseph Tapajna, TPRC
Deborah Thomas, Department of Energy

Jennifer Gorman, Wyoming Board of Certified
Public Accountants

Pamela Ives Hill, Missouri Society of CPAs

Michael Hillman, Fluor Idaho LLC

Kelly Hnatt, External Counsel

Becca Huber, New York State Society of
CPAs

Diane Jules, International Ethics Standards
Board for Accountants

Vassilios Karapano, Securities and Exchange
Commission

Beth Knipscheer, HoganTaylor LLP

Kimberly Kuhl, KPMG

Jessica Tomc, EY

Paula Tookey, Deloitte

John Tucher, N3B

Stephen P. Valenti, CPA

Shelly Van Dyne, BDO

Chantell Walters, Thomson Reuters

Darrell Wates, Enforcement Subcommittee

Sharron Waugh, Tennessee State Board of
Accountancy

Jim West, BDO

Les Williford, BDO

Paula Young, EisnerAmper, LLP

Gary Zeune, The Pros & The Cons

Paul Ziga, Georgia State Board of
Accountancy

1. *Welcome*

Mr. Lynch welcomed the committee and discussed administrative matters.

2. *Non-compliance with laws and regulations*

Mr. Denham provided an update on the NOCLAR task force activities since the May PEEC meeting. Mr. Denham reminded the committee that the task force had several pending issues that needed to be addressed such as: (1) clarification of the terms “*subject entity*” and “*engaging entity*” throughout the interpretation; (2) application of guidance for members providing attest services; and (3) other guidance that should be provided for members performing nonattest services. Mr. Denham explained the task force decisions on these pending issues.

Clarification of terms

Specifically, the task force decided that the guidance provided in the introduction of the proposed interpretation (as presented at the May PEEC meeting), sufficiently explained that the member’s responsibility applies to the engaging entity when the engaging entity and the subject entity are different. Accordingly, the task force did not believe clarification of the terms *subject entity* and *engaging entity* was necessary.

Guidance for members providing attest services

For the second pending issue related to members providing attest services, the task force concluded that the guidance in the proposed interpretation should apply to financial statement attest services. Accordingly, the task force decided to use the term *financial statement attest services* throughout the proposed interpretation except for the section related to group audits.

Guidance for members performing non-attest services

For the third pending issue, the task force decided to include additional guidance for nonattest services. For example, members providing services other than financial statement attest services would be required only to seek to obtain an understanding of the matter.

Addressing the matter would be limited to communicating the matter to the appropriate level of management and those charged with governance, if the member has access to them. Members providing financial statement attest services are also required to advise management to take certain appropriate and timely actions when addressing a NOCLAR or suspected NOCLAR. Additionally, members providing services other than financial statement attest services would be encouraged to document rather than required to document certain aspects of the NOCLAR or suspected NOCLAR.

Mr. Denham stated that one remaining issue that the task force will need to address is the exclusion of certain non-attest services from the proposed interpretation. At this point, the

task force has identified forensic accounting services as the principal area the interpretation should probably not apply, but the task force is also considering the exclusion of certain other non-attest services, particularly, engagements relating to tax controversies.

Recent revisions to the interpretations

Mr. Denham explained the additional revisions to the proposed NOCLAR interpretations since the May PEEC meeting. The task force decided to remove the language throughout the proposed interpretation for members in public practice specifically related to the member using his or her professional judgment to determine whether to withdraw from an engagement and documenting from a reasonable and informed third-party perspective. The task force believed that this could be viewed as a potential way to gain litigation advantage and claim that professional judgment was not appropriately used. For members in business the task force added factors that members would consider when determining disclosure to an appropriate authority.

Auditing Standards Board activities

Mr. Denham provided the committee with an update on the Auditing Standards Board's (ASB's) activities. The ASB NOCLAR task force expects the ASB to vote in October 2020 on exposure of their revised standards that addresses communication with the successor auditor.

Committee feedback

The committee provided feedback based on Mr. Denham's update. Mr. Cahill commented that using the term *financial statement attest services* may create confusion if this new terminology is added to the proposed interpretation. Mr. Campbell commented on the less restrictive documentation requirement (encouraged to document rather than a requirement to document) for members providing professional services other than financial statement attest services. Ms. Allen commented on the professional judgment language removed from the proposed interpretations and suggested that the task force revisit this matter as this would be useful for members that are placed in this position. Mr. Denham stated that the task force will consider the committee's comments at the next task force meeting.

The task force plans to request re-exposure of the proposed interpretations at the November 2020 PEEC meeting.

3. Staff augmentation

Removal of exception for affiliates

Ms. Snyder opened the discussion with a recap of the May PEEC meeting in which the committee agreed on the final changes for the proposed revised interpretation in preparation for exposure. One change included the removal of the exception for affiliates from the interpretation, and instead, inclusion of the following questions in the exposure draft:

- Should staff augmentation be permitted at all for attest clients?
- If so, should an exception be made for certain affiliates?

Exemption for certain affiliates

The committee supported the development of language for the explanation section of the exposure draft for those who believed that there should be an exemption for certain affiliates, as well as examples of the application of the rules, with the goal of helping practitioners who may not be familiar with the complexities of certain affiliate relationships.

Exception for agreed-upon procedures engagements

The committee also supported a question and example language for exposure regarding the proposed exception for staff augmentation arrangements when the only attest engagement a firm has with a client is an agreed upon procedures (AUP) engagement. Ms. Snyder explained that under the code, engagements subject to the Statements on Standards for Attestation Engagements (SSAEs), including AUPs, have modified independence requirements. AUP engagements do not have to comply with the general requirements provisions of non-attest services, such as providing management functions, as long as the underlying services do not apply to the subject matter of the AUP engagement.

The committee did not want to be overly restrictive if a firm was providing staff augmentation services to an AUP only client, therefore, it was agreed that the exposure draft should include a proposed revision to the AUP interpretation that would allow staff augmentation services to AUP only clients provided the underlying non-attest services provided by the augmented staff are not the subject of the AUP engagement

PEEC review and comment on final draft

Ms. Snyder stated that after making the requested revisions, a complete draft of the exposure document was sent out to committee members for review and comment, and most of the comments were editorial in nature. One comment suggested clarification was needed regarding the requirement that augmented staff who provideservices to a client would not be permitted to participate on the attest engagement team. Specifically, it was suggested that this requirement just apply to the period in which the staff augmentation services were provided, which would be consistent with the employment relationship rules currently in the code.

Changes discussed during the meeting

The committee discussed numerous comments regarding the fine-tuning of the language of the exposure draft. NASBA representatives on the committee suggested changes to clarify NASBA's position regarding staff augmentation in the exposure document as well as to highlight their interactions with PEEC throughout this process.

The committee also addressed the language clarifying when augmented staff could not participate on the attest engagement and agreed on language that such staff could not participate or be in a position to influence the attest engagement within the financial statement period in which the staff augmentation services were performed. The intent was to be consistent with the subsequent employment provisions of the code such as when an individual employed by an attest client is subsequently employed by the firm, as this presents a self-review threat.

Another point of discussion was potential exposure of a question regarding what would be considered a recurring or non-recurring engagement, and the committee concluded no changes to the exposure draft were needed. Specifically, the committee agreed that the proposed interpretation already included the wording that staff augmentation engagements, by definition, were not expected to reoccur, noting that if an unexpected event happens again two years later, then it would still be considered to be unexpected, and therefore should be addressed again at that time.

One question was whether the phrase “if safeguards could not be applied, then the member should not enter into the staff augmentation arrangement” should be added to the proposed affiliate language included in the explanation section of the exposure document if certain affiliates were indeed afforded an exception for staff augmentation services. Other similar provisions of the code do not have this additional phrase. However some committee members felt it would be beneficial and other members wanted consistency with other provisions of the code and thought it should be left out. With no strong opinions from either side, the committee decided to include the phrase in the exposure draft and include a question to commenters about whether or not the proposed phrase should be included.

The committee also discussed a possible exception for staff augmentation arrangements with firms whose only attest engagements are under the SSAEs but are not AUPs. Certain committee members wanted to ensure staff augmentation arrangements would not be afforded an exception not available to other non-attest services. It was noted that key provisions of the proposed exception are that the staff augmentation arrangement would not violate the general requirements for non-attest services, specifically performing management functions, and not relate to the subject matter of the SSAE engagement. Therefore, it would be consistent with the treatment of other non-attest services for non-AUP SSAE engagements.

The committee agreed that including examples regarding potential exceptions for non-AUP SSAE clients in the exposure draft would be beneficial. The committee concluded that the exposure draft would also include proposed additional language for the existing independence guidance for SSAEs.

The committee also discussed whether the exposure draft should include the question “should staff augmentation be viewed as simultaneous employment or as a non-attest service?” Some committee members supported adding the question, but others were concerned that some practitioners may have difficulty understanding the nuances, and that mentioning simultaneous employment could raise legal questions. Still others reiterated PEEC’s continuing work toward convergence with the International Ethics Standards Board for Accountants (IESBA) code that does not include loaned staff within its non-attest services section.

NASBA representatives noted their concerns regarding staff augmentation arrangements and the appearance of co-employment. The committee indicated that they have had many discussions regarding this topic before and already concluded on this issue. It was therefore decided not to ask this question in the exposure document.

Exposure period

The committee discussed the length of the exposure period and agreed that 90 days would be an appropriate period with the goal of receiving comments and having feedback ready for consideration at the February 2021 PEEC meeting.

The committee then voted unanimously to expose the text of proposed interpretation 1.275.007 “Staff Augmentation Arrangements” and the text of proposed revisions to interpretation 1.297.020 “Agreed Upon Procedure Engagements Performed in Accordance with SSAEs.”

Staff noted that they would make the final revisions to the exposure draft document, do a final recirculation among the committee members, and once approved, will work to get the exposure document issued for public comment as soon as possible.

4. *Inducements*

Feedback incorporated

Ms. Dourdourekas provided an update on the task force’s activities since the last committee meeting. The task force met several times since the May PEEC meeting and revised the practice aid to incorporate the feedback received from the committee and others. When revising the practice aid the task force decided to clarify that (1) the purpose of the practice aid is to provide guidance on integrity and objectivity for all professional services; (2) the practice aid does not include guidance on independence; and (3) members should use the conceptual framework when addressing circumstances other than accepting or offering gifts or entertainment.

Revised FAQs

Ms. Dourdourekas stated that the task force also revised the FAQs in the practice aid and removed the specific answers provided and changed the examples to potential scenarios with questions that members may consider using the threats and safeguard approach.

The task force increased the use of the conceptual framework throughout the practice aid focusing on the first three steps of the conceptual framework approach, identifying the threat, evaluating the significance of the threat, and identifying and applying safeguards. This revision will allow the member to (independently) conclude on evaluating the effectiveness of the safeguards identified and documenting the safeguards applied.

Reasonable in the circumstances

Ms. Dourdourekas reminded the committee that some of the feedback received at the May PEEC meeting addressed the phrase “*reasonable in the circumstances*” and the conceptual framework. To address what a reasonable third party may conclude and the appearance of the matter, the task force included clarifying language that if a threat is reasonable in the circumstances it would also be at an acceptable level. This concept is used throughout the practice aid as the member would need to evaluate the threat, apply a reasonable third-party evaluation, and apply safeguards if necessary, so that integrity and objectivity would not be impaired. The task force “fine-tuned” the factors for determining what is “*reasonable in the circumstances*” and included the “*timing of the action*” as a factor a member may consider.

Clarification of terms

Ms. Dourdourekas explained that another issue the task force addressed was the concept of “intent.” The task force concluded that it might be impossible to know the intent up front and initially decided on using the appearance of the action if not known and included the phrase “*be intended or appear to be intended to influence the outcome or behavior*” in the practice aid.

However, based on feedback received that the practice aid should not introduce language not currently defined in the code, the task force focused on the member’s integrity and objectivity throughout the practice aid rather than the intent to influence. Accordingly, the task force included “*unduly influence an outcome or behavior,*” as a factor that members may consider when determining what is reasonable in the circumstances. This is consistent with the language in the code.

Ms. Dourdourekas requested feedback from the committee on using the term “*unduly influence*” and the committee did not object to the task force’s revision.

Ms. Dourdourekas explained that the task force also revised the examples of practices that members may have in place to eliminate or reduce threats to integrity and objectivity and added general guidance as it relates to “*practices that might help a member’s integrity and objectivity.*” The committee was presented with a list of the examples and provided feedback suggesting that the task force should soften the language in the examples, such as changing the term “adopt a policy.”

The task force will continue to work on the practice aid and share a draft version with the committee at the November 2020 PEEC meeting.

5. *Strategy and work plan*

Mr. Lynch announced that instead of asking the committee to vote on issuance of the Strategy and Work Plan (SWP), an update would be provided about the development of the SWP.

History

Ms. Lee-Andrews reminded committee members that the consultation paper was published in November 2019 seeking feedback from members and other interested parties. After the fourteen comments letters were analyzed, the planning task force (PTF) developed the SWP. Ms. Lee-Andrews highlighted that the SWP is an accumulation of the feedback received taking into consideration prevalent issues in the profession, benefit to the public interest, technological change, changes in auditing and accounting standards, education and tools to assist members, degree of urgency in addressing matters, social and economic trends due to the pandemic, and the feasibility of undertaking a project due to its nature.

Recommendations

Ms. Klepcha provided a high-level overview of the PTF recommendations. Specifically, the PTF recommends initiating the following standard-setting projects: 529 college savings plans, business relationships, client affiliates, digital assets, simultaneous employment or association with an attest client, and unpaid fees. Most commenters supported the aforementioned projects, except for unpaid fees. The commenters were evenly split for this project.

New standard setting project

Ms. Lee-Andrews highlighted that in addition to specific projects, the consultation paper sought input regarding other matters. After the comment letters had been analyzed, an additional standard-setting project, assisting clients with implementing accounting standards, was added to the SWP.

Member enrichment projects

Ms. Klepcha stated that the PTF recommends initiating the following member enrichment projects: conflicts of interest, artificial intelligence, definition of office, and operational enhancements to the code.

Most commenters supported artificial intelligence, definition of office, and operational enhancements to the code. Artificial intelligence and definition of office were included in the published consultation paper as proposed new standard-setting projects. However, after the comment letters had been reviewed, the PTF recommended initiating member enrichment projects instead.

Ms. Klepcha also pointed out that most commenters did not support the reporting of an independence breach to an affiliate that is also an attest client project. However, commenters expressed different opinions regarding whether reporting of an independence breach to an affiliate that was also an attest client was required. Due to inconsistency, the PTF recommends initiating this project.

Ms. Klepcha reported that the PTF did not recommend initiating the data security and breaches project due to rapid changes in related laws and regulations.

Timeline

Ms. Lee-Andrews indicated that exhibit A provided an overview of the projects timeline. Mr. Lynch then highlighted that when the PTF developed the expected timeline for projects, they considered various factors, such as staff availability and ongoing current projects. The PTF also wanted to leave some flexibility for unplanned projects that the committee may need to undertake.

Mr. Cahill suggested staff look at the AICPA Code of Professional Conduct and think about whether the code addresses new types of services. Ms. Allen pointed out that attestation services may not necessarily involve financial statements, so we need to make sure that the code addresses this. Ms. Lee-Andrews mentioned that she had a discussion with Mr. Lynch regarding gig employment.

Mr. Lynch asked the committee to consider Ms. Coffey's professional issues update and provide any feedback regarding the SWP as well as to let the PTF know if any additional topics should be added to the plan.

6. *Association update*

COVID-19 activities

Ms. Coffey provided a professional issues update. As businesses are struggling during the pandemic and the economic downturn, the profession is on the frontlines to support those

businesses. The Association has had to re-examine our priorities and our investment around supporting the profession with resources to support their clients. A lot of work has gone into supporting practitioners with PPP loan applications and forgiveness through the town halls and development of calculators. Work has also been done by standard-setters, including PEEC, the Auditing Standards Board, and the Peer Review Board to ensure practitioners can continue to support clients with high standards of quality.

Strategic initiatives

Ms. Coffey shared the Association's strategic initiatives (promote competency globally, evolve auditing in the future, grow key markets, transform our organization, future-proof management and public accounting) and focused on evolving auditing in the future.

The enhancing audit quality initiative is an example of the work done under evolving auditing in the future. Developing practical tools for the profession that merge technology and methodology also falls under this initiative. Another part of the initiative is reskilling the profession to make sure professionals can be successful as business needs and technology change. CPA evolution also focuses on providing a new path for the CPA for entry level positions.

Ms. Coffey offered some suggestions for thinking about the Strategic Work Plan for PEEC, (1) implications of emerging technologies, (2) confidentiality of client information in an artificial intelligence environment, and (3) new service offerings.

7. IESBA updates

Exposure drafts

Mr. Mintzer and Ms. Gorla provided the committee with an update on the IESBA's activities. Mr. Mintzer reported that the Fees and Nonassurance Services (NAS) exposure drafts both received comments from diverse populations and overall respondents were supportive of the proposals.

One major comment was concern related to the timing of these projects since the public interest entity (PIE) and listed entity project had only begun. Commenters indicated that it was difficult to properly assess the proposals without understanding the scope of entities that the provisions would apply to. Mr. Mintzer confirmed that the PIE and listed entity project was in the early stages so time will tell how these three projects come together.

Emerging themes in tax planning and related services

Mr. Mintzer reported that the tax planning and related services project identified the following key emerging themes:

- There is no "one set" of ethical principles applicable to professional accountants (PAs) across jurisdictions.

- Tax Planning impacts ethical behaviors across all the fundamental principles (FPs).
- The concepts of “*fairness*” and “*transparency*” are expected and necessary elements.
- There is an increased focus on environmental, social and corporate governance (ESG) reporting.
- Professional development is critical for professional accountants to exercise professional judgment.
- Threats to compliance with the FPs do not seem to capture the complexity risk associated with the multi-faceted discipline of tax planning.

Mr. Mintzer explained that to address these concerns the task force is considering the need to develop content to be added to the code as well as enrichment materials that would exist outside of the code.

Role and mindset

Ms. Gorla reported that the revisions proposed under the role and mindset project were adopted and would be effective December 31, 2021 with early implementation allowed. The revisions include the following:

- A renewed emphasis on accountants’ responsibility to act in the public interest
- Enhancements to the descriptions of the fundamental principles of integrity, objectivity, professional behavior and professional competence and due care
- An introduction to a new requirement for accountants to have an inquiring mind when applying the code’s conceptual framework
- New application material to highlight the impact of bias in exercising professional judgment and applying the conceptual framework

Technology

Ms. Gorla also reported that the technology task force is focusing first on two of the seven recommendations outlined in the technology report. These two recommendations focus on complexity and independence.

Complexity

The complexity work stream is looking into revising the code to more effectively deal with the threats created by the complexity of the professional environment in which PAs perform their professional activities. The task force is considering adding a new category of threat for complexity or possibly revising an existing threat category. It is also looking to possibly highlight the complexity risk in the conceptual framework and add examples of complexity threats to the discussions in parts 2 and 3 of the code.

Independence

The independence work stream is looking at whether provisions such as the business relationships guidance should be revised to address the threats to independence created by the sale or licensing of technology applications to audit clients and the use of an audit client's technology tool in the delivery of NAS to another entity. It is also looking to revise the IT systems services guidance with respect to the provision of technology-related non-assurance services and will take in to account the work of the NAS services project that is currently in process.

New project under IAASB-IESBA

On the IAASB-IESBA coordination front, Ms. Gorla reported that a new project began to harmonize the definition of "*engagement team*" between ISA 220 and the IESBA code and that the feedback from the Engagement Quality Review (EQR) exposure draft was that the cooling off period for an engagement quality reviewer should remain principle-based in the code.

Benchmarking

The final project reported on by Ms. Gorla was a new benchmarking project. She explained that this project was undertaken to address concerns that the IESBA code's conceptual framework approach allows firms too much flexibility and judgment and that national laws and regulations are more robust and enforceable. The benchmarking project is viewed as a strategic exercise to promote awareness of International Independence Standards and the first phase will compare IESBA's International Independence Standards to the SEC and PCAOB independence standards.

8. *Monitoring group recommendations*

Ms. Gorla provided the committee with an overview of the monitoring group's report and recommendations to strengthen the international audit and ethics standard-setting system. The concerns the report addresses are (1) that the current standard-setting process does not give sufficient weight to the public interest; (2) that stakeholders' confidence in the standards is lacking because of the perception of influence that the accountancy profession has over the standard-setting process because of the funding and resources donated to support the process; (3) and concern that the speed in which standards are developed might not keep pace with how fast the audit and business environment is changing.

The report includes several recommendations to address these concerns such as compensating the board members for their time, adding additional technical staff, and changing the funding format so that the profession will eventually fund less than 50 percent of the standard-setting activities.

The paper calls for a transition plan to be in place by April 2021 and the implementation of these provisions to be in effect within three years from then.

9. *Statements on Standards for Tax Services*

Ms. Saunders gave a status update on the Statements on Standards for Tax Services (SSTS) revision project. The draft standards were shared with the committee at the May 2020 PEEC closed meeting for review and feedback. The SSTS revision task force met with the AICPA's Tax Executive Committee (TEC) at their June meeting and did a detailed review of the draft standards and received their feedback on the project. At the end of July, task force members met with the two new members of PEEC along with two new members of the AICPA's Tax Practice Responsibilities Committee (TPRC) to share a copy of the draft standards and bring them up to speed on the project.

Ms. Saunders noted that since the meetings in May and June, the individual subgroups of the task force, as well as the full task force itself, have met multiple times to evaluate comments received from PEEC, TEC and other sources, and have updated the draft standards. The latest updates will be discussed with TEC at their meeting on August 12, 2020.

Ms. Saunders stated that the task force is still actively seeking comments from committee members on the project, and that the task force suggested that PEEC members who have firm colleagues on TEC, TPRC, or the task force itself could meet with those individuals and share their thoughts on the project.

Ms. Saunders concluded that the task force expects to share the updated draft standards with the committee at the November 2020 closed meeting.

10. *Minutes of the PEEC open meetings*

With new members Ms. Allen and Mr. Long abstaining, it was moved, seconded, and agreed to approve the minutes from the May 2020 open meeting with no dissent.