



Submitted electronically

July 8, 2022

International Ethics Standards Board for Accountants
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017

Re: Question 2 of the IESBA Strategy Survey 2022

Dear Members of the International Ethics Standards Board for Accountants (IESBA):

The AICPA Professional Ethics Division (division) respectfully submits the following comments on expanding the scope of the IESBA Code to assurance providers other than professional accountants in public practice (PAPPs). The division will submit additional comments to other questions in a separate letter.

The AICPA is the world's largest member association representing the CPA profession, with 689,000+ members in 192 countries and territories, representing many areas of practice, including business and industry, public practice, government, education, and consulting.

The AICPA sets ethical standards for its members and U.S. auditing standards for private companies, nonprofit organizations, and federal, state, and local governments; provides educational materials to its members; develops and grades the Uniform CPA Examination; monitors and enforces compliance with the profession's technical and ethical standards; offers specialized credentials; builds the pipeline of future talent; and drives professional competency development to advance the vitality, relevance and quality of the profession.

Expansion of the IESBA Code to assurance providers other than PAPPs

Currently, expanding the IESBA Code to assurance providers other than PAPPs could harm the public and our financial systems. A strong foundation in ethics, as well as rigorous credentialing and practice standards sets PAPPs apart from other professionals in the financial market. We believe if other professionals say they've applied the IESBA Code but do not have the same rigorous credentialing, continuing education, quality management and oversight, the public and our financial systems will be at risk in the following ways.

Erosion of public protection

Unlike other providers, PAPPs are required to adhere to strict rules governing integrity, objectivity, and due care. Consumers can operate with confidence knowing that the profession is governing ethics. Expanding the scope of who can say they've applied IESBA's Code could put the public at risk, shifting the burden of evaluating qualifications to consumers.

Weakening of standards

The profession's self-regulatory model ensures accountants meet exacting requirements for credentialing, continuing education, robust performance and quality management standards, ongoing quality inspection through the peer review process, and remediation.

Extending the IESBA Code to other providers will give the impression that they are subject to the same rigorous standards as PAPPs. Therefore, by blurring the lines between roles, PAPPs could be swept up in broad-brush regulatory efforts targeting all assurance service providers when in fact PAPPs are already subject to oversight.

Diminished enforcement

Though noncompliance is rare, the AICPA has stringent processes in place to remediate members. The AICPA Professional Ethics Division thoroughly investigates disciplinary matters involving AICPA and certain state society members who violate our code. For transparency, disciplinary actions are published on the AICPA's website.

This vital enforcement activity governs only members. Therefore, expanding the IESBA Code to other assurance providers would likely lead to diminished investigatory/enforcement oversight.

The current PAPP credentialing and enforcement process helps protect the public from unqualified professionals. Diluting the rigorous standards that PAPPs must uphold, as well as who can provide assurance services, will have negative repercussions for both consumers and accounting professionals.

Sincerely,



Toni T. Lee-Andrews, CPA, PFS, CGMA
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