

March 15, 2025

Professional Ethics Executive Committee
AICPA
220 Leigh Farm Road
Durham, North Carolina 27707-8110

RE: Proposed revisions related to simultaneous employment or association with an attest client

Via email: ethics-exposedraft@aicpa.org

Dear Members and Staff of the AICPA Professional Ethics Executive Committee:

The North Carolina Association of Certified Public Accountants (NCACPA), representing more than 12,000 members in public practice, industry, government, and education, welcomes the opportunity to respond to the proposed update referenced above. This response represents the views of the NCACPA Accounting & Attestation Resource Group ("Resource Group") with input from the NCACPA staff.

The Resource Group commends the efforts of the Professional Ethics Executive Committee (PEEC) to update the guidance in ET sec. 1.275.005. This update to modernize the guidance to reflect current practice is much needed. We agree with the intent of the changes. We address key questions to the exposure draft below.

1. Do you agree that covered members should be prohibited from being simultaneously employed or associated with an attest client? If not, please explain.

We agree that simultaneous employment or association by a covered member would create a threat to independence that could not be overcome by safeguards.

2. Do you agree all partners and professional employees should be restricted from holding a key position or serving in a governance role at an attest client? If not, please explain.

We request that PEEC consider adding a definition of the term professional employee or clarify who is not a professional employee by function or role. With changes in firms there may be inconsistent interpretations without a clear definition.

3. Do you believe that the conceptual framework can appropriately address the threats created by a partner or professional employee (who is not also simultaneously employed or associated with the attest client in a key position) carrying out activities considered to be management responsibilities as described in the "Management Responsibilities" interpretation (ET sec. 1.295.030)? If not, please explain.

The Resource Group would request examples of the type of activities that a member may hold that would not be a key position that would apply the conceptual framework with examples of how the decision tree would be applied.

- 4. PEEC initially charged the task force with determining whether an exception should exist for individuals employed by the armed services. The proposed interpretation extends this exception to include conflicts with other relevant employment laws or regulations at the federal, state, and local levels. Do you agree that the exceptions presented in the exposure draft are appropriate? If not, please explain.**

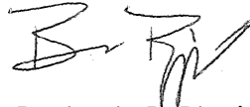
We agree with extending the exception beyond USERRA and believe that conflicts with employment law would be a valid exception.

Thank you for the opportunity to submit comments on the proposed changes. Please direct any questions or concerns to NCACPA Vice President of Advocacy and Outreach Robert Broome, CAE, at rbroome@ncacpa.org or (919) 481-5160.

Sincerely,



Melisa F. Galasso, CPA
Co-Chair
Accounting & Attestation Resource Group



Benjamin R. Ripple, CPA
Co-Chair
Accounting & Attestation Resource Group

cc: NCACPA Board of Directors
NCACPA A&A Resource Group
Mark Sotichack, CPA, CGMA, NCACPA CEO