



National Association of State Boards of Accountancy

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October 23, 2014

Professional Ethics Executive Committee
c/o Lisa A. Snyder, Director
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

Re: Omnibus Proposal of Revised Interpretations, AICPA Professional Ethics Division,
Exposure Draft dated August 29, 2014

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

We appreciate the opportunity to offer comments on the Exposure Draft referred to above. The National Association of State Boards of Accountancy's (NASBA) mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy that regulate all certified public accountants and their firms in the United States and its territories. In furtherance of that objective, we offer the following comments on the Exposure Draft.

Proposed Revised "Client Affiliate" Interpretation and "Attest Client" Definition

NASBA supports the proposed interpretation that revises the "client affiliate" interpretation and modifies the "attest client" definition. In our opinion the three conditions set forth in paragraph 5 of the interpretation are appropriate and sufficiently clear. Further, the circumstances outlined in the exception discussed in paragraph 5 are sufficiently narrow that the independence exception is warranted.

Revised Interpretation of "Individual in a Campaign Financial Position"

NASBA supports the proposed guidance where the campaign organization is an attest client. We concur with the conclusion that when a partner or other professional employee of a member's firm serves as the campaign treasurer, or other individual with similar financial responsibilities, and the campaign is the attest client, independence would be impaired.

NASBA also supports the proposed guidance where a partner or other professional employee of a member's firm serves as the campaign treasurer for an individual running for elected office of a governmental entity which is an attest client. However, the paragraph explaining this interpretation is cumbersome, and must be read several times in order to understand the interpretation. We recommend editing the interpretation to make the individual parts of the

interpretation stand out more clearly. It should be clear that independence is impaired for a governmental entity that is an attest client, if the partner or other professional employee serves as a campaign treasurer for:

- a) an elected official of the governmental entity who is an attest client, or
- b) a candidate who is running for election, but has not yet been elected as an official of the governmental entity who is an attest client.

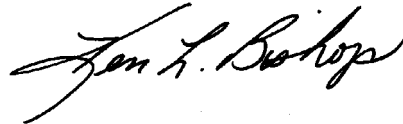
Finally, NASBA supports the proposed interpretation when the political party is the attest client. NASBA recognizes that it may be redundant to discuss documentation. However, because of the professional judgment involved in this situation, we believe that it is appropriate to remind the member that documentation requirements exist when safeguards are applied to reduce significant advocacy or familiarity threats to an acceptable level.

Again, we appreciate the opportunity to comment on the Exposure Draft.

Sincerely,



Carlos E. Johnson, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO