

February 21, 2025

Attn: AICPA Professional Ethics Executive Committee (PEEC)
Ethics-exposedraft@aicpa.org

Re: Exposure Draft – Proposed Revisions Related to Simultaneous Employment or Association with an Attest Client

Dear AICPA PEEC:

We appreciate the opportunity to provide feedback on the proposed revisions related to *simultaneous employment or association* with an attest client (ET sec. 1.275.005), dated December 16, 2024. The proposal is part of the AICPA Professional Ethics Executive Committee's (PEEC's) 2021-2023 Strategy and Work Plan. Primary revisions include a new definition of *simultaneously employed or associated* and a new version of the "Simultaneous Employment or Association with Attest Client" interpretation.

The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The committee has been authorized by the Texas Society of CPAs' Leadership Council to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Leadership Council or Board of Directors and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs.

The PSC supports the proposed revisions related to *simultaneous employment or association* with an attest client. The PSC would like to make the following observations and recommendations:

1. The proposed new definition of *simultaneously employed or associated* refers to a partner or professional employee of the member's firm serving in a governance role or as an employee of an attest client during the period of professional engagement. In addition, the proposed definition references only the "period of professional engagement" and excludes the "period covered by the financial statements." The PSC recommends that the proposed revisions clarify how these two periods differ and include examples to better understand application of the new definition.
2. Paragraph .03 provides for a safeguard due to an unintentional breach related to the reporting requirement stated in items (a) and (b) of paragraph .02. The paragraph states it must be an inadvertent and isolated failure, which will *not impair independence* if the relevant parties perform the required procedures promptly upon discovery. The PSC recommends that the proposed revisions clarify what circumstances qualify as inadvertent and isolated failures and provide further guidance on how promptly this incident must be addressed.

We appreciate the opportunity to submit comments on the proposed revisions related to *simultaneous employment or association* with an attest client (ET sec. 1.275.005), dated December 16, 2024.

Sincerely,



Jeffrey Johanns, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants

