



**SENT VIA E-MAIL:** [KenSiong@ethicsboard.org](mailto:KenSiong@ethicsboard.org)

August 15, 2018

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

Re: *Consultation Paper: Professional Skepticism – Meeting Public Expectations*

Dear Members of the International Ethics Standards Board for Accountants:

The American Institute of Certified Public Accountants' (AICPA) Professional Ethics Executive Committee (PEEC) is pleased to submit this response to the International Ethics Standards Board for Accountants (IESBA) on its *Consultation Paper: Professional Skepticism – Meeting Public Expectations*.

The AICPA is the world's largest member association representing the CPA profession, with more than 431,000 members in 137 countries and territories, and a history of serving the public interest since 1887. AICPA members represent 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, federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives professional competency development to advance the vitality, relevance and quality of the profession.

Throughout its history, the AICPA has been deeply committed to promoting and strengthening independence and ethics standards. Through PEEC, the AICPA devotes significant resources to independence and ethics activities, including evaluating existing standards, proposing new standards, and interpreting and enforcing those standards.

### **Comments**

PEEC believes the fundamental principles of Integrity, Objectivity, Professional Competence and Due Care and Professional Behavior address the characteristics and actions specified in paragraph 7 of the consultation paper.

As such, subject to the revisions indicated in the following two paragraphs, PEEC is supportive of the development of application material that is designed to achieve the behavior addressed by these characteristics and actions, which we agree should be expected of all professional accountants.

Paragraph 10 reduces the characteristics and actions specified in paragraph 7 into two elements of behavior. With respect to the first element<sup>1</sup>, PEEC recommends that the term "objective" replace "impartial" because the first element seems to be addressing the fundamental principles of *Integrity* and *Objectivity*. PEEC would caution introducing a new term of art without providing further clarification.

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<sup>1</sup> Approach professional activities with an impartial and diligent mindset; and

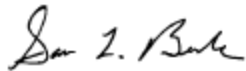
With respect to the second element, PEEC recommends the phrase “to the activities” replace “to the evaluation of information” because the second element seems to be addressing the fundamental principle of Professional Competence and Due Care. In addition, PEEC believes the phrase “evaluation of information” implies that some level of assessment, such as an audit, is being performed so the suggested replacement would provide for the necessary scalability.

While PEEC agrees that the behavior applies to all professional accountants, use of the definition of “professional skepticism” as defined in International Standards on Auditing, would create confusion with the application to all professional services provided by professional accountants, as this term is currently connected with only assurance services.

If the Board’s action is to develop application material, PEEC believes using an existing term as opposed to introducing a new term will assist with the translation of the application material developed. However, if the Board’s action is to develop guidance that is more than the application material, PEEC believes an alternative term, to address the concept of professional skepticism, would need to be explored.

We appreciate this opportunity to comment. We would be pleased to discuss in further detail our comments and any other matters with respect to the *Consultation Paper: Professional Skepticism – Meeting Public Expectations*.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sam L. Burke". The signature is fluid and cursive, with the first name "Sam" and last name "Burke" clearly distinguishable.

Samuel L. Burke, CPA  
Chair, Professional Ethics Executive Committee

cc: Brian Caswell, CPA, IESBA Member  
Myriam Madden, IESBA Member  
Toni Lee-Andrews, CPA, PFS, CGMA, Director – Professional Ethics