



VIA E-MAIL

October 31, 2012

International Ethics Standards Board for Accountants
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, NY 10017

Re: Exposure Draft: *Proposed Change to the Definition of “Those Charged with Governance”*

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 comment letter to the International Ethics Standards Board for Accountants (IESBA) on its Exposure Draft: *Proposed Change to the Definition of “Those Charged with Governance”* (the “Exposure Draft”).

We support the IESBA’s efforts to review and clarify, where necessary, the requirements contained in the IESBA *Code of Ethics for Professional Accountants* (the “Code”). Throughout its history the AICPA has been deeply committed to promoting and strengthening independence and ethics standards. Through the PEEC, the AICPA devotes significant resources to independence and ethics activities, including evaluating existing standards, proposing new standards, and interpreting and enforcing those standards.

Request for Specific Comments

1. Do respondents agree with the proposed change to more closely align the definition of “those charged with governance” to the definition contained in ISA 260, *Communication with Those Charged with Governance*?

We agree with the IESBA that the Code's definition of “those charged with governance” should be more closely aligned with the definition in ISA 260, *Communication with Those Charged with Governance*. Specifically, it would appear appropriate for a common definition to be used for purposes of international auditing and ethics standards. We also note that the proposed definition is consistent with that contained in U.S. auditing standards as promulgated by the AICPA’s Auditing Standards Board.

2. Do respondents agree that in each case as noted in the Exposure Draft, communication to “those charged with governance or a subgroup thereof” would be appropriate?

We agree that it is appropriate for the Code to make reference to “those charged with governance or a subgroup thereof” since this is a reasonable and common practice for many entities.

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 IESBA’s Exposure Draft.

Sincerely,

A handwritten signature in cursive script that reads "Wes Williams, CPA".

Wes Williams, CPA
Chair, Professional Ethics Executive Committee

cc: Brian Caswell, Member, IESBA
Lisa A. Snyder, Director, Professional Ethics Division