I wish to take this opportunity to offer my opinion regarding the proposed U.S. Department of Labor interpretive bulletin 29 CFR 2509.75-9 relating to guidelines of independence for which public comments can be made until December 11, 2006.

I am concerned over the DOL’s proposed rules regarding “independence” as it pertains to audits of employee benefit plans. Clarifying the independence rules is probably warranted, but before any changes are made, the DOL needs to take into consideration the AICPA’s and its members’ commitment to independence. CPA’s take both the profession's independence standards and the responsibility to protect plan participants’ interests seriously. It's an attribute and responsibility that defines our profession.

One specific area of the proposed rule has me concerned. The proposal suggests that independence would be impaired if the auditor or a member of its firm were to maintain the financial records of an employee benefit plan for which it performs a financial statement audit. I believe this proposed rule needs clarification. The DOL needs to better define “maintaining the financial record of the plan”. In addition, I hope it is not DOL’s intent to prevent an audit firm from taking the financial results from the trustee or custodian (after year-end) and compiling a trial balance, which would be used to perform the required audit procedures.

Since the DOL has not amended the independence requirements since 1975, I would truly hope that the DOL clarify the independence issues proposed, issue a revised proposal, and allow for a second round of comments based on the clarification and comments made by other practitioners.

Respectfully,

Paul Calmi, CPA
November 2, 2006