

May 16, 2007

Public Company Accounting Oversight Board  
Office of the Secretary  
1666 K Street, N.W.  
Washington, DC 20006-2803

By e-mail: [comments@pcaobus.org](mailto:comments@pcaobus.org)

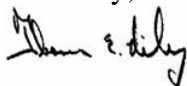
**Re: Concept Release Concerning Scope Rule 3523, Tax Services for Persons in  
Financial Reporting Oversight Roles**

**PCAOB Release No. 2007-002  
PCAOB Rulemaking Docket Matter No. 017**

The New York State Society of Certified Public Accountants, representing 30,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the Proposed Auditing Standard and related amendments referenced above.

The NYSSCPA's Auditing Standards and Procedures Committee deliberated the concept release and drafted the attached comments. If you would like additional discussion with us, please contact Robert W. Berliner, the Chair of the Auditing Standards and Procedures Committee, at (212) 503-8853, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



Thomas E. Riley  
President

Attachment

**COMMENTS ON PCAOB CONCEPT RELEASE**

**Concept Release Concerning Scope of Rule 3523, Tax Services for Persons in  
Financial Reporting Oversight Roles**

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**MAY 16, 2007**

**Principal Drafters**

**Robert W. Berliner  
Robert N. Waxman**

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### **NYSSCPA Staff**

Ernest J. Markezin

## NYSSCPA COMMENTS ON PCAOB CONCEPT RELEASE

### Concept Release Concerning Scope of Rule 3523, Tax Services for Persons in Financial Reporting Oversight Roles

#### MATTERS ON WHICH THE CONCEPT RELEASE REQUESTED SPECIFIC COMMENT

**1. To what extent, if any, is a firm's independence affected when the firm, or an affiliate of the firm, has provided tax services to a person covered by Rule 3523 during the portion of the audit period that precedes the professional engagement period?**

In order to establish and preserve the independence of registered firms, the Committee believes that no tax services to a person covered by Rule 3523 should be provided during that portion of the "audit period" that precedes the beginning of the "professional engagement period." The guiding principle in arriving at the Committee's conclusion was that auditors should be "independent of their audit clients both in fact and appearance." (Reg. S-X, Rule 2-01)

The Committee believes that any exception to this restriction is not susceptible to consistent evaluation as to its effect on the perception of independence. In addition, the restriction on providing tax services during the audit period and prior to the engagement has the added benefit of forestalling potential future controversy regarding the reality of the auditor's independence.

**2. What effect, if any, would application of Rule 3523 to the audit period have on a company's ability to make scheduled or unscheduled changes in auditors? Could any such effect be minimized or managed through advanced planning or otherwise?**

We recognize that the consequence of not properly planning for a change in auditors is that the registrant would need to engage a different independent registered public accounting firm. The Committee believes that independence issues associated with services rendered to Rule 3523 taxpayers could be minimized (or eliminated) with advanced planning.