



*Home of the Trusted Professional*

3 park avenue, at 34th street, new york, ny 10016-5991  
212.719.8300 • fax 212.719.3364  
www.nysscpa.org

June 20, 2005

Mr. Michael Glynn  
Technical Manager  
Audit and Attest Standards  
AICPA  
1211 Avenue of the Americas  
New York, NY 10036

By email: [mglynn@aicpa.org](mailto:mglynn@aicpa.org)

Re: Exposure Draft of Proposed Statement on Standards for Accounting and Review  
Services – *Omnibus Statement on Standards for Accounting and Review Services*  
-- 2005

Dear Mr. Glynn:

The New York State Society of Certified Public Accountants, the oldest state accounting association, represents approximately 30,000 CPAs that will implement the provisions proposed in the captioned exposure draft. NYSSCPA thanks AICPA for the opportunity to comment on its exposure draft.

The NYSSCPA Accounting and Review Services Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with the committee, please contact Joseph A. Maffia, chair of the committee, at (212) 980-2470, or Robert Colson, NYSSCPA staff, at (212) 719-8350.

Sincerely,

Stephen F. Langowski  
President

Attachment

**NYSSCPA 2005- 2006 Board of Directors**

Stephen F. Langowski, <i>President</i>	William Aiken	Raymond P. Jones
Thomas E. Riley, <i>President-elect</i>	Deborah L. Bailey-Browne	Don A. Kiamie
Raymond M. Nowicki, <i>Secretary</i>	Thomas P. Casey	Nancy A. Kirby
Neville Grusd, <i>Treasurer</i>	Ann B. Cohen	John J. Lauchert
Victor S. Rich, <i>Vice President</i>	Michelle A. Cohen	Howard B. Lorch
Susan R. Schoenfeld, <i>Vice President</i>	Debbie A. Cutler	Beatrix G. McKane
Stephen P. Valenti, <i>Vice President</i>	Anthony G. Duffy	David J. Moynihan
Louis Grumet, <i>ex officio</i>	Robert L. Ecker	Ian M. Nelson
	Mark Ellis	Richard E. Piluso
	David Evangelista	Robert T. Quarte
	Joseph M. Falbo, Jr.	C. Daniel Stubbs, Jr.
	Dr. Myrna L. Fischman	Anthony J. Tanzi
	Daniel M. Fordham	Edward J. Torres
	Phillip E. Goldstein	Robert N. Waxman
	Raymond P. Jones	Philip G. Westcott
	John J. Kearney	Ellen L. Williams
		Richard Zerah

**NYSSCPA 2005 - 2006 Accounting and Review Services Committee**

Joseph A. Maffia, Chair	Alan Director	Walter Orenstein
Michael J. Aroyo	Audrey J. Dussard	John Sacco
Harvey G. Beringer	Julie Galaska	Kenneth Smith
Roseanne G. Bowen	Stacy M. Glasser	Ira M. Talbi
Joseph G. Boyce	Jay Goldberg	George Weiss
John J. Buchheit	Khalil Issa	Lawrence A. Wolff
Bridget Burnell	Zev Landau	
Daniel J. Cannon	Melvyn M. Ockner	

**NYSSCPA 2005 - 2006 Accounting & Auditing Oversight Committee**

Paul D. Warner, Chair	Joseph A. Maffia	Warren Ruppel
George I. Victor, Vice Chair	Robert S. Manzella	Ira M. Talbi
Elliot L. Hendler	Mitchell J. Mertz	Elizabeth K. Venuti
Joel Lanz	Mark Mycio	Paul J. Wendell
Michele M. Levine	Eric J. Rogers	Margaret A. Wood
Thomas O. Linder		

**NYSSCPA Staff**

Robert H. Colson

*new york state society of*

**NYSSCPA**

*certified public accountants*

*Home of the Trusted Professional*

3 park avenue, at 34th street, new york, ny 10016-5991  
212.719.8300 • fax 212.719.3364  
www.nysscpa.org

**The New York State Society of Certified Public Accountants**

**Comments on  
Exposure Draft:**

**Proposed Statement on Standards for Accounting and Review Services  
(SSARS), *Omnibus Statement on Standards for Accounting and Review  
Services – 2005.***

**June 20, 2005**

**Principal Drafters**

**Ira M. Talbi  
Joseph A. Maffia  
Michael J. Aroyo**

**THE NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
ACCOUNTING AND REVIEW SERVICES COMMITTEE'S COMMENTS  
ON**

**PROPOSED STATEMENT ON STANDARDS FOR ACCOUNTING AND  
REVIEW SERVICES: *OMNIBUS – 2005***

**June 20, 2005**

**General Comments**

The Committee appreciates the opportunity to comment on the proposed amendments to SSARS 1 and SSARS 2. Most of the proposed changes conform SSARS to existing auditing literature. Except as noted in the specific comments, the proposed changes improve guidance for accounting and review engagements.

**Specific Comments**

**Comment 1. Page 5 - Third bullet point:**

The SSARS committee should consider replacing “updating” with “updated.” The past tense flows better, and it implies a completed action rather than an action in process.

**Comment 2. Page 6 – Paragraph 1.05 “Indications of Fraud and illegal acts”:**

The proposed new language provides a clear requirement when to report fraud but fails to adequately define “indications of fraud” and “indications of illegal acts.” Not only will these terms be interpreted subjectively, but also to fulfill the requirements of the proposed statement will require information gained outside of a SSARS engagement to determine whether such indications exists, such as a study of internal control, an assessment of control, inherent, and fraud risks, or a forensic study. It would be preferable for the standard to require simply the report of indications of fraud and indications of illegal acts that come to the accountant’s attention during the performance of the professional engagement rather than to require judgments about the significance of the indications of fraud risk factors or illegal acts.

**Comment 3. Page 7 – Paragraph 1 .07 “Modifications in Conformity with GAAP”:**

The proposed changes imply that additional inquiries and analytical procedures must be undertaken only when an accountant has found indications of fraud or illegal acts in compiling GAAP financial statements. Because OCBOA financial statements are frequently compiled, we suggest wording as follows: “...the review procedures performed, there are no material modifications that should be made to the statements in order for them to be in conformity with GAAP or OCBOA.”

**Comment 4. Page 7, Paragraph 1.08b. Successor accountant:**

The proposed changes suggest that the predecessor accountant can communicate knowledge of fraud or an illegal act to the successor accountant without the client's permission.

We suggest the following amendment to the proposed wording:

“b. To a successor accountant when the successor decides to communicate with the predecessor accountant and when the predecessor is permitted in accordance with SSARS No. 4.....”

**Comment 5. Page 10, Paragraph 5.34 “Updating Representation Letter”:**

See the first specific comment regarding “updated” rather than “updating” representation letters.

The proposed changes raise the requirements for representation letters in review procedures to a level higher than the current audit literature, which does not require updating a stale representation letter. Although consistency with the audit literature is preferable, if an updated representation letter is required then a more specific time period would be preferable, such as six months, to a “significant period of time,” which is too open-ended.