

April 20, 2009

J. Gordon Seymour, Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

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

**Re: PCAOB Release No. 2009-001 –  
Proposed Auditing Standard, *Engagement Quality Review*  
(PCAOB Rulemaking Docket Matter No. 025)**

Dear Mr. Seymour:

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 above captioned release.

The NYSSCPA's Auditing Standards Committee deliberated the release and prepared the attached comments. If you would like additional discussion with us, please contact Robert N. Waxman, Chair of the Auditing Standards Committee at (212) 755-3400, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



Sharon Sabba Fierstein  
President

Attachment

**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**PCAOB Release No. 2009-001  
COMMENTS ON PROPOSED AUDITING STANDARD – ENGAGEMENT  
QUALITY REVIEW  
(PCAOB Rulemaking Docket Matter No. 025)**

**April 20, 2009**

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**New York State Society of Certified Public Accountants  
Auditing Standards Committee**

**Comments on  
PCAOB Release No. 2009-001  
Comments on Proposed Auditing Standard - Engagement Quality Review**

The New York State Society of Certified Public Accountants welcomes the opportunity to comment on the PCAOB's Proposed Auditing Standard - *Engagement Quality Review*. Responses to specific questions in the proposal follow:

**Question 1. Should the standard require an EQR for other kinds of engagements performed according to PCAOB standards? If so, what types of engagements should be included and what should an EQR of such engagements entail?**

We believe this standard, aimed at audits and interim reviews, appropriately excludes the other types of engagements mentioned in the proposal, those being (a) the attestation required under Item 1122 of Regulation AB regarding the company's compliance with its servicing criteria, or (b) an AS 4 ("Reporting on Whether a Previously Reported Material Weakness Continues to Exist") attestation regarding material weaknesses.

**Question 2. Is the objective in the repropoed standard appropriately formulated? Does it articulate the purpose of an EQR?**

We believe the objective in paragraph 2 is appropriate.

**Question 3. Will this objective contribute to a more thoughtful and effective EQR?**

Yes. This auditing standard places the burden of concurrence on the EQ Reviewer who, of necessity, would have to weigh the various judgments made by the audit or review team and therefore be more thoughtful. Our answer assumes the question whether the EQ Review will be "more thoughtful and effective" was meant to address whether this proposal will be more effective than the current concurring partner review requirements.

**Question 4. Is it appropriate to explicitly require a reviewer from within the firm to be a partner or an individual in an equivalent position?**

We support the requirement that the reviewer be a partner or its equivalent in the firm. We recommend that "an individual in an equivalent position" be specifically defined in the final Standard.

**Question 5. Should the standard allow qualified accountants who are not employed by an accounting firm to conduct the review?**

Yes, we agree that qualified accountants, who under paragraph 3 must be an associated person of a registered public accounting firm, should be allowed to conduct reviews.

**Question 6. Should the standard prohibit the engagement partner from serving as the reviewer for a period of time following his or her last year as the engagement partner? If so, is two years sufficient, or should it be extended?**

We believe that two years is sufficient and should not be extended, and that the exception for firms with less than five issuers and less than ten partners (in Rule 2-01(c)(6)(ii) of Regulation S-X) be considered in the final standard.

**Question 7. Are the descriptions of the scope and extent of EQR procedures contained in the repropoed standard appropriate? Will the performance of these procedures result in a high-quality EQR? If not, how should these procedures be revised?**

We agree with the scope and extent of the listed procedures.

**Question 8. Are the specifically required procedures appropriately tailored to reflect the difference in scope between an audit and an interim review?**

We believe that the differences in procedures to be performed by the EQR in an audit and in an interim review, as proposed, appropriately reflect the differences between the two types of engagements.

**Question 9. Do the specifically required procedures sufficiently focus the reviewer on areas of highest risk? Are there other procedures that should be required?**

We agree the specifically required procedures will help focus the EQ Reviewer on those areas of highest risk and offer no other required procedures.

See Additional Comment below on page 3.

**Question 10. Is the standard for the engagement quality reviewer's concurring approval of issuance appropriately described in the repropoed standard?**

Yes.

**Question 10 (cont.). Is the first condition appropriately tailored to reflect the difference in scope between an audit and an interim review?**

Yes.

**Additional Comment regarding Paragraph 19:**

In that the EQR must date and document the concurring approval (or lack of approval) of issuance (paragraph 19(d)), the extensive documentation requirement leading up to that approval (in paragraph 19(c)) is unnecessary and goes beyond the objective of the standard (paragraph 2). We see no need to document in detail every significant discussion by the EQR and by others who may have assisted the reviewer.