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

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

Principal Drafters

Robert W. Berliner
Fred R. Goldstein
Jan C. Herringer
Michael R. McMurtry
Robert N. Waxman
NYSSCPA 2008 – 2009 Board of Directors

Sharon Sabba Fierstein, President
David J. Moynihan, President-elect
Richard E. Piluso, Secretary/Treasurer
Barbara S. Dwyer, Vice President
Joseph M. Falbo Jr., Vice President
Elliot L. Hendler, Vice President
Margaret A. Wood, Vice President
Louis Grumet, ex officio

Scott M. Adair
Edward L. Arcara
Susan M. Barossi
Anthony Cassella
Robert L. Goecks
David R. Herman
Scott Hotalen
Suzanne M. Jensen
Gail M. Kinsella

Nancy A. Kirby
J. Michael Kirkland
Kevin Leifer
Elliot A. Lesser
David A. Lifson
Anthony J. Maltese
Mark L. Meinberg
Avery E. Neumark
Robert A. Pryba, Jr.
Joel C. Quall
Ita M. Rahilly
Judith I. Seidman
Thomas M. VanHatten
Liren Wei
Charles J. Weintraub

NYSSCPA 2008 – 2009 Accounting & Auditing Oversight Committee

Mitchell J. Mertz, Chair
Michael J. Aroyo
Robert W. Berliner
Edward P. Ichart

Thomas O. Linder
Rita M. Piazza
William M. Stocker III
Bruce I. Sussman

Ira M. Talbi
George I. Victor
Robert N. Waxman

NYSSCPA 2008 – 2009 Auditing Standards Committee

Robert N. Waxman, Chair
Gillad C. Avnit
Robert W. Berliner
Karin Blaney
Rosanne G. Bowen
Sharon M. Campbell
Robert Cordero
Vincent Gaudioso
John F. Georger Jr.
Fred R. Goldstein
Menachem M. Halpert

Jan C. Herringer
Neal B. Hitzig
Anil Kumar
Elliot A. Lesser
Moshe S. Levitin
Ralph Lucarello
Michael R. McMurtry
Mark Mycio
Lawrence E. Nalitt
Wayne Nast
Bernard H. Newman

John C. Parcell IV
William J. Prue
Andrew W. Reiss
Michael A. Sabatini
John M. Sacco
Mark Springer
Stephen P. Tuffy
Richard T. Van Osten
Paul D. Warner
Steven Wolpow
Anna Zubets

NYSSCPA Staff

Ernest J. Markezin
William R. Lalli
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 reproposed 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 reproposed 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 EQR 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 reproposed 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.