

August 27, 2012

Ms. Lisa A. Snyder
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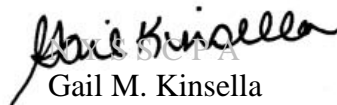
By e-mail: lsnyder@aicpa.org

Re: Omnibus Proposal
AICPA Professional Ethics Division
Proposed Revised and New Interpretations and Proposed Deletion of Ethics Rulings

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Professional Ethics Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Debbie A. Cutler, Chair of the Professional Ethics Committee at (212) 521-4340, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,


Gail M. Kinsella
President

Attachment

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

COMMENTS ON

**OMNIBUS PROPOSAL
AICPA PROFESSIONAL ETHICS DIVISION
*PROPOSED REVISED AND NEW INTERPRETATIONS AND PROPOSED DELETION
OF ETHICS RULINGS***

AUGUST 27, 2012

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New York State Society of Certified Public Accountants

Comments on

Omnibus Proposal

AICPA Professional Ethics Division

Proposed Revised and New Interpretations and Proposed Deletion of Ethics Rulings

The New York State Society of Certified Public Accountants appreciates the opportunity to provide comments on the Professional Ethics Executive Committee (PEEC) new and proposed revisions to the interpretations to the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct (the Code).

Proposed Revisions to Interpretation No. 101-3

Cumulative Effect on Independence When Providing Nonattest Services

We agree that the cumulative effect of providing multiple permissible nonattest services to a client may create a significant threat to independence without the presence of safeguards to eliminate or reduce the threat to an acceptable level. For example, if an AICPA member provides multiple non-attest services to an attest client, a reasonable person might construe the attest client as having a dependency on the AICPA member. Additionally, based upon the aggregation of nonattest fees, an AICPA member may lose or it may be perceived that the AICPA member has lost his or her objectivity. We suggest that the PEEC consider providing examples of the cumulative effect of nonattest services to assist AICPA members in their decision-making process.

Financial Statement Preparation and Cash-to-Accrual Conversions

We agree with the PEEC that the financial statement preparation and cash-to-accrual conversions performed by an AICPA member should be considered nonattest services, regardless of whether the services are performed as part of an audit. An AICPA member's attest client should prepare the financial statements and the cash to-accrual conversions internally or hire outside assistance.

We agree that a two-year transition period is appropriate for the revisions to the Activities Related to Attest Services section that require activities such as financial statement preparation and cash-to-accrual conversions to be subject to the requirements of Interpretation No. 101-3, and that the effective date should be aligned with the effective date of the revised Statements on Standards for Accounting and Review Services (SSARS) that is anticipated to be December 15, 2014.

Internal Audit Assistance Services

We agree with the PEEC's decision to require that AICPA members evaluate the significance of the management participation threat created by performing separate evaluations on the effectiveness of the client's internal control system. Additionally, this guidance should be incorporated into the Internal Audit Assistance section of the Interpretation.

We agree with the two new proposed examples of activities that would impair independence to assist members in understanding these new provisions. Additionally, we agree that separate evaluations performed to determine the effectiveness of client controls are an example of an internal audit service, and that they should be treated the same as other internal audit services.

Lastly, we agree that all internal audit services should be subject to consideration of whether they might result in performing ongoing monitoring based on factors such as the frequency of the internal audit services, the significance of the controls being tested, and the scope and extent of the controls being tested in relation to the overall financial statements of the client.

Proposed New Interpretations Under Rules 501 and 502

Proposed New Interpretations 501-11 – Use of the CPA Designation and 502-6 Use of the CPA Designation

Our overall assessment of the two new proposed interpretations is favorable and we agree to their inclusion in the Code.