

new york state society of

NYSSCPA

certified public accountants

530 fifth avenue, new york, ny 10036-5101
www.nysscpa.org

September 7, 2004

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, DC 20006-2803

By e-mail: comments@pcaobus.org

Re: Staff Questions and Answers – Audits of Financial Statements of Non-Issuers Performed Pursuant to the Standards of the Public Company Accounting Oversight Board, June 30, 2004.

The New York State Society of Certified Public Accountants, the oldest state accounting association, representing approximately 30,000 CPAs, agrees with the PCAOB's Staff Questions and Answers – Audits of Financial Statements of Non-Issuers Performed Pursuant to the Standards of the Public Company Accounting Oversight Board issued on June 30, 2004. There will likely be an increasing number of private companies, not-for-profit organizations, and governmental agencies whose boards, governing bodies, and third-party creditors may prefer audits of financial statements or internal control attestations performed according to PCAOB standards. The staff document provides timely and relevant guidance to CPAs in applying such standards in these situations.

We would like to express our concern, nonetheless, about the historical practice allowing CPAs to use CPA audit report wording even when they do not participate in any quality review program or are not members of the organizations that sponsor such programs. This practice allows unsupervised audits and has permitted substandard audit practices, thereby jeopardizing the public's trust in the CPA profession and its standards. The PCAOB is in a unique position to provide leadership to ensure that all CPA firms using its standards participate in an appropriate practice monitoring program.

The NYSSCPA would be happy to cooperate with the PCAOB in ensuring that all CPAs using PCAOB standards for audits and attestations have access to and participate in an appropriate quality monitoring and development program.

The NYSSCPA's Auditing Standards and Procedures Committee, Board of Directors, and Executive Committee have considered the PCAOB staff document. If you would like additional discussion with us, please contact Robert Colson, NYSSCPA staff, at (212) 719-8350.

Sincerely,

A handwritten signature in black ink, reading "John J. Kearney". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John J Kearney
President

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