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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

Re: Exposure Draft of Proposed Statement on Standards for Accounting and Review
Services – *Compilation of Specified Elements, Accounts, or Items of a Financial
Statement and Proforma Financial Information*

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

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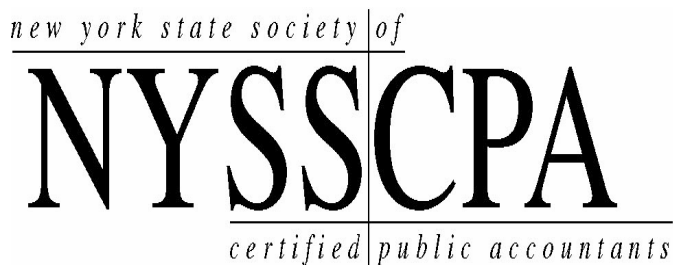
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COMMENTS ON AICPA EXPOSURE DRAFT

Proposed Statement on Standards for Accounting and Review Services

***Compilation of Specified Elements, Accounts, or Items of a Financial
Statement and Proforma Financial Information***

June 20, 2005

Principal Drafters

**Ira M. Talbi
Joseph A. Maffia
Michael Arroyo**

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

**PROPOSED STATEMENT ON STANDARDS FOR ACCOUNTING AND
REVIEW SERVICES:
*COMPILATION OF SPECIFIED ELEMENTS, ACCOUNTS, OR ITEMS OF A
FINANCIAL STATEMENT AND PROFORMA FINANCIAL INFORMATION***

June 20, 2005

General Comments

The Committee appreciates the opportunity to comment on the proposed statement. Most of the proposed changes conform SSARS to existing auditing literature. Except as noted in the specific comments, the proposed changes improve the standards for services offered by CPAs.

The exposure draft specifically requested a comment on the appropriateness of the new trigger for the compilation of non-financial statement information. We concur that this new report service should be engagement driven rather than submission driven, consistent with a compilation of financial statements.

Specific Comments

Comment 1. Page 5 – Why issued and what it does:

The proposed wording uses the term “compile and report,” which might cause some confusion. For the sake of clarity, we suggest that the initial paragraph clearly state that this standard applies to compilations only. If the intent of “compile and report” is to permit either the issuance of a compilation report or the preparation of schedules, then the phrase should be revised to “compile **or** report.”

Comment 2. Page 7 – Paragraph 4:

While the professional literature makes clear the inadvisability of separating specified elements, accounts, or items from a compilation report, the professional literature should also address how to transmit to clients or third parties other routine schedules related to financial statements prepared by accountants, such as depreciation schedules, amortization schedules, inventory analyses, and aging schedules.

Comment 3. Page 8 and 12 – Paragraph 6 and 19, respectively, “Understanding with the entity”:

The proposed new language provides a clear requirement when to report fraud but fails to adequately define an “indication 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 4. Page 13 and 14 – Paragraphs 23 and 24 Reporting Requirements – clarification.

The standard should clearly state how to indicate in a compilation report that a predecessor’s work has been relied on in the compilation of pro forma financial information.