

Ritch, Arietta

Subject: FW: OMNIBUS PROPOSAL

From: Luke Aldy [mailto:Luke.Aldy@sweetpc.com]
Sent: Friday, November 30, 2012 2:55 PM
To: Snyder, Lisa
Subject: OMNIBUS PROPOSAL

I would like to comment on the "Proposed Revised and New Interpretations and Proposed Deletion of Ethics Ruling" issued for comment on June 29, 2012. As I understand the proposal, basic financial statement preparation with little or no bookkeeping impact will be considered a non-attest service creating an independence issue for the CPA retained to audit or review an entity's financial statements. If this is not the case, please ignore this communication. However, if this is the situation:

I believe that it is important to consider that many small and medium sized entities do not have an accounting staff that is technically proficient in all presentation and disclosure requirements to make it possible for them to "prepare" the financial statements, although they, along with other members of management, do review those statements for accuracy. Entities of this type are, for a number of reasons, required to present audited or reviewed financial statements to third parties. For years local CPA's have provided the assistance to these entities necessary to complete their financial statements in a meaningful way. This rule will probably add a financial burden to these clients, either through additional staff and training (or both) or the use of a separate third party to prepare their financial statements.

I have been a practicing CPA for many years and have, until now, never heard or been aware of a questionable remark by a client or third party regarding the independence of a CPA because he had "prepared the basic financial statements". Thus, I cannot imagine why the profession needs to promulgate this rule. I believe that most of our clients and user third parties will not appreciate the rationale for such a change and, over time and as a result of cost constraints, will move away from the audit and review we now provide and accept or be driven to a compilation. Surely, should the attest service be retained, there will be what I believe is an unnecessary increase in overall cost of professional accounting services.

Thank you!

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