



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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VIA Email Sent to: lsnyder@aicpa.org.

Lisa A. Snyder, CPA
Director of Professional Ethics Division
American Institute of Certified Public Accountants
Professional Ethics Executive Committee
1211 Avenue of the Americas
New York, NY 10036-8775

Dear Ms. Snyder:

The Accounting Principles and Auditing Standards Committee “the Committee” of the Florida Institute of Certified Public Accountants (“FICPA”) has reviewed and discussed the Omnibus Proposed Revised and New Interpretations and Proposed Deletion of Ethics Rulings.

The Committee agrees that nonattest services individually may not impair independence, but collectively, multiple nonattest services could cumulatively impair independence. We agree that members should consider whether multiple nonattest services create a significant independence threat and whether safeguards would be needed to reduce the threat to an acceptable level. The Committee agrees that the preparation of financial statements and cash-to-accrual conversions would not by themselves impair independence and therefore these services may be considered nonattest services. However, please note that our Committee opposes the proposed Statement on Standard for Accounting and Review Services’ *Association with Unaudited Financial Statements* which appears to contemplate using this ethics modification to dramatically alter the landscape of the profession’s nonattest services. Please reference and consider our concerns detailed in a separate response to Michael Glynn.

The Committee welcomes the proposed changes to Internal Audit Assistance Services. In particular, we appreciate the substitution of “be satisfied” for “ensure.” The extant standard’s use of “ensure” suggested an overly expansive burden for members. We also approve of the addition of (1) performing ongoing evaluations and (2) client management’s reliance on a member’s work as a basis for their assertions regarding the effectiveness of internal controls as member activities which would impair independence.

The Committee believes the proposed changes to the Activities Related to Attest Services section should become effective when the related SSARS proposal takes effect.

The Committee agrees with the PEEC proposal to replace Ethics Ruling No. 65 -*Use of the CPA Designation by Member Not in Public Practice* of ET section 191, Ethics Ruling No. 38 -*CPA Title, Controller of Bank* of ET section 591, and Ethics Ruling No. 78, -*Letterhead: Lawyer-CPA* of ET section 591 with the two new proposed Interpretations under Rules 501 and 502.

The Committee appreciates this opportunity to share its views and concerns and to comment on this Exposure Draft. Members of the Committee are available to discuss any questions you may have regarding this communication.

Respectfully submitted,

Steven Morrison CPA, Chair
FICPA Accounting Principles and Auditing Standards Committee

Committee member coordinating this response:

Duncan Will, CPA