



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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May 5, 2008

Office of the Secretary, PCAOB
1666 K Street, NW
Washington, D.C. 20006-2803

Via email: comments@pcaobus.org

Re: PCAOB Proposed Auditing Standard – *Engagement Quality Review and Conforming Amendment to the Board's Interim Quality Control Standards*

Dear Sir:

The Accounting Principles and Auditing Standards Committee (the “Committee”) of the Florida Institute of Certified Public Accountants (“FICPA”) has reviewed and discussed the subject Proposed Auditing Standard (the “Standard”), including the eleven discussion questions contained therein, and has the following comments:

Question # 1

The Committee believes that the Standard quite clearly proposes broad guidelines as to the function of the concurrent reviewer. In addition, the Standard enhances the firm’s quality controls over various stages of the audit engagement. The lack of a stated objective allows a certain degree of professional judgment depending on the size and complexity of the engagement.

Question # 2

The Committee concurs that, to be consistent, all engagements subject to the standards of the PCAOB should be subject to the Standard’s quality review procedures. Exceptions could lead to possible oversights in the application of this Standard.

Question # 3

The Committee concurs that the Standard is very accurate in its mandated requirements of the engagement quality reviewer. It is of significant importance in this Standard that the qualifications of the quality reviewer be similar to the requirements of ISQC No. 1.

Question # 4

The Committee believes that the timing of the consultation at key stages of the audit engagement would meet a twofold function: evaluating the engagement planning and identification of significant risks when timing is important and remedial actions can be implemented.

Question # 5

The Committee believes that the scope and extent of engagement quality review procedures are appropriate in the context that it allows the audit engagement team to exercise discretionary professional judgment in lieu of a boilerplate checklist approach. The broad concept of the concurrent reviewer function is well established by the general expectations attributed to it in the body of the Standard.

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Question # 6

The Committee feels that the risk-based approach proposed by the Standard will only be truly effective if the quality control procedures are in conjunction with engagement planning review and consulting during various stages of completion of the engagement.

Question # 7

The Committee concurs with the proposed requirements for the review of the engagement team's documentation in that the reviewer must evaluate, for those areas reviewed, whether this documentation supports the conclusions reached, indicates that the engagement team responded appropriately to matters that present significant risks and meets the documentation requirements of Auditing Standard No. 3.

Question # 8

The Committee concurs with the timing of the review as long it provides sufficient time to implement remedial actions for the resolution of auditing and accounting issues raised during this review.

Question # 9

The Committee concurs that the reviewer's concurrent approval of the issuance will discourage the release of financial statements before all significant matters are resolved. This added approval will safeguard against the issuer's undue pressure on the engagement partner.

Question # 10

The Committee feels that the documentation requirements for the engagement quality review are adequate.

Question # 11

The Committee feels that all documentation pursuant to Auditing Standard No. 3 should be consistently applied as it relates to the concurrent review. This is based on the premise that any resulting remedial procedures and adjustments have become part of the required documentation of the engagement.

The Committee appreciates this opportunity to express its views on the subject Proposed Auditing Standard. Members of the Committee are available to discuss any aspects of this response.

Respectfully submitted,

Yanick J. Michel

Yanick J. Michel, CPA, Chair
FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

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