

July 14, 2017

Mr. Ken Siong
Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017

Submitted via: [Submit a Comment](#) link of IESBA website

Re: IESBA Exposure Draft, Proposed Application Material Relating to Professional Skepticism and Professional Judgment

Dear Mr. Siong:

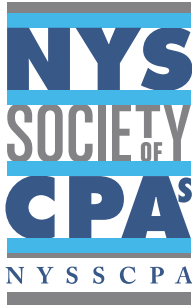
The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

The NYSSCPA's Professional Ethics Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Elliot L. Hendler, Chair of the Professional Ethics Committee, at (212) 719-8300, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Harold L. Deiters III
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**IESBA EXPOSURE DRAFT, PROPOSED APPLICATION MATERIAL RELATING TO
PROFESSIONAL SKEPTICISM AND PROFESSIONAL JUDGMENT**

July 14, 2017

Principal Drafters

**Elliot L. Hendler
Steven J. Leifer
Brian K. Pearson
Victoria L. Pitkin
Paul M. Ribaudó**

NYSSCPA 2017–2018 Board of Directors

Harold L. Deiters III,
President

Jan C. Herringer,
President-elect

Anthony T. Abboud,
Secretary/Treasurer

Paul E. Becht,
Vice President

John B. Huttlinger, Jr.
Vice President

Mitchell J. Mertz,
Vice President

Candice R. Meth,
Vice President

Joanne S. Barry,
ex officio

Dennis N. Annarumma

Edward L. Arcara

Sol S. Basilyan

Christopher G. Cahill

Jack M. Carr

Anthony S. Chan

Salvatore A. Collemi

Mitchell A. Davis

William H. Dresnack

Edward F. Esposito

Mark L. Farber

Lynne M. Fuentes

Jennifer R. George

Craig T. Goodman

Elliot L. Hendler

Douglas L. Hoffman

Patricia A. Johnson

Kimberly G. Johnson

Barbara A. Marino

Tracey J. Niemotko

Kevin P. O’Leary

Thomas S. Pirro

Iralma Pozo

Renee Rampulla

Brian M. Reese

Steven A. Stanek

Denise M. Stefano

Janeen F. Sutryk

Michael M. Todres

Mark M. Ulrich

F. Michael Zovistoski

NYSSCPA 2017–2018 Professional Ethics Committee

Elliot L. Hendler, *Chair*

Eric H. Altstadter

Gary E. Carpenter

David C. Daly

Jo Ann Golden

Kelly Kennedy-Ryu

Steven J. Leifer

Elliot A. Lesser

Mitchell J. Mertz

Ronald Nash

Brian K. Pearson

Victoria L. Pitkin

Paul M. Ribaud

Michael Rudegear

Robert E. Sohr

P. Gerard Sokolski

Marianne E. Van Duyne

NYSSCPA Staff

Ernest J. Markezin

New York State Society of Certified Public Accountants

Comments on

IESBA Exposure Draft, Proposed Application Material Relating to Professional Skepticism and Professional Judgment

The New York State Society of Certified Public Accountants (NYSSCPA) appreciates the opportunity to provide comments on the International Ethics Standards Board for Accountant's (IESBA) exposure draft entitled, *Proposed Application Material Relating to: (a) Professional Skepticism – Linkage with the Fundamental Principles; and (b) Professional Judgment – Emphasis on Understanding Facts and Circumstances*.

We strongly support the IESBA's efforts to emphasize the importance of professional skepticism by adding the proposed application material to the *Code of Ethics for Professional Accountants* and indicating how professional skepticism should be considered when applied to each of the fundamental principles of integrity, objectivity, and professional competence and due care. One of the criticisms often expressed by regulators is that the professional accountant tends to slip into the notion of professional skepticism as another step to be performed in the audit process. The application material, as proposed, reminds the professional accountant of the pitfalls of such thinking by providing a clear thought process for the professional accountant to adopt as it relates to each of the fundamental principles.

Although this application material, as proposed, is intended to address considerations specific to audits, reviews and other assurance engagements, we believe that the exercise of professional skepticism is important for tax and consulting engagements as well. Accordingly, we suggest that the IESBA also address the role of professional skepticism in the performance of non-assurance services.