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**LETTER FROM THE CHAIR**

Have you seen the most recent issue of the *TIC Alert*? This concise, timely update covering standard setting issues affecting small firms should be required reading for all firm members involved in auditing and accounting. A publication of the PCPS Technical Issues Committee (TIC), the *Alert* summarizes major developments in standard setting, highlighting key points and describing the impact for small practitioners and their private company clients. It also carries important updates, such as regular reminders about standards that are becoming effective and where to learn more about them. It is designed specifically to help our members grapple with the challenges of standards overload.

The *TIC Alert* is only one of the responsibilities of TIC, which is made up of CPAs whose primary focus is working with private companies. TIC maintains ongoing communications with standard setters through comment letters and face-to-face meetings, offering them insights on the unique needs of small private businesses and their financial statement users. For example, at its liaison meeting with the Financial Accounting Standards Board this month, one of the main topics of discussion will be a FASB project that would make significant changes in financial statement presentation. As a starting point, TIC questions whether the contemplated complete restructuring of the financial statement model will meet the needs of users of private company financial statements. The committee also asks whether the expected benefits will justify the high implementation costs of the proposed model. TIC has expressed these views in a comment letter to the Private Company Financial Reporting Committee and plans to discuss this project with the FASB, as well.

On another front, TIC also will comment on a proposal from the AICPA Professional Ethics Division related to independence standards and network firms. Some PCPS members are concerned that the proposed PEEC guidelines should be better stated to exempt independent firms that benefit from a network's shared resources but that do not have a significant business connection.

TIC is a crucial component in PCPS advocacy initiatives. To access the *TIC Alert* and learn more about TIC activities, go to <http://pcps.aicpa.org/Resources/Technical+Issue+Committee+and+Communications/>.

*David K. Morgan*

All the best,  
David Morgan, CPA/PFS  
Chair, PCPS Executive Committee

**LETTER FROM THE VP**

If you haven't already seen it, I urge members to check out the PCPS Risk-Based Auditing Toolkit, an important new resource containing many tools exclusively for PCPS members. The Toolkit was designed to help members implement the AICPA risk assessment standards, Statements on Auditing Standards Nos. 104 through 111, which are effective for audits of financial statements for periods beginning on or after December 15, 2006.

The Toolkit features not only educational updates that practitioners can use themselves and share with staff, but also tools that you can use to introduce clients to these complicated new standards. It includes:

- A set of FAQs that answer the most common questions about the standards.
- An archived version of "The Risk Assessment Standards: A High Level Overview," the practical, informative PCPS Practice Management Forum given in September by CPA Chuck Landes, AICPA Vice President of Professional Standards and Services.
- A document that provides an overview of the standards and points to key implementation considerations.
- A glossary defining key terms.
- A client communication letter that provides a template for explaining the new requirements.
- Also for clients, a talking points document that will help you answer the questions that companies are asking.

As busy season draws near, I'd also like to point members to the latest issue of *Seasonality Success, Winning Strategies for Profitable Firms*. This quarterly e-newsletter, which is dedicated to helping our members make the most of busy season, contains many timely articles. Topics include how to talk to clients about standards-driven fee increases and educating staff on new requirements. "Cool Tools," the regular technology column, points out workflow management opportunities that are sometimes overlooked.

At PCPS, we are constantly adding new member benefits intended to address your most pressing needs. I hope you take advantage of them so you can get the most value from your PCPS membership.

*James C. Metzler*

Best regards,  
Jim Metzler, CPA.CITP  
AICPA Vice President, Small Firm Interests  
The PCPS Risk-Based Auditing Toolkit can be found at: <http://pcps.aicpa.org/Resources/Keeping+Up+With+Standards/Risk+Assessment+Standards+Implementation+Guidance.htm>. To access *Seasonality Success*, go to the PCPS Firm Center: <http://pcps.aicpa.org/Community/Seasonality+Success+Winning+Strategies+for+Profitable+Firms.htm>.

### Dealing with Mortgage Comfort Letters

CPAs are frequently asked to provide a loan broker or lender with a mortgage “comfort” letter on behalf of a client, but practitioners may have questions about their professional ethical obligations in this situation. To ensure that practitioners can serve clients and meet ethical standards, the PCPS Firm Practice Center now offers advice and a sample letter from the AICPA Professional Liability Insurance Program. Go to <http://pcps.aicpa.org/Resources/CPA+Comfort+Letter+to+Lenders/What+to+do+about+Mortgage+Comfort+Letters.htm>.

### PCPS Practice Management Forums

Succession, PFP and gaining a competitive edge in the marketplace are the topics that will be covered in upcoming free online PCPS Practice Management Forums. These live, interactive PowerPoint-based presentations, which are given by nationally recognized speakers, take place from 2:00 to 3:30 ET. Upcoming sessions include:

- “Succession Assessment: Is Your Firm Being Realistic?”, offered by Robert J. Gallagher on November 20.
- “Build and Run a Successful Financial Planning Practice: Best Practices and Slips to Avoid,” given by Walter M. Primoff on December 18.
- “The Small Firm Advantage,” given by Jim Metzler on January 22.

Members will receive e-mail announcements on how to register for each Forum, so be sure to watch for them.

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