

March 7, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE, Washington, DC 20549-1090

By e-mail: rule-comments@sec.gov

**Re: Internal Control Over Financial Reporting in Exchange Act Periodic Reports of
Non-Accelerated Filers
(Release Nos. 33-8889; 34-57258; File No. S7-06-03)**

Dear Ms. Morris:

The New York State Society of Certified Public Accountants, representing 30,000 CPAs in public practice, industry, government and education, submits the following comments to you regarding the above captioned release. NYSSCPA thanks the SEC for the opportunity to comment.

The NYSSCPA's SEC Practice Committee deliberated the release and drafted the attached comments. If you would like additional discussion with us, please contact Rita M. Piazza, the Chair of the SEC Practice Committee, at (914) 684-2700, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



David A. Lifson
President

Attachment



Home of the Trusted Professional
3 park avenue, at 34th street, new york, ny 10016-5991
212.719.8300 • fax 212.719.3364
www.nyscpa.org

**COMMENTS ON SEC RELEASE NOs. 33-8889; 34-57258; File No. S7-06-03
INTERNAL CONTROL OVER FINANCIAL REPORTING IN EXCHANGE ACT
PERIODIC REPORTS OF NON-ACCELERATED FILERS**

March 7, 2008

Principal Drafter

Robert E. Sohr

NYSSCPA 2007 – 2008 Board of Directors

David A. Lifson, <i>President</i>	Edward L. Arcara Scott M. Adair	Elliot A. Lesser Beatrix G. McKane
Sharon Sabba Fierstein, <i>President-elect</i>	Susan M. Barossi Thomas Boyd	Mark L. Meinberg Ian M. Nelson
Mark Ellis, <i>Secretary</i>	Debbie A. Cutler Joseph M. Falbo, Jr.	Jason M. Palmer Robert A. Pryba Jr.
Richard E. Piluso, <i>Treasurer</i>	Myrna L. Fischman, PhD Daniel M. Fordham	Robert T. Quarte Ita M. Rahilly
Rosemarie A. Giovinazzo- Barnickel, <i>Vice President</i>	David R. Herman Scott Hotalen	Thomas E. Riley Judith I. Seidman
John J. Lauchert, <i>Vice President</i>	Robert L. Goecks Martha A. Jaeckle	Anthony J. Tanzi Thomas M. VanHatten
Edward J. Torres, <i>Vice President</i>	Suzanne M. Jensen Lauren L. Kincaid	Liren Wei Ellen L. Williams
Louis Grumet, <i>ex officio</i>	Gail M. Kinsella Kevin Leifer	Margaret A. Wood Richard Zerach

NYSSCPA 2007 - 2008 Accounting & Auditing Oversight Committee

George I. Victor, Chair	Elliot L. Hendler	Yigal Rechtman
Michael J. Aroyo	Edward P. Ichart	William M. Stocker III
Robert W. Berliner	Thomas O. Linder	Ira M. Talbi
Thomas J. Goodfellow	Mitchell J. Mertz	Paul J. Wendell
	Rita M. Piazza	

NYSSCPA 2007 - 2008 SEC Practice Committee

Rita M. Piazza, <i>Chair</i>	Bridget M. Day	Peter J. Pirando
Michele B. Amato	Thomas J. Flattery	Arthur J. Radin
Giautam Anumukonda	John P. Fodera	Fitzgerald Raphael
Patricia A. Baldowski	Leon J. Gutmann	John P. Rushford
Curtis J. Banos	Edward J. Halas	Paul Rykowski
John A. Basile	Elliot L. Hendler	Stephen A. Scarpati
Douglas J. Beck	Justin Kuczarski	Andrew Schneider
David Bender	David J. Lamb	Grace G. Singer
Michael C. Bernstein	Moshe S. Levitin	Robert E. Sohr
Dov Braun	Helen R. Liao	Fredric S. Starker
Jeffrey M. Brinn	Thomas P. Martin	Joseph Troche
Thomas E. Caner	Nicole J. Martucci	George I. Victor
Anthony S. Chan	Corey L. Massella	Philip H. Weiner
Henry G. Clark	Jacob Mathews	Paul J. Wendell
Burgman E. Connolly	Mitchell J. Mertz	David C. Wright

NYSSCPA Staff

Ernest J. Markezin

New York State Society of Certified Public Accountants

Comments on Securities and Exchange Commission (“SEC”) Release on Internal Control over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers [Release Nos. 33-8889; 34-57258; File No. S7-06-03]

We agree with the SEC’s proposal to delay the requirement for non-accelerated filers to provide an auditor’s attestation report on internal control over financial reporting (“ICFR”) to annual reports filed for fiscal years ending on or after December 15, 2009. This one year delay from the temporary rules published on December 21, 2006 is warranted because of the recently issued guidance for smaller companies provided by The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), the SEC’s own interpretative guidance to assist management in complying with its ICFR evaluation and disclosure requirements, and the Public Company Accounting Oversight Board’s (“PCAOB”) issuance of Auditing Standard No. 5. Further, the SEC has yet to complete its study to determine whether the auditor’s attestation requirement is being implemented in a cost-effective manner for smaller companies, and the PCAOB has yet to issue its final staff guidance on auditing ICFR of smaller companies.

All of this guidance will prove helpful to non-accelerated filers and their auditors in complying with the requirements of Item 308 of SEC Regulation S-K (“S-K”). Many non-accelerated filers have limited financial and accounting staffs, and there is much for them to learn in order to effectively evaluate ICFR. Delaying the requirement by one year for non-accelerated filers to provide the auditor’s report required by Item 308(b) of S-K will allow management to focus their efforts initially on the ICFR evaluation and disclosure required by Item 308(a) of S-K. It will also enable auditors to benefit from the findings of the SEC’s study and the PCAOB’s final guidance.

Nevertheless, we strongly urge management of non-accelerated filers to involve their auditor in management’s initial evaluation process, even though an auditor’s report will not be required. Obtaining the concurrence of the auditor with management’s initial ICFR evaluation and the adequacy of its documentation will minimize potential disagreements between management and the registrant’s auditor when the auditor’s attestation report is subsequently required.

To reiterate, we support the SEC’s proposal. The delay of one year should be adequate for the benefits of the additional guidance to be realized. As a result, the effectiveness and efficiency of complying with the requirements of the Sarbanes-Oxley Act will be enhanced.