



North Carolina State Board of Certified Public Accountant Examiners

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August 20, 2007

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

Re: PCAOB Rule Making Docket Matter No. 017

To Whom It May Concern:

The North Carolina State Board of CPA Examiners (the Board) has reviewed the PCAOB's proposed amendment to Rule 3523, *Tax Services for Persons in Financial Reporting Oversight Roles* and the proposed ethics and independence rule, Rule 3526, *Communication with Audit Committees Concerning Independence*.

The Board agrees with the amendment to Rule 3523 to exclude the portion of the audit period that precedes the professional engagement period to determine the possible effects on a firm's independence of providing tax services to a person covered by Rule 3523.

The Board also agrees with the content of the proposed new independence Rule 3526 and the requirement to disclose all relationships that may reasonably be thought to bear on independence, whether those relationships existed during the period under audit or during earlier periods.

The Board is very appreciative of the PCAOB's efforts to improve the auditing standards related to independence that will certainly have a positive impact on the reliability of work performed by CPAs.

Sincerely,

Arthur M. Winstead, Jr., CPA
President