
From: Dan [drs@coscpas.com]
Sent: Thursday, January 06, 2005 12:11 PM
To: Comments
Subject: Proposed Ethics (release 2004-015)

To Whom It May Concern:

I am an audit partner in a small CPA firm (no clients as SEC registrants) but began my career with Arthur Andersen . I recently had opportunity to read over the proposed rules regarding tax services and have following comment:

On page 15, the third sentence of first full paragraph makes a statement that tax return preparers do not act as an advocate for the client. Actually, according to TS 100.04 of AICPA's SSTS', it is both a right and a responsibility of a practitioner / member to be an advocate for the taxpayer. I would suggest that the existence of this conflicting professional responsibility be acknowledged in the final rule together with sufficient safeguards put in place by the CPA firm to address this clear advocacy role played by tax preparers. And in terms of the safeguards, notwithstanding the reference to the general standard of pre-approval, I would suggest that no one associated with the audit engagement be involved in the tax return preparation process (e.g., the tax partner or manager should not serve as a member of the audit engagement team, with the latter applying sufficiently robust professional skepticism on all tax matters affecting the audited financial statements regardless of who prepares the proposed tax entries or supporting schedules). Thank you.

Dan Sandstrom

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