

July 25, 2011

Office of the Chief Accountant  
United States Securities and Exchange Commission

Submitted Electronically on SEC.gov

Re: Comments on File No. 4600, *Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers – Exploring a Possible Method of Incorporation*, A Securities and Exchange Commission Staff Paper dated May 26, 2011

Distinguished Staff of the Office of the Chief Accountant:

The Virginia Society of CPAs' (VSCPA) Accounting & Auditing Advisory Committee has reviewed the Securities and Exchange Commission's (SEC) Staff Paper titled, *Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers – Exploring a Possible Method of Incorporation* (Work Plan). The VSCPA is the leading professional association in Virginia dedicated to enhancing the success of CPAs and their profession by communicating information and vision, promoting professionalism and advocating members' interests. The VSCPA consists of more than 10,000 individual members who actively work in public accounting, private industry and government agencies or in educational institutions. We appreciate the opportunity to respond to this Work Plan.

In general, the Committee supports the "condorsement" approach outlined in the Work Plan.

We believe that the multi-year transitional period contemplated in this document would facilitate a smoother, less costly transition to International Financial Reporting Standards (IFRS) for U.S. issuers as compared to a full adoption of IFRS on a certain date. However, the Committee urges the SEC to clearly communicate a specific timeframe as soon as reasonably possible to allow ample time for U.S. issuers to prepare for changes.

Additionally, we support the proposed endorsement model by which the Financial Accounting Standards Board (FASB) would incorporate IFRS into U.S. Generally Accepted Accounting Principles (GAAP) while still allowing FASB and the SEC to modify or supplement IFRS when it is deemed to be in the public interest. We would caution, however, that the over-use of modifications would impair the comparability of international standards and should therefore be employed sparingly. We appreciate the SEC's recognition of this risk and its intention that such modifications be "rare and generally avoidable."

Despite the desire to limit differences between U.S. GAAP and IFRS, the Committee would support FASB carrying forward "some existing U.S. GAAP requirements that have no specific IFRS counterparts," as the Work Plan notes as a likely example of a modification to IFRS. U.S. GAAP contains a rich body of literature, and many U.S. CPAs have expressed concern over moving to IFRS' less prescriptive, principles-based standards. It is unclear to what extent FASB could and would carry forward U.S. GAAP requirements and whether that would include a carry-forward of existing rules-based interpretative guidance. If that is what the SEC staff is contemplating in this Work Plan, then we would be supportive.

Again, the Committee appreciates the opportunity to respond to this Work Plan. Please direct any questions or concerns to VSCPA Government Affairs Director Emily Walker at [ewalker@vscpa.com](mailto:ewalker@vscpa.com) or (804) 612-9428.

Sincerely,

Jamie C. Wohlert, CPA  
2011–2012 Chair  
VSCPA Accounting & Auditing Advisory Committee

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