December 8, 2008.



Financial Standards Accounting Board 401 Merritt 7, P.O. Box 5116 Norwalk, CN 06856-5116

File Reference No. 1650-100

Technical Director:

In response to the specifically requested comments regarding the time horizon over which an entity should evaluate its ability to continue as a going concern please note the following as submitted by our committee members.

In answer to the question, "Do you agree with the Board's decision to remove the bright-line time horizon in AU Section 341 in favor of the guidance in IAS 1?"

Appendix A, Paragraph A6, states that "the change to time horizon was done, in part, because it avoids the inherent problems that a bright-line time horizon creates". There is a flip side to that argument — by extending the time horizon to essentially the foreseeable future, other problems and potential for litigation may be created. For example, we fear this may open the door for more second guessing of management and auditors and CYA language in the disclosures that will be of little benefit and could even wind up obfuscating other information.

Another thought on this subject was the idea of instituting a time period "range" instead of a bright-line time horizon or an open-ended time horizon as the current draft suggests. An example would be "at least, but not limited to, twelve months from the end of the reporting period, but not extending beyond 18 months from the end of the reporting period", or some other time limit - whatever the Board decides is appropriate.

Other comments regarding other portions of the exposure draft are also listed below:

Information Considered

Appendix A, Paragraph A7, states, "the Board decided to conform to IAS by requiring management to consider all available information while AU 341 (the predecessor standard) only required consideration of known relevant conditions and events". We would suggest using the predecessor language or something similar, or to at least introduce the notion that management only needs to spend a reasonable amount of effort in uncovering relevant information - otherwise, an inordinate amount of time could be spent researching what may seem like an almost unlimited amount of information.

Disclosure

Appendix A, Paragraph 7, states, "disclosure is required if management is aware of information that may cast substantial doubt". To be consistent with paragraph 6, consider eliminating the word may - i.e., disclosure would be required if management believes there is substantial doubt.

<u>Liquidation</u> Basis Guidance

Notwithstanding, Appendix A, Paragraph A5, further consideration should be given to including guidance on the appropriate application of the liquidation basis of accounting.

This information is being respectfully submitted by the Accounting and Attestation Committee of the Maryland Association of CPA's, 901 Dulaney Valley Road, Suite 710, Towson, MD 21204-2683. Thank you for giving us the opportunity to comment.

Shirley Appleby CPA, CFE Chairperson, A & A Committee Maryland Association of CPA's