

Iain Macdonald

Group Vice President & Group Controller

BP p.l.c.
1 St James's Square
London
SW1Y 4PD
United Kingdom

25 February 2007

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

RE: File Number S7-24-06

Dear Madam,

BP plc appreciates the opportunity to comment on SEC Release No. 33-8762, "Management's Reports on Internal Control over Financial Reporting".

Comments regarding the proposed interpretive guidance are summarized below:

We believe that the issuance of the proposed guidance will encourage management of public companies to make decisions that will increase the efficiency and effectiveness of the annual evaluation process. The proposed guidance covers all of the key principles applicable to the assessment of internal controls over financial reporting. For example, the proposed guidance confirms that management should apply judgement and use a risk-based approach in order to design an evaluation process that is ideal for the company based on its operations and organizational structure. The proposed guidance also properly emphasizes the importance of leveraging certain routine business activities to confirm the operating effectiveness of internal controls over financial reporting. If the guidance is issued in its current form, BP does not expect to incur any additional costs as a result of its release.

The proposed guidance appears to be straightforward and additional clarification is not required; however, additional examples, particularly around the reliance on entity-level controls and on-going monitoring, would be beneficial.

The proposed guidance does not appear to address all of the topics covered by existing staff guidance (May 2005 Staff Guidance and Frequently Asked Questions (revised October 6, 2004)); therefore, it would be appreciated if this guidance was not retracted.

BP is pleased to see that the proposed guidance does not appear to require any unnecessary changes to our existing management

Direct 020 7496 5311
Main 020 7496 4000
Fax 020 7496 4135
Mobile 07768 555128
madoni@bp.com
www.bp.com

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assessment process, but the guidance does provide more options in evaluating controls.

BP evaluated the proposed SEC guidance in conjunction with the PCAOB's proposed new auditing standards, An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Considering and Using the Work of Others in an Audit. The new guidance will improve communication between management of public companies and their auditors and encourages both parties to conduct an efficient evaluation of internal controls over financial reporting. No inconsistencies between the proposed guidance were identified.

The definitions included in the proposed guidance are concise and are not considered to be confusing or inappropriate. It should also be noted that the current guidance for disclosures about material weaknesses is already considered to provide adequate information to investors; however, the proposed guidance is expected to provide additional clarity and consistency.

The SEC has the option of either issuing the new guidance as an interpretation or codifying the guidance as a Commission rule. While either option would be acceptable, BP's preference is that the guidance be issued as an interpretation as this type of guidance tends to be more principles based and would therefore provide management with more judgment in its application.

As a foreign private issuer, BP was able to evaluate the proposed guidance from this perspective and concluded that there was no additional guidance specific to foreign filers that is considered necessary.

Comments on the proposed revision to Exchange Act Rules 13a-15(c) and 15d-15(c) and Rules 1-02 and 2-02 of Regulation S-X are provided below.

BP believes that compliance with the interpretive guidance, if issued in final form, should be voluntary rather than mandatory as the guidance is applicable for a diverse group of companies that may encounter unique circumstances and should therefore be allowed the ability to adapt their assessment process accordingly.

It is considered necessary to revise Rules 13a-15 and 15d-15 to state that an evaluation conducted in accordance with the interpretive guidance will satisfy the evaluation requirement in the rules as this addition provides clarity and will help ensure that both the external

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auditors and company management appreciate the impact of the new interpretive guidance while at the same time confirms that compliance is not mandatory.

The proposed revisions to Rules 1-02(a)(2) and 2-02(f) of Regulation S-X effectively communicate the auditor's responsibility and provides appropriate instruction for auditors regarding the use of disclaimers.

We appreciate your consideration of our comments on both the proposed interpretive guidance and the proposed revisions to the SEC Rules related to management's assessment of internal control over financial reporting.

Sincerely,

A handwritten signature in black ink, appearing to read "Iain Macdonald". The signature is written in a cursive, flowing style.

Iain Macdonald
Group Vice President &
Group Controller