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**Deloitte
& Touche**

October 17, 2003

Office of the Secretary
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: Securities and Exchange Commission (Release No. 34-48511; File No. PCAOB 2003-05); Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules Relating to Compliance with Auditing and Related Professional Practice Standards and Advisory Groups

Deloitte & Touche LLP is pleased to respond to the request for comments from the United States Securities and Exchange Commission (the "Commission" or the "SEC") regarding the filing by the Public Company Accounting Oversight Board (the "PCAOB" or the "Board") of its proposed rule on *Compliance with Auditing and Related Professional Practice Standards and Advisory Groups*, PCAOB Rulemaking Docket No. 004, Release No. 2003-009 (June 30, 2003). We submitted a comment letter to the Board on its initial *Statement Regarding the Establishment of Auditing and Other Professional Standards* on May 12, 2003.¹ During that comment process, we raised several concerns regarding the proposed rule. We recognize that the rule adopted by the Board was significantly modified. However, the following are some additional concerns as a result of the modifications as well as some of our concerns that were not addressed in the rule adopted by the Board. Each of the concerns discussed below relates to ensuring an open standard-setting process that allows meaningful participation by the public. We urge the Commission to consider these comments and to act swiftly in issuing the final rule.

Our initial comment letter recommended that the Board and its Standing Advisory Group (the "SAG") conduct regularly scheduled open meetings. In response to this recommendation, the release discussion of the rule adopted by the Board states that the SAG will have annual and semi-annual meetings that will be open to the public. The release discussion of the rule also explains that SAG meetings may be held at the direction of the Board or the Chair during the intervening quarters, and monthly meetings of the SAG may be held at the direction of the Chair. However, the release discussion states that these monthly and intervening meetings "generally will not be open to the public."² We believe that, in order to promote transparency in the standard-setting process, at least a portion of all SAG meetings should be open to the public. As a practical matter, we would suggest that SAG meetings during the intervening periods include both an open and a closed session to allow for a portion of all meetings to be open to the public, presuming that the agenda renders that approach to be appropriate.

Also, the rule adopted by the Board does not provide for a required timeline under which Board meetings, SAG meetings, and roundtables would be announced to the public. We believe that in order for such meetings to be truly open, the date and times of all open meetings of the Board and the SAG should be announced 5 business days in advance via a posting to the Board's website so that the public and interested parties can plan to attend. Based on our understanding, the Board is not subject to the requirements of the Sunshine Act; however, we believe that the Board, acting in the public interest, would nonetheless choose to follow parallel practices as indicative of its commitment to an open process.

Additionally, we believe that once a standard or rule is finalized by the Board and published on its website it should be made clear in such posting that the standard is still subject to approval by the SEC; currently such standard is described as "final" on the Board's website. Additionally, the SEC should post all items submitted for approval by the PCAOB to the SEC website in a timely manner, especially due to the short time frame under which comments have been due to the SEC; currently such postings are not occurring consistently or in a timely manner. Such changes will ensure a more open process and allow interested parties, including the public, to be informed and able to participate in the standard setting process.

We appreciate the opportunity to comment, and would be pleased to discuss these issues with you further. If you have any questions or would like to discuss these issues further, please contact Robert J. Kueppers at (203) 761-3579.

Very truly yours,

/s/ Deloitte & Touche LLP

cc: Hon. William H. Donaldson, Chairman of the SEC
Hon. Paul S. Atkins, Commissioner
Hon. Roel C. Campos, Commissioner
Hon. Cynthia A. Glassman, Commissioner
Hon. Harvey J. Goldschmid, Commissioner
William J. McDonough, Chairman of the PCAOB
Kayla J. Gillan, Member
Daniel L. Goelzer, Member
Willis D. Gradison, Jr., Member
Charles D. Niemeier, Member

[1](#) Comment letter on behalf of Deloitte & Touche LLP on the PCAOB Statement Regarding the Establishment of Auditing and Other Professional Standards (May 12, 2003).

[2](#) PCAOB Release No. 2003-009, at 12.