

May 17, 2004

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

Re: United States Securities and Exchange Commission (Release No. 34-49544; File No. PCAOB-2004-03); Public Company Accounting Oversight Board; Notice of Filing of Proposed Rule on Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*

Dear Mr. Katz:

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 Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements* (the "Standard").

We recognize the efforts of the PCOAB in analyzing and addressing the numerous comments that were received in the initial comment process. We believe that the modifications made to the Standard by the Board as a result of that comment process greatly enhance the quality and effectiveness of the Standard.

We are supportive of the Standard, as adopted by the Board on March 9, 2004, and although some implementation questions and issues still exist, we are very pleased that mechanisms are emerging through the PCAOB for further interpretation of the Standard, as necessary, with appropriate input from all parties. It is important to recognize that once implemented, this Standard will significantly change the nature and extent of audit work performed in connection with internal control over financial reporting. In order to ensure successful implementation of these significantly new procedures, appropriate interpretive guidance will need to be provided to both issuers and auditors. While various implementation issues have arisen and will continue to arise, we believe it is important for the SEC to finalize the

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Standard, as submitted by the PCAOB, as soon as reasonably practicable in order for issuers and auditors to successfully move forward in implementing the new requirements.

We appreciate the opportunity to comment, and would be pleased to discuss our views with you further. If you have any questions or would like to discuss our views further, please contact Robert J. Kueppers at (203) 761-3579 or John A. Fogarty at (203) 761-3227.

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