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May 7, 2004

Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Via e-mail: rule-comments@sec.gov

Re: File No. PCAOB-2004-03 (Release No. 34-49544): 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,

We appreciate the opportunity to comment on the U.S. Securities and Exchange Commission's ("SEC" or "Commission") proposed rule on the filing of the Public Company Accounting Oversight Board's ("Board" or "PCAOB") Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*. We believe PCAOB Auditing Standard No. 2, as adopted by the Board, is consistent with the requirements and the intent of the Sarbanes-Oxley Act of 2002 (the "Act"). Accordingly, pursuant to Section 107 of the Act, we fully support the Commission's approval of such standard, as filed by the PCAOB.

We concur with the PCAOB's basis for conclusions reached, as discussed in Appendix E of PCAOB Auditing Standard No. 2, and commend the Board for appropriately considering and disposing of the 189 comment letters it received. We do not believe that it would be in the public interest for the SEC to reconsider the significant views expressed in such comment letters.

We further commend the PCAOB for establishing the "Auditing Internal Control Implementation Issues Working Group." We believe the continued efforts and contributions of this group are critical to the successful implementation of PCAOB Auditing Standard No. 2 and encourage the Board to maintain the working group to address implementation issues as they arise.

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We thank you for the opportunity to comment and would be pleased to discuss our comments with the Commission or its staff. Please direct your questions to John L. Archambault, Managing Partner of Professional Standards, at (312) 602-8701.

Very truly yours,

/s/ Grant Thornton LLP