

November 18, 2003

B

Public Company Accounting Oversight Board
Office of the Secretary
1666 K Street N.W.
Washington, D.C. 20006-2803

Reference: PCAOB Rulemaking Docket Matter No. 008

Ladies/Gentlemen:

This letter is providing our comments to PCAOB Release No. 2003-017, "Proposed Auditing Standard – An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements", issued October 7, 2003. Generally speaking, we believe the proposed standard is over-reaching and will be unduly burdensome. We believe the cost to comply with the proposed standard will far outweigh any of its intended benefits.

Our specific comments below are numbered to coincide with the specific questions asked by the PCAOB in the summary document issued with the proposed standard.

Question #10:

Is it appropriate to require that the walkthrough be performed by the auditor himself or herself, rather than allowing the auditor to use the walkthrough procedures performed by management, internal auditors, or others?

Response:

We believe it should be permissible for auditors to rely on the walkthroughs performed and documented by internal auditors assuming the auditors have determined, in their professional judgment, the internal auditors are independent and qualified to properly perform and document such work.

The redundancy of effort, and cost, of this duplicate work is not productive. The auditor's should be allowed to use their judgment in evaluating where they can rely on internal auditors' work in this area and in which areas they should do such work themselves.

Question #12:

To what extent should the auditor be permitted or required to use the work of management and others?

Response:

We believe the auditor should have the ability to make the judgment as to how much work performed by management or internal auditors they can use. This judgment would, of course, be based on the auditor's assessment of the quality of the internal auditors performing such work.

Question #13:

Are the three categories of controls and the extent to which the auditor may rely on the work of others appropriately defined?

Response:

We do not believe auditors should be precluded from relying on work performed by internal auditors in the control environment. Quality, in-depth, and ongoing work done by internal auditors in key areas, such as systems controls and controls over the period-end financial reporting process, can be extremely time consuming to adequately perform and document. Reliance on such work can significantly enhance the efficiency of the audit of controls without compromising the evaluation and testing process.

Question #14:

Does the proposed standard give appropriate recognition to the work of internal auditors? If not, does the proposed standard place too much emphasis and preference on the work of internal auditors or not enough?

Response:

We believe the proposed standard does not give appropriate recognition to the work of qualified and independent internal auditors. Once again, the duplicate effort and additional cost of have two qualified groups of auditors performing the same work is unnecessary.

Question #16:

Is the requirement for the auditor to obtain the principle evidence, on an overall basis, through his or her own work the appropriate benchmark for the amount of work that is required to be performed by the auditor?

Response:

We do not believe this should be a hard and fast rule that automatically precludes the use of internal audit work to effectively a prescribed extent. The auditor should be able to judge the extent to which they can rely on internal audit work, and which areas they need to perform work themselves.

Question #22:

Is it appropriate to require the auditors to evaluate the effectiveness of the audit committee's oversight of the company's external financial reporting and internal control over financial reporting?

Response:

 No. The auditors report to the Audit Committee; they should not evaluate the Committee.

Question #23:

Will auditors be able to effectively carry out their responsibility to evaluate the effectiveness of the audit committee oversight?

Response:

 We believe state law, the Federal securities law, the rules and regulations of the SEC and the NYSE more than adequately govern the role of the audit committee. It is the responsibility of the Board of Directors and counsel to the Board of Directors to assure that the audit committee is properly fulfilling its role and responsibilities. We do not believe requiring the auditors to evaluate the audit committee is an appropriate responsibility and is an unnecessary burden to place upon the auditors. In addition, without specific guidelines, or measurable criteria, specifically defining what qualifies as adequate, or appropriate, oversight of a company's external financial reporting and controls over such reporting, the auditor is in uncharted waters and could lead to wide variations in practice and application.

We recognize and support the need for strong internal controls over financial reporting and realize compliance with Section 404(a) of the Sarbanes-Oxley Act of 2002 is a major undertaking in terms of time, effort and money. At the same time, we believe that since the responsibility for compliance falls to the company, auditors should be able to rely upon the work already done by the internal auditors to the extent they are comfortable in doing so after performing the prescribed assessments. If the proposed standard is issued as it has been drafted, we believe a great deal of redundancy in time and effort will be required and the costs of audits will increase significantly, if not exponentially – without any proven additional benefit to investors. From a practical standpoint, we also wonder where the major auditing firms will find the number of experienced and trained auditors to perform this additional work.

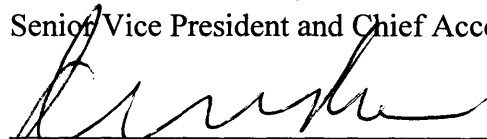
We appreciate the opportunity to respond to the proposed standard and respectfully request that Board consider our comments.

Sincerely,



Richard C. Schumacher

Senior Vice President and Chief Accounting Officer



Andrew M. Rosen

Senior Vice President, Chief Financial Officer
and Treasurer