



COMMONWEALTH of VIRGINIA

Auditor of Public Accounts

WALTER J. KUCHARSKI
AUDITOR

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January 15, 2004

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

Subject: PCAOB Rulemaking Docket Matter No. 012

Dear Sirs:

We appreciate the opportunity to respond to the Public Company Accounting Oversight Board (PCAOB) Proposed Auditing Standard *Audit Documentation and Proposed Amendment to Interim Auditing Standards*.

We have provided a response to two issues included in the exposure draft, which we would like to encourage the Board to consider when finalizing the standard.

Paragraph 6:

In general, we agree with Paragraph 6 of the proposed standard that states that documentation should include procedures performed, evidence obtained and conclusions reached. However, we have a concern with the presumption that conclusions that are not adequately documented are not suitably supported. We believe there is a difference between not having done the testwork and not having adequately documented the conclusion. For example, a situation could arise where audit procedures were applied, evidence obtained and no exceptions were noted but the auditor did not document a conclusion. We do not believe it should be assumed that the lack of documentation of a conclusion means that there is inadequate support for the auditor's report.

Paragraph 18:

We believe that the implementation date should be changed from "*completed on or after*" to "*beginning on or after*". An audit that was planned to have ended prior to the proposed June 15, 2004 implementation date but unforeseeably ending after June 15, 2004 would potentially not be in compliance with the standard. The date itself could be made sooner so that the standard could take effect sooner if that is the desire of the Board.

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We appreciate the efforts of the Board and the opportunity to provide our comments. Should you have any questions or need additional information regarding our response, please contact me or Martha Mavredes at (804) 225-3350.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter J. Kucharski". The signature is fluid and cursive, with a prominent initial "W" and a long, sweeping underline.

Walter J. Kucharski
Auditor of Public Accounts

WJK:aom