

Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803
United States

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Actuary

03 November 2010

- **Release No. 2010-005**
- **PCAOB Rulemaking Docket Matter No. 031**
- **Concept Release on Possible Rulemaking Approaches to Complement Application of Section 105(C)(6) of the Sarbanes-Oxley Act of 2002**

Dear Sir.

Thank you for giving us the opportunity to comment on your Concept Release on Possible Rulemaking Approaches to Complement Application of Section 105(C)(6) of the Sarbanes-Oxley Act of 2002.

I generally prefer to see principles-based standards compared with detailed rules, however, in this case I think a rules-based approach is necessary. Auditing firms must be seen to be supervising their personnel properly, not just assumed to be, as follows:

- firms should define the functions for supervisory responsibility
- firms should assign responsibility in each function to named individuals

I do not agree that this would be an onerous procedure, or be costly to implement. Either firms are already defining and assigning responsibility – which is good, or they are not – in which case they should.

Please note that the comments expressed herein are solely my personal views

Answers to specific questions raised by the PCAOB

1. a. It is appropriate to pursue the objectives through rulemaking.
b. This is not relevant. It is important to show that the objectives are being met.
2. No.
3. The second approach "...a more detailed formulation" is appropriate.

Yours faithfully

C.R.B.

Chris Barnard