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To: Comments; Comments

Subject: Docket 21

My comments are prompted by the following text in the release: "the proposals are designed primarily to - ... Eliminate unnecessary procedures by, among other things, removing the requirement to evaluate management's process; permitting consideration of knowledge obtained during previous audits; refocusing the multi-location testing requirements on risk rather than coverage; removing barriers to using the work of others; and recalibrating the walkthrough requirement.

1) I have observed attempts by public companies to have their audit firms rely on the work of internal audit to be cumbersome and problematic. This occurs when the audit firm insists on the internal audit department scribing the audit program, instead of the external auditing firm drafting the audit program based on controls identified by the company, for which the auditing firm has performed a walk-through and found to be designed adequately. When the internal audit department scripts the test plans, the final products often is obtained only after a number of iterations back and forth between internal audit and the external auditing firm.

2) Under the previous guidance it was my understanding that management could not rely on any work performed by the external auditors. This seemed logical since the independent auditors were opining on management's assessment and if management's assessment was based in part on any work performed by the independent auditing firm, the external auditors would be opining on their own work. With the proposed rule amendments, without an opinion on the effectiveness of management's assessment, would, it follow, in principle, that there are instances when management can rely on the work of the external auditor to give it comfort in certain areas regarding the effectiveness of the company's ICFR? One area that comes to mind is for the external auditors to test some IT controls so that, in the worse case, remediation of any deficiencies can take place early enough and be retested by both the company and the auditing firm and in the best case, the controls be found effective without testing by management.

I look forward to the publication of the Board's views regarding my comments,

Respectfully,

Hugh J. Campbell Jr., CPA