

February 26, 2008

Nancy M. Morris
Secretary
Securities and Exchange Committee
100 F Street, NE
Washington, D.C. 20549-1090

Re: Comments on File S7-06-03

Ms. Morris,

The importance of internal controls as well as the regulations regarding SOX are very important in every organization in today's business world. As I read through several articles about the new proposed amendments regarding extending the auditor attestation report, I felt the need to make a few comments on the issue.

Extending the auditor attestation requirement for non-accelerated filers seems like a good idea to me at this point. I also feel that a year is an acceptable amount of time. This extension will allow smaller companies to see that they need to be ready to make the change without having to incur costs until later. This will give them more of a chance to prepare for the change.

In addition to the cost issue, by postponing the auditor attestation requirement, it allows for non-accelerated filer auditors a chance to conform to regulations put out by both PCAOB and the requirement of AS No. 5. In this way, when the auditor attestation requirement does take effect, many more auditors for smaller firms will be much more effective and efficient in their auditing practices.

The only real problem I see with this extension is that some investors in the non-accelerated companies may be more hesitant to invest in that company. Without having an auditor's attestation many investors lose a great deal of confidence in the financial statements because they don't know for sure if all the information is reliable. If an investor does invest based on financial statements they assume to be correct because of other internal controls, they may be in trouble if the ICFR is not as effective as it could be. This would only be revealed after an audit of the ICFR, so a smaller company may go on for a while with a weakness in the ICFR and not even notice.

I am glad to see that Section 404 of SOX will still be applied to these smaller companies, which will give some investors a little more confidence. Management will be required to establish and maintain an internal control system, as well as comment at the end of every fiscal year as to the effectiveness of the system. With this regulation, at least every company has some sort of internal control in place so that the companies financial data can be trusted and used to make decisions.

After reading through many articles about SOX and internal controls, along with this new regulation, I feel that the extension of the auditor attestation requirement for non-accelerated filers is acceptable. It may cause some investors to lose a little confidence, but it is only for one more year. This extra year will give the smaller companies a chance to prepare for the extra costs that will be incurred because of this regulation. Sarbanes-Oxley has done a great job of ensuring a company reports ethically, as well as giving guidance on how an internal control system should be implemented. Although some see these rules and regulations as a hindrance, I see them as a terrific safeguard so we don't have Enron instances happening all of the time.

Sincerely,

David Tews
2009 Accounting Graduate
University of Wisconsin – La Crosse