February 16, 2007

Nancy M. Morris
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
RE: File Number S7-24-06

Dear Ms. Morris,

The proposed rule document is too long, and very ambiguous. It seems that it is going around in circles and never actually explains what needs to happen and why. I understand that it is necessary to identify the risks of a company and determine a way for those risks to be assessed, but the way this proposed rule is sounding, it will be too much work to comply. I do believe that it is important for every company (public and private) to have a system of internal controls identifying the risks and material weaknesses that could exist in it. Internal controls should be implemented and used in every company no matter if it is required by law.

If management is the one determining the risks associated with the company, who is to say they will think of all possibilities. Management is on the inside, and sometimes a person on the outside is the one to recognize unknown risks that may not be apparent to management. While, employing external appraisers may be more objective and timely there would be a cost. The external party would have to truly understand all aspects of the business. The proposed rule states that "the methods and procedures for identifying financial reporting risks will vary based on the characteristics of the company." This is commendable since every company is different. This could present a challenge in finding an external party to fully understand and know the risks of the client company.

Lastly, how often do people actually read all parts of the financial statements? It seems to me that it would just be another certification that few would take into consideration in their decisions.

The proposed rule states that "in subsequent years for most companies, management's effort should ordinarily be significantly less because subsequent evaluations should be more focused on changes in risks and controls rather than identification of all financial reporting risks and the related controls. Further, in each subsequent year, the evidence necessary to reasonably support the assessment will only need to be updated from the prior year(s), not recreated anew." This could be an invitation for management to relax internal control assessments in future years and thereby impair the reliability of the objectives of financial reporting. There is an inherent risk regarding duties in the radically changing business environment and if management does not continue to assess them, it will reduce the validity of the financial statements.

The general concept of the proposed rule is a wonderful idea and should be implemented. However, I believe that it could be changed in order to better recognize the drivers and activities of our public companies and truly provide a benefit to the public in the making of more informative decisions.

Thank you for the opportunity to express my comments,

Ashley Kropelnicki
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