

August 4, 2008

U.S. Securities and Exchange Commission
Office of the Secretary
100 F Street, NE
Washington, DC 20549-1090

Re: File Number PCAOB-2008-03
Public Company Accounting Oversight Board; Notice of Filing of Proposed Changes Regarding Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, Amendment to Interim Independence Standards, and Amendment to Rule 3523, Tax Services for Persons in Financial Reporting Oversight Roles

Dear Commissioners and Staff of the Securities and Exchange Commission:

Deloitte & Touche LLP supports Rule 3526, *Communication with Audit Committees Concerning Independence, Amendment to Interim Independence Standards*, and the Amendment to Rule 3523, *Tax Services for Persons in Financial Reporting Oversight Roles* as adopted by the Public Company Accounting Oversight Board (“PCAOB” or the “Board”) on April 22, 2008 and currently under consideration by the Commission (the “SEC”).

We are pleased that the PCAOB in its Release to Rule 3526 has acknowledged the fundamental importance of the auditor’s professional judgment in applying reasonableness when performing the audit, including communications to the audit committee.¹

Previously in our comment letter to the PCAOB dated September 7, 2007, we expressed concerns regarding the removal of the words “in the auditor’s professional judgment” from the Proposed Rule 3526.² We believed that omitting these words would be a departure from and inconsistent with the Board’s recent focus on the importance of the use of auditor judgment and the Board’s efforts to amend its auditing standards and other rules to ensure a greater emphasis on the auditor’s judgment. We were also concerned that the removal of those words would create unnecessary confusion for audit committees and investors regarding the auditor’s use of professional judgment and that such a departure would send mixed messages to auditors working to implement revised standards and rules.

¹ See PCAOB Release No. 2008-003, April 22, 2008 pp. 10-11.

² The words “in the auditor’s judgment” are currently included in the PCAOB’s interim standards regarding communications with audit committees, Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, and through Rule 3526 these words will be removed from the rule text.

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However, based on the Board's explanation in its Release that the removal of these words does not change the "SEC's general standard of auditor independence and AU sec. 220" but serves to re-emphasize the importance and encourage the use of professional judgment by auditors in analyzing independence issues, we are supportive of Rule 3526 as approved by the PCAOB.

If you have any questions or would like to discuss these matters, please contact Robert Kueppers at (212) 492-4241.

Sincerely,

/s/ Deloitte & Touche LLP

cc:

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