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Comptroller General
of the United States

United States General Accounting Office
Washington, DC 20548

January 27, 2004

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

Subject: *PCAOB Rulemaking Docket Matter No. 013—Proposed Rules Relating to the Oversight of Non-U.S. Public Accounting Firms*

This letter provides the U.S. General Accounting Office's (GAO) comments on the Public Company Accounting Oversight Board's (PCAOB) December 10, 2003, proposed standard on oversight of non-U.S. public accounting firms that audit U.S. public companies.

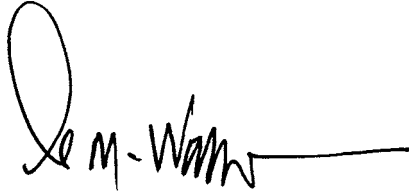
We support the Board's proposal to work with its counterparts in other countries in carrying out its oversight responsibilities and for engaging in constructive dialogue concerning reforms and possible cooperative arrangements for oversight of firms that audit public companies. We believe that the PCAOB's proposed framework—which places varying degrees of reliance on the auditing, quality control, and inspection systems based on the level of independence and rigor of the system in each country—is a sound approach. This approach can help the PCAOB achieve its goal of implementing the registration, inspection, and enforcement requirements of the Sarbanes-Oxley Act of 2002 efficiently and effectively. We believe that this kind of international collaborative approach will also help improve audit quality, ensure effective and efficient oversight of audit firms, and ultimately help restore trust in the auditing profession and strengthen global capital markets. We encourage the PCAOB to move expeditiously to define and implement this program.

GAO actively coordinates with accountability organizations in other countries with similar or complementary missions. Internationally, we participate in the International Organization of Supreme Audit Institutions (INTOSAI), the professional organization of the national audit offices of 184 countries. In addition, as Comptroller General, I started and serve as informal chair of the Auditor General Global Working Group, in which the heads of the national audit offices from 16 countries, which currently represent over 75% of global GDP, meet annually to discuss mutual challenges, share experiences, and identify opportunities for collaboration. By collaborating with such organizations, GAO has helped strengthen professional standards, promote best practices, provide technical assistance, leverage

resources, and develop strategic working relationships that allow us to extend our institutional knowledge and experience around the world.

We thank you for considering our comments on this very important issue. GAO is committed to working with the PCAOB on these issues of mutual interest.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. M. Walker", with a long horizontal line extending to the right.

David M. Walker
Comptroller General
of the United States

cc: The Honorable William H. Donaldson, Chairman
Securities and Exchange Commission

The Honorable William J. McDonough, Chairman
Public Company Accounting Oversight Board