

September 30, 2011

Office of Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, D.C. 20006-2803, USA

T: +1-407-937-1200
E-mail: richard.f.chambers@theiia.org

Response e-mailed to www.pcaobus.org

RE: Response to the Public Company Accounting Oversight Board (PCAOB) – Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements and Related Amendments to PCAOB Standards (Ref Docket matter No. 34)

Dear Sir/Madam:

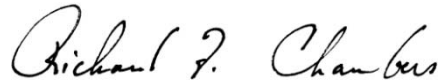
The Institute of Internal Auditors (IIA) appreciates the opportunity to respond to the PCAOB's proposed Concept Release on possible revisions to PCAOB standards related to reports on audited financial statements and related amendments to PCAOB standards. We applaud the PCAOB's effort in soliciting feedback from diversified stakeholders. Our comments are based on a thorough analysis and discussion, utilizing a core team of governance, compliance and audit experts who serve on The IIA's Professional Issues Committee. These individuals consist of Certified Internal Auditors, Certified Public Accountants, Chartered Accountants, audit executives and consultants who have worked in both public accounting and management positions in small, medium and large multinational companies.

The following are our principal comments regarding the Concept Release on possible revisions to PCAOB standards related to reports on audited financial statements and related amendments to PCAOB standards. Detailed responses to the questions posed are summarized in Attachment A.

1. The board should undertake a standard-setting initiative to consider improvements to the auditor's reporting model. The objective of continually improving relevance and usefulness of information provided to users of financial statements together with the auditor's report is worthy and appropriate. This initiative should address the information gap and expectation gaps in auditor reporting identified on surveys and outreach activities.
2. However, the solution should not cause the auditor to assume the responsibilities of management nor the audit committee by determining how much of the entity's competitively sensitive and not-yet public information should be disclosed. The financial statement auditors should remain independent and objective while pursuing assurance responsibilities and not be put in a position to make determinations on the timing of disclosure of certain information before management and the audit committee deem it appropriate.
3. An alternative which should be evaluated by the board and promulgated by others (e.g., SEC), is utilization of the entity's internal audit activity in a role supporting management and the audit committee in carrying out their responsibilities for disclosing to shareholders relevant information.

The IIA is well-equipped to support those PCAOB projects that are related to the core competencies of internal auditing: governance, risk management and control. We value the opportunities to collaborate, share, contribute and learn. We welcome further discussion on any of these recommendations and offer our assistance in the continued development of these projects.

Best Regards,

A handwritten signature in black ink that reads "Richard F. Chambers". The signature is written in a cursive style with a large initial 'R' and 'C'.

Richard F. Chambers, CIA, CGAP, CCSA
President and Chief Executive Officer

About The Institute of Internal Auditors

The IIA is the global voice, acknowledged leader, principal educator, and recognized authority of the internal audit profession and maintains the International Standards for the Professional Practice of Internal Auditing (Standards). These principles-based standards are recognized globally and are available in 29 languages. The IIA represents more than 170,000 members across the globe and has 103 institutes in 165 countries that serve members at the local level.