

January 13, 2015

The Honorable Mary Jo White
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

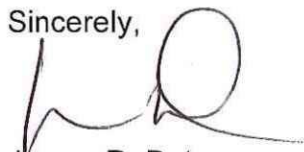
Dear Chair White:

I am pleased to transmit to you a summary of the Public Company Accounting Oversight Board's most recent performance review, titled Review of Printer Management at the Public Company Accounting Oversight Board. The Board's Office of Internal Oversight and Performance Assurance (IOPA) conducted this performance review. The Board formed IOPA to provide the Board, the Securities and Exchange Commission, and others assurance that the PCAOB is achieving the objectives of Title I of the Sarbanes-Oxley Act in an effective manner. IOPA conducts its reviews in conformance with Government Auditing Standards issued by the Comptroller General of the United States.

IOPA undertook this review to determine whether the PCAOB's printer services are managed efficiently. IOPA concluded that opportunities existed for the PCAOB to manage its fleet of printers more efficiently and provided the Director of the Office of Information Technology certain recommendations. The Director agreed with IOPA's recommendations.

The Board intends to publish the attached summary on the PCAOB's Web site on or about January 23, 2015. You and your staff should feel free to contact me or the Director of IOPA, Peter Schleck (202-207-9085), if you have any questions or would like any additional information about the review.

Sincerely,



James R. Doty
Chairman

Enclosure: Review of Printer Management at the Public Company Accounting Oversight Board (IOPA-2015-002), January 9, 2015

cc: The Honorable Luis A. Aguilar
The Honorable Daniel M. Gallagher
The Honorable Kara M. Stein
The Honorable Michael S. Piwowar

PERFORMANCE REVIEW

REVIEW OF PRINTER MANAGEMENT AT THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (IOPA-2015-002)

**INTERNAL OVERSIGHT AND PERFORMANCE ASSURANCE
JANUARY 9, 2015**

BACKGROUND AND OBJECTIVE

In February 2014, the Office of Internal Oversight and Performance Assurance (IOPA) initiated a review of Facilities Management to determine whether the Public Company Accounting Oversight Board (PCAOB) has processes in place to assure space requirements are met efficiently and effectively. The initial review scope included leases for PCAOB facilities; space utilization; and certain service contracts, such as the contracts for office supplies and copiers. Site visits to six PCAOB offices showed that management of space requirements can be improved. A separate report on this subject was issued. The site visits and interviews with staff also identified inefficiencies involving the PCAOB's network and personal desktop printer fleet – the focus of this report.

Management of PCAOB technology assets, including printers, is the responsibility of the Office of Information Technology (OIT). The objective of this review is to determine whether the PCAOB's printer services are managed consistent with good business practices.^{1/}

RESULTS IN BRIEF

Opportunities exist for the PCAOB to manage its fleet of printers more efficiently and cost-effectively by more closely adhering to good business practices. For example:

- About 10 percent of the PCAOB's 800 employees have personal desktop printers in their offices or at their work stations. Often, these printers were justified based on the need to print sensitive or proprietary data, or simply convenience. However, current

^{1/} This is a public summary of the report. The full report, prepared in accordance with Government Auditing Standards, has been issued to the Board. The full report includes a detailed discussion of the review objective, scope, and methodology.

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technology – already deployed at the PCAOB – greatly reduces the risk that sensitive data will be compromised at a printer station. OIT has also worked to ensure that PCAOB employees are generally no more than 50 feet from a networked printer. Printing costs are 29 times higher on personal printers than on the PCAOB's largest networked printers. During a recent period, toner costs alone for these printers averaged about \$117,000 annually. The PCAOB may be able to reduce the number of personal printers and save costs.

- Networked printers with color capability are set to print in color by default. Often, the result is that documents with only one or two lines in color – an internet link, for example – are charged to the PCAOB at the color copy rate of five cents per page rather than the black and white copy rate of .6 cents per page. An analysis conducted by a PCAOB contractor demonstrated that changing the default setting on the color network printers from color to black and white had the potential to reduce monthly costs associated with color-capable printers by about \$5,000 per month. Changing the default would not prohibit users from printing in color. They would simply make an affirmative choice and manually select color print at their desktops.
- Nine network printers in PCAOB satellite locations are incorrectly sized and are not equipped to efficiently handle normal day-to-day print jobs.

IOPA's review of benchmarks and best practices led us to conclude that organizations concerned about cutting costs are, in fact, trending away from personal desktop printers, using fewer printing devices in general, and developing organizational strategies for print management.

The adverse situations we noted at PCAOB offices visited arose, in part, because OIT did not have policies and procedures in place to help guide decision-making with regard to printers.^{2/} OIT has the responsibility to help the PCAOB manage its resources cost-effectively and to be good stewards. As such, we recommended that the Director, OIT draft a policy, in consultation with OA and the business units, addressing the use and cost-effectiveness of PCAOB printers. The OIT Director generally concurred with IOPA's recommendations and submitted planned actions for each recommendation.

OIT has already taken some steps to better manage printing services. For example, OIT was working to finalize a managed print services contract. Under the terms of the contract, the

^{2/} IOPA also notes that some PCAOB divisions have very paper-intensive work processes. We did not attempt to determine whether efficiencies in these processes were feasible.

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vendor will service, maintain, and repair networked printers. The vendor will also collect usage data and, as appropriate, make recommendations to improve efficiency and lower costs. Later phases of the contract will extend these services to all PCAOB printers, including desktop printers and those operated at off-site work locations.

OIT has also undertaken an initiative to eliminate virtually all stand-alone fax machines by converting to internet-based fax services. This conversion eliminates or reduces costs associated with dedicated phone lines, maintenance of stand-alone machines, and consumables such as paper and toner.