

**Statement by  
Bill Gradison  
Board Member  
Public Company Accounting Oversight Board**

**Statement on Proposed Auditing Standard  
An Audit of Internal Control Over Financial Reporting  
October 7, 2003**

I have been told that this standard is likely to be the longest and most complex this Board will ever issue. Having spent so many hours on it – as all of my colleagues have – I certainly hope this is the case. Anyone who reads this proposed standard cannot help but appreciate the thought and deliberation that went into crafting it. I cannot praise too highly the staff of the chief auditor as well as my fellow Board members and their staffs for their roles in shaping this vitally important standard.

In the development of this standard I recommended that the attestation with regard to management's assertion be signed not only with the name of the audit firm but also by the lead audit partner and the concurring or reviewing partner. This would parallel the requirements under section 302 of Sarbanes-Oxley that senior management sign off on the financial statements.

On reflection, it seems inappropriate to put this "signature" proposal out for comment at this time. It was not discussed at the roundtable on internal controls so we have not had the benefit of the thinking of outside advisors. Moreover, if these signatures are mandated in the future, such a requirement should extend to all audit reports and attestations, and not be limited to internal controls.

It is my hope that this recommendation will be considered by our soon-to-be-appointed advisory group and by the Board in 2004.