
From: PLShillam@cs.com
Sent: Friday, May 09, 2003 8:19 PM
To: Comments
Subject: PCAOB Rulemaking Docket No. 004

I am concerned that the adoption of Professional Auditing Standards that are applicable to registered public accounting firms may give rise to double standards - those adopted by the Auditing Standard Board and those promulgated by the PCAOB. This will cause confusion with investors.

The issue will be akin to the Big-GAAP/Little-GAAP issue that has been bantered about for years in the accounting profession. Now, we will have Auditing Standards and Professional Auditing Standards. Additionally, there exists Government Auditing Standards. I fear to think where we are going.

Do we really need a quasi-government agency establishing auditing standards or would it be more efficient and effective to have the PCAOB have a proactive role in the standard setting process? The legislation does not mandate that the PCAOB establish a "standard setting" organization. It does require that the PCAOB by rule standards relating to the preparation of audit reports.

There currently exists standard setting bodies that the PCAOB could, through existing exposure processes, influence the direction and content of the existing standards without introducing another layer of governance.

I encourage the Board reconsider its decision to usurp the function being performed by existing standard setting bodies and find a way to work with them to achieve the objectives defined in the Act.

Respectfully,

Paul L. Shillam, CPA, CMA
Shillam Consulting Group, Inc.
16428 15th Court SE
Mill Creek, WA 98012
425.379.7857
425.379.7877 fax