

From: Lee Level (Computer Sciences Corporation)
Sent: Tuesday, March 16, 2004 5:44 PM
Subject: (PCAOB-2003-11) Request for Comment Period on PCAOB "Final Rule" on Audits of Internal Controls Over Financial Reporting

Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549-0609 (filed electronically via
rule-comments@sec.gov)

subject: Request for Comment Period on PCAOB "Final Rule" on Audits of Internal Controls Over Financial Reporting

Dear Mr. Katz:

We have read unofficial accounts stating the Commission will formally provide a comment period before approving the recent PCAOB "final rule" on audits of internal controls over financial reporting. As submitted to the SEC, the March 9 PCAOB rule does not appear to address many important areas raised in the nearly 200 related comment letters filed with the PCAOB during Fall 2003. Realizing companies have to comply within eight months, we strongly urge the commission to hold the comment period for public companies, accounting firms and others to be heard on how the numerous prior comment letters have, or have not, been addressed. From my comment letter of November 21, 2003 attached, the following are examples of areas we think warrant more consideration before approval of the final rule:

1. Balancing the cost of these measures with resulting benefits
2. Revising the overly broad and all-encompassing nature of the proposed definition of a significant deficiency
3. Reducing the overly prescriptive and exhaustive scope of certain required audit procedures
4. Balancing the prohibitively high cost of these audit procedures with commensurate benefits
5. Reconsidering the enumerated presumptions of significant deficiency and strong indications of material weakness
6. Considering the "expectations gap" where, in addition to the overall cost benefit disparity, we are even more concerned with the widely held misperception that audits of internal control will eliminate business and financial reporting failures. We fear this expectations gap may serve to further undermine our markets when we experience the next serious business and financial reporting failure. At least in part, this expectations gap has resulted from unrealistic expectations created by some of the recent rule-making initiatives, e.g., expectations regarding "certifications" and registrants' ability "ensure" financial reporting.

We appreciate the Commission's consideration of offering a brief comment period as part of due process in issuing such a far-reaching requirement. If you have any questions or would like to further discuss our comments, please feel free to contact Dennis Dooley at (248) 372-3306 or me at (310) 615-1728.

Sincerely,

Leon J. Level

Chief Financial Officer

(See attached file: PCAOB Reporting on Internal Control Comment letter.doc)

| Webmaster Note: The referenced letter is available on PCAOB's |
| website, http://www.pcaobus.org/pcaob_rulemaking.asp, under |
| Docket #08. |
