



January 20, 2004

Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 12  
Proposed Auditing Standard on Audit Documentation and Proposed Amendment  
to Interim Auditing Standards

To Whom It May Concern:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a Professional Standards Committee (PSC) to represent those interests on accounting and auditing issues. This communication is in accordance with that goal and refers to PCAOB Release No. 2003-023.

Our committee supports the issuance of the proposed auditing standard. We believe it addresses issues that are critical in establishing sound guidance in the area of audit documentation. We believe the draft of the proposed standard on audit documentation appropriately considered many of the issues raised during the September 29, 2003 roundtable dealing with this topic.

We do wish to comment on two issues related to the proposed auditing standard. Paragraph 5 of the proposed standard requires that audit documentation be sufficient to enable "an experienced auditor" to understand procedures performed, evidence obtained, and conclusions reached. To accomplish these objectives, we believe "an experienced auditor" should possess sufficient knowledge of the industry in which the auditee operates. We believe it would be unreasonable to expect an auditor, no matter how experienced, to possess the ability to accomplish these objectives in a wide range of industries. Thus, we suggest that the first part of paragraph 5 be amended to read:

"Audit documentation must contain sufficient information to enable an experienced auditor, with sufficient knowledge of the auditee's industry, having no previous connection with the engagement. . ."

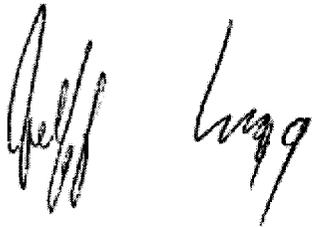
Our second issue concerns paragraph 6. No guidance is given as to what constitutes "persuasive other evidence." We assume that oral evidence would not constitute

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“persuasive other evidence.” Thus, if oral evidence is excluded, then any “persuasive other evidence” must be capable of being documented. If so, there is no need for any of the information included in paragraph 6 other than the first sentence.

We appreciate the opportunity to present these comments in accordance with the goals of our committee.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Jeff Gregg". The signature is written in a cursive, somewhat stylized font.

C. Jeff Gregg, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants