

July 3, 2013

The Honorable Mary Jo White  
Chair  
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 Safety and Security Procedures for International Travelers. The Board's Office of Internal Oversight and Performance Assurance ("IOPA") conducted this performance review.

I requested this review to evaluate safety and security protocols for PCAOB employees traveling internationally, in light of recent incidents of violence around the world. Our employees traveled to 29 foreign countries on official business last year. My fellow Board members are also deeply concerned for the safety of these employees and supported the review.

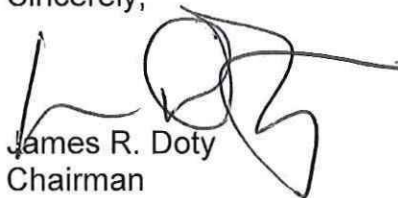
The PCAOB's Division of Registration and Inspections ("DRI") accounts for the vast majority of the PCAOB's international travel, and it has documented and requires its staff to use standard processes and protocols aimed at identifying, considering, and mitigating safety and security risks to staff members traveling internationally. The PCAOB's Office of International Affairs also has certain pre-travel protocols in place. I am pleased that IOPA found that existing processes and protocols are well-formulated and well-executed.

IOPA also made certain recommendations to the Chief Administrative Officer ("CAO") and the Director of DRI intended to help ensure that all PCAOB employees understand the risks associated with international travel and have a full understanding of the resources available to help mitigate those risks. The CAO and the Director of DRI concur with these recommendations and intend to implement them in 2013. On top of this, we will of course continue to look for other ways to enhance safety for all PCAOB employees who travel internationally.

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The PCAOB intends to publish the attached summary on the PCAOB's website on or about July 10, 2013. You and your staff should feel free to contact me, the Director of IOPA, Peter Schleck (202-207-9085), or the Chief Administrative Officer, Darrell Pauley (202-207-9120), if you have any questions or would like any additional information about the review or the PCAOB's international travel safety protocols more generally.

Sincerely,



James R. Doty  
Chairman

Enclosure: Review of Safety and Security Procedures for International Travelers  
(IOPA-2013-002), July 3, 2013

cc: The Honorable Luis A. Aguilar  
The Honorable Troy A. Paredes  
The Honorable Daniel M. Gallagher  
The Honorable Elisse B. Walter

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## **PERFORMANCE REVIEW**

### **SAFETY AND SECURITY PROCEDURES FOR INTERNATIONAL TRAVELERS** **(IOPA-2013-002)**

#### **INTERNAL OVERSIGHT AND PERFORMANCE ASSURANCE** **July 3, 2013**

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#### **BACKGROUND AND OBJECTIVE**

In light of recent incidents of violence around the world, including the 2012 killing of four Americans at the U.S. Consulate in Benghazi, Libya, the Public Company Accounting Oversight Board's Chairman, with the support of the Board, asked the Director of Internal Oversight and Performance Assurance to evaluate safety and security protocols for PCAOB employees traveling internationally. Employees traveled to 29 foreign countries on official business last year. For several other jurisdictions to which PCAOB employees travel, the State Department cautions travelers to be aware of high crime rates, corruption, scams targeting visitors, or health issues.

IOPA conducted this review<sup>1</sup> to determine whether the PCAOB has processes in place to identify and address security and safety concerns for its employees traveling to other countries.

#### **RESULTS IN BRIEF**

The PCAOB's Division of Registration and Inspections, which accounts for the vast majority of the Board's international travel, has documented and requires its employees to use standard processes and protocols aimed at identifying, considering, and mitigating safety and security risks to staff members traveling internationally. DRI's practices, which include detailed briefings, pre-planning for lodging and ground transportation, and communications protocols, are described in its inspections manual. DRI's approach to international travel security is also similar to strategies employed by two securities-industry regulatory organizations we consulted.

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<sup>1/</sup> 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.

## **PERFORMANCE REVIEW**

The PCAOB's Office of International Affairs also has certain pre-travel protocols in place, including the routine preparation of a briefing book that lists, among other material, emergency contact information. We noted, however, that international travelers in other PCAOB offices did not necessarily follow the same protocols as those used by DRI. Also, employees outside of DRI were often unaware of available resources, including the PCAOB's contract with a consulting firm that provides web-based country-specific security updates and as-needed on-the-ground security briefings.

IOPA made recommendations to the Chief Administrative Officer and the Director of DRI intended to help ensure that all PCAOB employees understand the risks associated with international travel and have a full understanding of the resources available to help mitigate those risks. The Chief Administrative Officer and the Director, Division of Registration and Inspections supported our recommendations and committed to addressing them by the end of 2013.