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Gregory J. Hayes
Vice President
Accounting and Finance

February 21, 2007

Office of the Secretary, PCAOB
1666 K Street N.W.
Washington, D.C. 20006-2803

Dear Sir or Madam:

Re: PCAOB Rulemaking Docket Matter No. 021

We appreciate the opportunity to comment on the proposed auditing standard, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*.

United Technologies Corporation (UTC), based in Hartford, Connecticut is a diversified company that provides a broad range of high technology products and support services to the building systems and aerospace industries. We are located in approximately 180 countries worldwide.

We appreciate the PCAOB's effort to provide clarification regarding the auditor's role in auditing internal control over financial reporting. We encourage the use of auditor judgment based on an assessment of risk and feel that this is appropriately addressed in the proposed standard. We also applaud the revision of the definitions of "significant deficiency" and "material weakness" as well as the elimination of the requirement for a separate evaluation of management's annual evaluation process. However, we believe additional emphasis and clarification is required with respect to audit rotation, (including risk assessment and related testing).

We recommend that the Board expressly permit rotation, as the term is commonly understood. We believe that the auditor should be encouraged to use professional judgment in determining the nature and scope of any audit testing based on current and cumulative audit knowledge. The draft standard does not allow for audit rotation. Rather it attempts to redefine the term as an increase or decrease of testing from year to year as opposed to the more commonly understood inclusion or exclusion of areas from testing on a year to year basis. Further the draft standard appears to propose a somewhat prescriptive testing approach based on the auditor's assessment of risk. For example, the standard implies with its example of rotation that all areas must be tested each year and that a walkthrough at a minimum is required for low risk areas. We are not sure that this was intended by the Board but are concerned that the example may be misinterpreted as requiring this testing.

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Again, we appreciate the opportunity to comment on the exposure draft and would be happy to provide any additional clarification that you may desire.

Yours truly,

A handwritten signature in black ink, appearing to read 'Gregory J. Hayes', with a stylized flourish at the end.

Gregory J. Hayes
Vice President, Accounting and Finance