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**From:** Saibeni, August [mailto:SaibenA@CRC.losrios.edu]

**Sent:** Wednesday, November 05, 2008 9:40 AM

**To:** Comments

**Subject:** Audit Risk in an Audit of Financial Statements PCAOB Rulemaking Docket Matter No. 026

Dear PCAOB,

I am writing this comment in response to the new proposed auditing standards, specifically, ***Audit Risk in an Audit of Financial Statements, PCAOB Rulemaking Docket Matter No. 026.***

Since audit risk is measured by the statistical factor of ***beta error or risk*** (the risk of inappropriately accepting a false statement) as opposed to ***alpha error or risk*** (the risk of inappropriately rejecting a true statement), I wonder if it could be helpful to express audit risk by incorporating beta error or risk into the definition of audit risk? For example, if we set audit risk at 5%, this is the beta factor we use for statistical sampling tests. The incorporation of beta in the definition of audit risk may help tie audit risk to statistical risk in a concrete way.

Sincerely,

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