

October 21, 2008

**STATEMENT**

**Bill Gradison**

**Board Member**

For the first time, the PCAOB is putting out a new standard for comment that includes an extensive comparison of its proposal with the standards promulgated by another standard setter, in this case the Risk Assessment Auditing Standards of the International Auditing and Assurance Standards Board -the so-called ISAs.

I would hope that the PCAOB would continue to put out such comparative information in connection with future proposals for new PCAOB standards.

We are fast entering an auditing environment with three differing standards, especially as the PCAOB gradually replaces its interim standards (the pre-2003 ASB standards) and the ASB revises its standards, using the ISAs as the base - that is, "ISAs plus".

I don't know whether over the long run having three standards is sustainable, but as long as there are three standards I believe each standard setter has a responsibility to make it as clear as possible how its standards differ from those of the other two standard setters so that practitioners know what is expected of them. Today's Board action is in my mind a constructive step in that direction.