November 21, 2003

PricewaterhouseCoopers LLP

We have reviewed the system of quality control for the accounting and auditing practice of PricewaterhouseCoopers LLP (the “Firm”) in effect for the year ended June 30, 2003, and have issued our report thereon dated November 21, 2003. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

Engagement Performance

**Comment:** The Firm has comprehensive policies to ensure that appropriate documentation exists and is included in the Firm’s working papers relating to the procedures conducted and conclusions reached on each engagement. However, we noted that full compliance was not achieved with these policies on some engagements reviewed, nor was the lack of compliance identified by engagement management in the course of their review of the working papers. Certain audit areas or issues where documentation could be improved include the following:

- income taxes and the inclusion of the work of tax specialists in the working papers,
- procedures performed directly by engagement partners and managers, particularly those areas meeting the Firm’s definition of “critical matters,”
- substantive analytic review procedures, particularly relating to the establishment of expectations and thresholds for investigation,
- the evaluation of the use of specialists, and
- the aggregation of immaterial unadjusted differences.

Through discussion with engagement personnel and the review of other documentation on the engagements that led to this comment, we obtained reasonable assurance that the audit procedures were performed at the appropriate time, but not completely documented.

**Recommendation:** Firm management should reinforce its expectations with respect to the above-mentioned matters and consider implementing additional practice aides for assisting in the compliance with Firm policies and requiring specific partner attention as to the completeness of documentation of these and other matters.

Independence

**Comment:** The Firm has detailed and comprehensive systems and procedures that provide reasonable assurance as to compliance with professional standards and Firm policies regarding independence. However, we noted two specific areas where compliance should be improved:

- reporting of transactions in the investment tracking system database, primarily by managers and senior managers, and
• completion of individual audit engagement team independence confirmations with respect to the specific client prior to an individual serving that client.

With respect to the aforementioned matters, there were no instances identified in which independence with respect to any of the Firm’s clients was impaired.

**Recommendations:** Firm management should reemphasize the need for timely reporting of required transactions in the investment tracking system database and timely completion of individual audit engagement team independence confirmations. In addition, Firm management should reassess its response to non-compliance.

**Employee Benefit Plans**

**Comment:** Through its internal inspection program, the Firm identified areas of non-compliance with Firm policies in performing employee benefit plan engagements in prior periods, particularly regarding (i) the evaluation of controls, including the reliance on service organization control reports, (ii) the extent of testing of certain matters, and (iii) the application of substantive analytic review procedures. As a result, the Firm instituted new policies, provided extended training, expanded its specialists network and required additional pre-issuance reviews. The Firm’s efforts resulted in noted improvement in the performance of employee benefit plan engagements of the peer review year. However, additional improvements could be made regarding the appropriate nature and extent of substantive testing. In two instances, additional audit procedures have been performed.

**Recommendation:** Firm management should continue the increased emphasis on employee benefit plan audit requirements, training and the further development of its specialists network, with specific attention to the nature and the extent of substantive testing.

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Deloitte & Touche LLP