



815 Ninth Street South  
La Crosse, WI 54601

The Honorable William McDonough  
Chairman  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

Filed electronically at [comments@pcaobus.org](mailto:comments@pcaobus.org)

**RE: Comment on PCAOB Rulemaking Docket Matter No. 017,  
Proposed Rules to Strengthen Auditor Independence and  
Limit Inappropriate Tax Services**

Dear Mr. Chairman and Members of the Board:

This letter is written in strong support of proposed rules issued by the Public Company Accounting Oversight Board (PCAOB) to strengthen auditor independence and place appropriate limits on the tax services that a registered public accounting firm may provide to an audit client that is a publicly traded corporation.

Auditor independence is essential to public confidence in audited financial statements, but has long suffered from confusion over the requirements for independence and from indifferent enforcement. The proposed rules would revitalize this area by, first, codifying in plain language the fundamental principle that an auditor must maintain independence from an audit client throughout the audit period and related engagement. The proposed rules would also bar a registered public accounting firm from entering into a contingent fee arrangement with an audit client, from providing tax services to certain executives of the audit client, and from planning or opining on certain aggressive tax positions involving the audit client. They would also help clarify and enforce the statutory requirement in the Sarbanes-Oxley Act that registered public accounting firms obtain prior approval from the audit committee of a corporation's Board of Directors before performing any tax service for that corporation.

Together, the proposed rules provide a set of minimum standards that would help restore auditor independence, increase investor confidence in corporate financial statements, and rein in abusive practices within the U.S. tax shelter industry. In fact, the proposed rules would benefit from additional, strengthening provisions, as suggested below.

*David K. Banner, PhD*  
*Professor of Management*

tel: 608-796-3000 • fax: 608-796-3050 • [www.viterbo.edu](http://www.viterbo.edu)