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VIA EMAIL
Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Re: Rule Making Docket 029: SUPPLEMENTAL REQUEST FOR COMMENT: RULES TO REQUIRE DISCLOSURE OF CERTAIN AUDIT PARTICIPANTS ON A NEW PCAOB FORM

Dear Ms. Brown:

I am an attorney practicing in Washington, D.C., in the fields of securities regulation and professional liability. Over the years, I have represented a number of auditors. I respectfully submit these comments on my own behalf and not on behalf of any current or former client.

Please note that I adhere to the views on the proposed rule communicated in my comment letter dated January 9, 2012, that disclosure of the identity of the engagement partner is unnecessary and should not be required. In substance, the Board now proposes that the identity of the engagement partner be mandated on a new PCAOB form, Form AP. I write now not to support such disclosure but, assuming only for the sake of argument that the Board adopts such a requirement, to urge that the disclosure as proposed be revised to avoid misleading public investors.

As the Board has taught, in a different context, "[t]he manner in which the audit is conducted lies primarily under the surface, and the strengths and weaknesses of the process are opaque." CONCEPT RELEASE ON AUDIT QUALITY INDICATORS at p. 6, PCAOB Release No. 2015-005, PCAOB Rulemaking Docket Matter No. 041 (July 1, 2015). Moreover, in the instant request the Board asserts that it wants

disclosure "to better reflect the roles of both the firm as a whole and the engagement partner." SUPPLEMENTAL REQUEST FOR COMMENT: RULES TO REQUIRE DISCLOSURE OF CERTAIN AUDIT PARTICIPANTS ON A NEW PCAOB FORM at p. 3 , PCAOB Release No. 2015-004, PCAOB Rulemaking Docket Matter No. 029 (June 30, 2015). But targeting the engagement partner alone for disclosure fails to heed the Board's lesson or forward the Board's avowed goal.

An audit may require the deployment of numerous professionals in addition to an engagement partner. Investors should not be misled by a form flaunting a single name to assess and appreciate the "opaque" audit process. As I pointed out in my earlier comment letter, "[t]he value of an audit report to the investing public resides in confidence that a defined process has been applied by a professional organization with the staff, know-how, and resources to discharge that process in a professional manner." The naked disclosure of the identity of the engagement partner fails to communicate the importance of the process and the entire team assigned to the audit as distinguished from the role of a solitary professional. Apart from any potential liability or litigation issues created, the publication of the name of the engagement partner invites the creation of a celebrity culture that should have no part in the audit process.[1]

If the Board requires disclosure of the name of the engagement partner, I propose that it also supply the investing public with some necessary context for the engagement partner's role. This may be achieved by requiring disclosure of the proportion of hours that the engagement partner has worked on the audit compared to the total professional staff hours devoted to the project. In a large audit, an engagement partner may have worked only a minuscule proportion of the total number of hours required by the audit firm to complete the task. [2]

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[1] As I noted in my earlier letter, "[h]aving George Washington or a former high government official identified as the engagement partner will not promote the protection of investors. * * * I would think that fact irrelevant to audit quality. No one, however, will be able to convince the public that a George Washington audit report doesn't have a special added luster."

[2] The potential for a disproportionately small time commitment by the engagement partner has been recognized. When the Securities and Exchange Commission promulgated its Final Rule Regarding Auditor Independence, it noted generally that ten hours would be the minimum number of hours worked by a professional on an audit in order to make the independence requirement applicable. But, "the ten hour threshold does not apply to the lead or concurring review partner. Such individuals are always subject to these rules, regardless of the number of hours of audit, review or attest services provided." Securities Act Release No. 33-8183, Strengthening the Commission's Requirements Regarding Auditor Independence, n. 32 (January 28, 2003).

One of the Big 4 firms estimated that for fiscal year 2014 the ratio of audit-related hours performed by partners compared to staff among audit team members was at the rate of 1 to 19.2 and that would include all partner hours, not just an engagement partner's hours.[3] These temporal facts should be presented to the public too if the Board insists on disclosure of the name of the engagement partner. Such a disclosed ratio should be presented to several decimal places to capture the full range of hours worked by the entire staff compared to the work by the engagement partner alone. Additional disclosure weighting the hours of the engagement partner compared to the total audit effort will help to portray accurately the efforts of the named engagement partner within the framework of the entire audit process.

I thank you for the opportunity to submit the foregoing additional comments, reflecting my personal views on Rule Making Docket 029.

Respectfully submitted,

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[3] PWC's fourth annual audit quality report, Our Focus on Audit Quality (May 2015) at p. 12, figure 5.