

**PCAOB – Release No. 2015 – 004**

**SUPPLEMENTAL REQUEST FOR COMMENT: RULES TO REQUIRE  
DISCLOSURE OF CERTAIN AUDIT PARTICIPANTS ON A NEW PCAOB FORM**

To the Office of the Secretary: [comments@pcaobus.org](mailto:comments@pcaobus.org)

By way of background, we represent more than 40 pension funds and other long-term investors from around the world to engage with companies on matters that affect their long term value. We also engage with regulators and others on public policy matters that affect the environment in which our clients make their investments and own companies' equity and debt. In aggregate we represent more than \$200 billion assets under advice.

Audit quality is an important issue for our clients. Without good quality audit, it is harder for our clients and other investors to assess the quality of the financial statements of the companies on which they make investment decisions. Current audit and audit committee reporting provides little insight into the quality of the audit and we are therefore pleased that the PCAOB and SEC are consulting on audit and audit committee related matters.

We would like to make the following points in relation to the consultation:

We welcome the idea that the audit partner is identified publicly. We believe that, notwithstanding protestations to the contrary, such public identification of the audit partner provides one further small measure of accountability for audit quality to a senior person within the audit firm who has led the audit. Such additional accountability provides a degree of additional comfort to our clients and other users of the audited reporting.

We would prefer that the identification of the audit partner is contained within the audit report as this is the most accessible and obvious place for such information to be held. If there are legitimate personal liability concerns that make this outcome more difficult to achieve, we are prepared to accept that this information is provided in other easy to access publicly available records if the personal liability concerns cannot be swiftly and effectively remedied.

While there are some transparency downsides to reporting the audit partner on a separate form, we believe that a searchable database could provide some useful additional transparency. For example, users should be able to search by audit partner to identify all audits by year he or she has undertaken after the disclosure rule takes effect. The database should also record audit firm for which the partner worked. This may prove useful to understand patterns of appointment, audit partner

workload and where else to focus engagement effort if there are identified problems with the audited statements or an audit at one of the companies.

The suggested deadlines for filing are reasonable and there is no need to delay filing for the first year: the suggested requirement is not onerous.

We are not convinced that extending the disclosure regime to other entities achieves positive additional results and there are unintended consequences to the regime. The audit firm and the audit partner together with the audit committee should be the focus of any discussion on audit quality.

We believe that the implementation date suggested in the consultation is reasonable.