
The Investment Association

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Office of the Secretary
Public Company Accounting Oversight Board
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1 September 2015

Dear Office of the Secretary

RE: Supplemental Request for Comment: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form

The Investment Association represents the asset management industry in the UK. Our members include independent fund managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of approximately £5 trillion (€5.6 trillion) of assets, which are invested in companies globally. In managing assets for both retail and institutional investors, our members are major investors in companies whose securities are traded on regulated markets. Therefore, they have an interest in the requirements governing the audit and the auditor's report to them as users of companies' accounts.

The Investment Association welcomes the opportunity to comment on PCAOB Release No 2015-004. This requires auditors to disclose the name of the audit engagement partner and other participants in the audit on a new PCAOB form, Form AP.

Investors value high quality audits and consider that the judgement and objectivity of the audit engagement partner is critical to achieving this. But audit partners are not infallible and not all will necessarily operate the same standards. We consider being able to identify the audit engagement partner is an important part of improving the accountability of the auditor to shareholders, the ultimate clients.

Investors have consistently sought this information being disclosed in the audit report. But we appreciate that the approach now proposed and the Form AP is a pragmatic response to

concerns raised by US accounting firms and others about the potential increased liability or litigation risk if the name of the engagement partner is in the audit report itself.



We particularly welcome the fact that the information on Form AP is to be available in a searchable database on the PCAOB's website. Whilst this approach would require more effort to locate the information – investors would have to visit the PCAOB website - it would be easier to determine all the audits by a particular engagement partner. Indeed certain of our members consider this an improvement on the original proposal in that the transparency afforded by a searchable database would facilitate research on resolutions to appoint an auditor by detailing all other appointments. This would make it easier to highlight if any of these gave rise to concerns. Moreover, it is possible that once the firms become accustomed to Form AP, it would only be a small step to providing the information on a voluntary basis in the audit report.

I trust that the above is self-explanatory but please do contact me if you require any clarification of the points in this letter or if you would like to discuss any issues further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Liz Murrall', with a long horizontal flourish extending to the right.

Liz Murrall
Director, Stewardship and Corporate Reporting