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February 25, 2022

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

Re: PCAOB Release No. 2022-001

Dear Office of the Secretary:

RSM US LLP appreciates the opportunity to offer our comments on PCAOB Release No. 2022-001, *Request for Public Comment: Advisory Groups – Draft Governance Frameworks*.

We support the establishment of the Investor Advisory Group (IAG) and the Standards and Emerging Issues Advisory Group (SEIAG). These two new advisory groups will allow the PCAOB to obtain and consider input and insights from investors and other stakeholders, which is essential to upholding its statutory mission to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports for public companies.

We believe transparency and due process regarding the activities of the PCAOB are in the best interests of the capital markets and provide credibility to the regulatory oversight provided by the PCAOB. In that spirit, we offer the following comments for consideration in finalizing the frameworks and adopting corresponding charters for the IAG and SEIAG.

Purpose and role

We concur that the scope of the SEIAG's purpose and role should include both standards-related matters and emerging audit issues. In that regard, we recommend that a representative of the American Institute of Certified Public Accountants Auditing Standards Board (ASB) be allowed to attend the SEIAG meetings as a non-voting attendee. As leaders in the middle market, RSM US LLP serves audit clients that are publicly held, closely held and owned by private equity funds. We see the importance and benefits of consistent audit standard setting across entities of all ownership structure types. This is particularly relevant for entities that transition from private to public ownership. We believe emerging audit issues are not unique to registrants, and therefore the ASB's viewpoints would be helpful in both identifying and addressing such issues.

Membership selection

To further ensure diversity of thought and perspectives, we suggest the governance frameworks require advisory group members, other than the PCAOB professional serving in the capacity of Co-Chair, to be independent of the PCAOB.

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Size

To facilitate strong communication between the two advisory groups, we agree that it is prudent for one or more IAG members to also serve as members of the SEIAG (and vice versa). We believe it would be helpful to clarify within the governance frameworks whether the crossover members are voting or non-voting members of the advisory groups. Also, to further transparency in communication between these two groups, consideration could be given to providing IAG and SEIAG members summaries of both groups' activities as a routine function of the meeting cadences. We believe this would help foster dialogue on important issues that are relevant to both groups.

Composition

As to the composition of the IAG, we believe consideration should be given to including representation for investors in private equity funds whose portfolio companies often contemplate accessing the capital markets.

The SEIAG governance framework describes its composition as including individuals with certain expertise, and we note that legal expertise is not included. We suggest the "Composition" section of the SEIAG framework include legal expertise because compliance with PCAOB auditing standards has legal ramifications for auditors.

Further, the draft SEIAG governance framework currently requires the Board to "strive to comprise" the SEIAG with members from each of the areas of expertise. However, this does not dictate the balance of such areas of expertise in terms of SEIAG member numbers. We note that the charter for the PCAOB Standards Advisory Group (SAG) required the expertise of its 18 members to be somewhat equally dispersed as it dictated SAG membership to include five investors, three audit committee members or directors, three members who have financial reporting oversight responsibilities, three academics and four audit professionals. We suggest the governing framework for the SEIAG also specify that the expertise of its members be somewhat equally dispersed among its members to ensure diversity of thought and perspectives.

Member terms

We believe consideration should be given to addressing the reappointment of members. Both governance frameworks currently state that members serve two-year terms for a maximum of six consecutive years, but they do not address how such terms are renewed. The frameworks should state the criteria for evaluation of reappointment.

Leadership

In the "Leadership" section of the SEIAG governance framework, we suggest consideration be given to more strongly encouraging the appointment of an SEIAG Co-Chair by stating, "The Board should appoint an SEIAG Co-Chair from its membership to serve alongside the Chief Auditor." Also, we believe it would be prudent to state that the SEIAG Co-Chair and any Subcommittee/Task-Force Chairs be selected from the membership of the SEIAG.

Further, we believe clarification should be provided as to whether the Chief Auditor is a voting member of the SEIAG.

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We appreciate the PCAOB's thorough efforts in establishing the IAG and SEIAG, and we believe the activities of these two new advisory groups will help to further protect the interests of investors. We would be pleased to respond to any questions the Board or its staff may have about our comments. Please direct any questions to Sara Lord, Chief Auditor, at 612.376.9572.

Sincerely,

RSM US LLP

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