

## **G. Lawrence Buhl, CPA**

Phoebe W. Brown, Secretary

March 5, 2014

Office of the Secretary

Public Company Accounting Oversight Board

1666 K Street, N.W.

Washington, DC 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 029, Improving the Transparency of Audits: Proposed Amendments to PCAOB Auditing Standards to Provide Disclosure in the Auditor's Report of Certain Participants in the Audit

Dear Ms. Brown:

I support the PCAOB's efforts to enhance transparency about the auditor's role and responsibilities.

I also support the identification of any and all accounting firms that have a significant role in the execution of the audit, but believe this information should be provided outside of the auditor's report. I also do not support identifying the engagement partner in the audit report. But if it is determined that a mandate for that exists, I suggest an alternative that can be made either in a 10Q, or proxy, or in a public filing with the PCAOB, that is similar to information already provided, in most cases, to Audit Committees at the outset of the audit engagement.

In my view, identifying the engagement partner will not provide meaningful additional information to investors. One observation in the PCAOB proposal is that identifying the specific senior audit partner might affect some educated investor's investment decision on a registered company. I apologize for my candor, but that seems ludicrous ("could be valuable to investors in making investment decisions"). The specific lead audit firm that is involved "might" impact an investment decision, perhaps because size and reputation and scope of operations vary, but even that would be unusual. Since audit partners rotate every 5 years or less, and are backed up by the resources and experience and depth of the firm, and since the PCAOB gets satisfied that National oversight and quality control by registered firms is adequate, I struggle to comprehend someone seriously suggesting that which audit partner for one of the Big 4 firms is assigned can affect an investment decision. And the follow-on suggestion in the proposal that the identification might impact someone's ratification vote for the following year's auditors also seems a

stretch. Since rotation is required every 5 years, the partner involved in "signing" the current year audit report will frequently not be the partner on the engagement assignment for the succeeding year being voted on. I suspect that the various jurisdictions that already require the partner to personally sign the audit report have done so in some historical or statutory context related to the audit profession in that country, vs. for the reasons suggested in the proposal. I would not think Croatia and Taiwan are leading the world in setting international trends and disclosure standards, yet are referenced.

The Proposal suggests that the identification of the signing partner will cause greater accountability on the part of the partner with respect to his/her attention to the audits and audit quality. Some may believe that, not knowing much about the profession or its history or its practices. As a former partner with a Big 4 Firm who signed reports on SEC registrants' financial statements for almost 25 years, I needed no further reminder of my responsibilities. As a CPA who completed challenging and comprehensive exams and is required to complete "continuing professional education(CPE)" annually, including professional ethics matters, I had a "Hippocratic Oath" of my own that framed my job. The Firm culture ingrained in me my responsibilities, as did its practices. I can only assume and hope that every Firm approved to audit SEC registrants has a similar culture and practices, and part of the PCAOB's job is to ensure that. Furthermore, I did sign an internal form at the conclusion of the audit enumerating my agreement regarding the completion and execution of my responsibilities. The lack of faith in the CPA profession by the PCAOB and some academics and some small cadre of investors is disheartening, considering the role we place on the profession in our capital markets.

The execution of an effective audit is a collective effort that can involve many individuals and depends on a variety of factors. The specialists (actuarial, tax, valuation, real estate, investment, information technology, e.g.) assisting the engagement team are frequently just as important as the lead engagement partner in completing the audit and targeting areas of highest risk. And the assisting audit partners in the field, if any, in various locations, are equally as important as the engagement partner. They are closer to the day-to-day work in directly supervising the remainder of the engagement team.

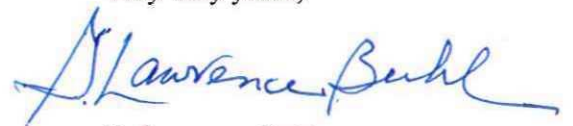
For every SEC registrant audit I have been involved in as an audit partner or as Chair or member of two public company Audit Committees, the audit firm presents annually a visual of the assigned audit team and its support specialists. Their role if not obvious by title or placement on a chart is explained. The change in personnel from the prior year is also explained. This is usually done at least orally and in summary at the time of approval of the Firm for the next year's audit, and, if the full engagement team is not presented then, it is done when audit scope is discussed. This information could be presented in an

attachment/exhibit to the next subsequent 10Q filing. The proxy section addressing audit fees could refer to that specific filing and address whether there was any change in that graphic at the higher levels throughout the execution and completion of the audit.

Information overload and the extent of disclosures in Annual Reports is a very real issue. If some few, and based on the letters you received on this issue it can only be a few (43 respondents in total), want the information, it can be made accessible but not distracting to the key messages in the audit report, the financial statements, the proxy, etc. Submitting the information, considering how inconsequential it is to the vast majority of report readers, in an exhibit to a less critical filing than the 10K or proxy seems the right place, if at all. The PCAOB presents several concerns about making the seeker of this information go to more than one source or one filing, yet part of the rationale for the requirement is the creation of databases by independent parties to compile and present analysis of this information for supposed use in investment decisions. So to make it useful, one would need to refer to several sources. And if those who care are so few, why distract the many for the narrow interests of the few?

Respectfully, this entire proposal should never have risen to this level of discussion based on the interests of so few. If the dialogue proceeds, please do not dilute the message of the audit report with distracting additional elements. Allow the information to be provided somewhere else.

Very truly yours,

A handwritten signature in blue ink that reads "G. Lawrence Buhl". The signature is fluid and cursive, with a long horizontal stroke at the end.

G. Lawrence Buhl

620 Portledge Drive

Bryn Mawr, Pa 19010

buhlarry@gmail.com