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March 17, 2014

Ms. Phoebe W. Brown
Office of the Secretary
Public Company Accounting Oversight Board (PCAOB)
1666 K Street, N.W.
Washington D.C. 20006-2803

Re: **PCAOB Rulemaking Docket Matter No. 029, Improving the Transparency of Audits**

Dear Ms. Brown:

CohnReznick LLP ("CohnReznick") appreciates the opportunity to comment on the proposed amendments to PCAOB auditing standards to provide disclosure in the auditor's report of certain participants in the audit.

CohnReznick is the 10th largest accounting firm in the U.S., with its origins dating back to 1919. We are committed to serving clients that access the capital markets, and we recognize the significant role we have in facilitating efficient capital formation. We are pleased to support the Board in its mission to further the public interest in the preparation of "informative, accurate, and independent audit reports", and the intent to improve the transparency of the audit to the users of financial statements.

The Board indicated in the reproposal that it believes including the identity of the engagement partner and other firms associated with the audit would provide information that investors and other financial statement users would find useful. In the attachment to this letter, we respond to the specific questions on which the Board is seeking comment. We hope our comments provide the Board with insights about alternatives to inclusion of such information in the auditor's report. We believe that these alternatives would mitigate some of the negative consequences acknowledged by most public comments to the original proposal, while furthering the goals of the reproposal.

If you have any questions concerning our comments or would like to discuss any of our responses or recommendations in more detail, please feel free to contact Kurtis Wolff at 770-330-1167.

Yours truly,

CohnReznick LLP

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EXECUTIVE SUMMARY

We believe that the name of the audit engagement partner and the extent of participation by other firms in the audit is information financial statement users should have access to if desired. We do not believe such information should be considered as confidential or proprietary to the firm. However, we believe that the audit report is not the appropriate means of communicating such information. To highlight the engagement partner's name in the audit report creates a misperception that companies engage with individuals to perform independent audits, rather than audit firms, and obfuscates the fact that the audit requires the capabilities and judgment of many professionals. We agree with the Board that the public interest would be better served through greater transparency about the audit process, including, in our view, the role of the firm's quality processes in delivering the audit and the interaction with the issuer's audit committee.

To that end, our recommendation is that the name of the engagement partner and the extent of participation by other firms be made available in a manner that provides context for the financial statement user. Form 2 filed with the PCAOB connotes the context of the firm as registered with the PCAOB. The audit committee report or another location within the proxy statement would connect the audit partner and the related firm to the unique relationship required in public company audits with the audit committee assessment and process of engaging and interacting with the partner and the firm as a whole. Each of these alternatives not only provides context for the user, but also eliminates many unintended consequences, complications, and significantly enhanced legal liability (if by perception alone), by eliminating the formal consents that the PCAOB believes at this time would be required if such information was provided in the auditor's report.

QUESTION 1: Would the reproposed requirements to disclose the engagement partner's name and information about other participants in the audit provide investors and other financial statement users with useful information? How might investors and other financial statement users use the information?

We believe the usefulness of disclosing the engagement partner's name or information about other participants in the audit report is limited. Users of the financial statements have essentially two ways to legitimately respond to negative information about the engagement partner's history in the audit report: 1) refuse to invest in the entity or sell investments in the entity, or 2) refuse as a shareholder to ratify the independent auditor for the subsequent year end audit. We believe the likelihood of either of the aforementioned responses is negligible, for reasons described in our responses to other questions below. We believe the overwhelming likelihood is that a user's knowledge of the engagement partner's name or information about other participants will result in no response in almost all situations.

QUESTION 2: Would the name of the engagement partner or the extent of participation of other participants be useful to shareholders in deciding whether to ratify the company's choice of registered firm as its auditor? If so, how?

We believe the usefulness of the engagement partner's name or the extent of participation by others would be of limited value to a shareholder in deciding whether to ratify the company's choice of a registered firm as its auditor. The information provided in the audit report is untimely for such a decision. It would be more useful for the name of the engagement partner or information about other participants to be provided to the shareholders prior to the execution of

the audit. We think it is more likely that knowledge of an engagement partner's history, or the history of other participants will provide investors with information about the oversight actions and activities of the Audit Committee. Based on the Audit Committee's response to such information, investors might be able to make a better evaluation of Audit Committee performance.

QUESTION 3: Over time, would the reproposed requirement to disclose the engagement partner's name allow databases and other compilations to be developed in which investors and other financial statement users could track certain aspects of an individual engagement partner's history, including, for example, his or her industry expertise, restatement history, and involvement in disciplinary proceedings or other litigation?

Even if the amendments in the reproposal are not made, over time, we believe databases and other compilations will be developed in which investors and other financial statement users may be able to track certain aspects of an individual engagement partner's history. We believe that in addition to the usefulness of such information for investors, there are positive benefits to such a development for the partners themselves and for the audit firms they are a part of. Our view is that such development is not dependent on the name of the engagement partner being included in the audit report. In fact, we believe other means for providing information about the engagement partner would better facilitate the development of such databases and compilations. It is also likely that in response to the development of such compilations or databases, the registered firms themselves will develop more useful means of providing this information, via their publicly accessed websites, where it could be viewed by interested investors in the context of the firm's audit process and quality reporting.

a. Would such databases or compilations be useful to investors and other financial statement users? If so, how?
b. Would they provide investors and audit committees with relevant benchmarks against which the engagement partner could be compared? If so, how?

Such databases or compilations might allow investors and audit committees over the course of time to perform a more efficient approach to the due diligence required of audit committees in approving the engagement partner and the registered accounting firm prior the audit. Our view is that if the name of the engagement partner were provided via a means more timely than the audit report, investors would have an opportunity to influence the actions of the audit committee in a positive way. We consider two alternatives to be viable solutions to both the need to have the information and the need for the information to be readily accessible for analysis: 1) an expansion of Form 2 provided to the PCAOB, with updated timelines for submitting information about the audit participants, or 2) presentation within the issuer's definitive proxy statement either within the audit committee disclosure or another location. The use of Form 2 has the benefit of making the PCAOB website a single location for collection of data. We think the timeliness of the information can be ensured by modifying the reporting requirements of the firms to file certain information earlier. However, we acknowledge Form 2 has the drawback of being a location investors may not be familiar with, and is currently not designed to be a searchable location for such information. We also acknowledge the Board has previously considered the use of the issuer's definitive proxy statement as an alternative, and the timing of the filing was a concern.

QUESTION 4: Over time, would the reproposed requirement to disclose the other participants in the audit allow investors and other financial statement users to track information about the firms that participate in the audit, such as their public company accounts, size of the firms, disciplinary proceedings, and litigation in which they have been involved? Would this information be useful to investors and if so, how?

We believe over time databases and other compilations will be developed in which investors and other financial statement users may be able to track certain aspects of other participants in the audit, to the extent those other participants are organizations and/or other firms with public profiles. See our comments to questions 1, 2 and 3 above regarding the usefulness of such information.

QUESTION 5: Is the ability to research publicly available information about the engagement partner or other participants in the audit important? If so, why, and under what circumstances?

We believe the ability to research publicly available information about the engagement partner or other participants in the audit is moderately important, when such research can be performed prior to the appointment of the engagement partner. We support the facilitation of the creation of databases and other compilations that would present a fact based depiction of the history of such partners/participants that is uncumbersome for users to access and navigate. However, we believe that inclusion of such names in the audit report does not achieve such facilitation, and we would favor a means that allows data to be more timely and easily collected.

QUESTION 6: Would the reproposed requirement to disclose the engagement partner's name promote more effective capital allocation? If so, how? Can an engagement partner's history provide a signal about the reliability of the audit and, in turn, the company's financial statements? If so, under what circumstances?

We strongly believe that disclosing the engagement partner’s name detracts from the proper understanding of the collective effort involved in providing an audit. While the engagement partner undoubtedly has a critical role in the leadership and oversight of the quality of an audit, the skills and experience of the other members of the audit team are also very important. Focusing attention on the engagement partner in the audit report we believe would cause users to infer that other skills and experience were not a part of the overall audit effort. As such, we believe the proposed disclosures have the potential to negatively impact capital formation. Our overall consistent view is that the limited usefulness of information about the audit engagement partner to investors, and the additional requirements burden taken together make it unlikely to promote more effective capital allocation. A company’s financial statements are the responsibility of management, and therefore, a conclusion drawn about the reliability of the financial statements based on the history of the audit engagement partner would be tenuous.

QUESTION 7: Would the reproposed requirements to disclose the engagement partner's name and information about other participants in the audit either promote or inhibit competition among audit firms or companies? If so, how?

At this point we do not anticipate that the disclosure of the engagement partner’s name or information about other participants will materially promote or inhibit competition among audit firms.

QUESTION 8: Would the reproposed disclosure requirements mislead investors and other financial statement users or lead them to make unwarranted inferences about the engagement partner or the other participant in the audit? If so, how? Would there be other unintended consequences? If so, what are those consequences, and how could they be mitigated?

Consistent with our response to question 6 above, we believe the reproposed disclosure requirements will lead investors and other financial statement users to draw incorrect conclusions about the amount of experience and capabilities required of the whole audit effort. While some professions, such as legal firms, have a model where clients are more closely attached to the partner that serves them, public accounting follows a different model out of necessity. In fact, rules enacted requiring partner rotation demonstrate the understanding that companies engage with the firm, not the partner, for the services of an audit. Disclosing the engagement partner's name or information about other participants in the audit report is furthermore of limited value because such communication is out of context with the firm's quality processes and the importance of the firm's audit quality indicators.

We also believe the reproposed requirements change the risk profile of the engagement partner and the result will be an increase in the cost of talent acquisition and retention, both at the partner level and below, within the registered firms. While we support the goal of transparency, as previously stated, we feel the use of the audit report as the means to make available the name of the engagement partner creates the potential for personal liability that makes it unnecessarily less desirable to serve as the lead engagement partner for a public company audit. Furthermore, fixation on data within an audit partner's history that is not indicative of the level of quality the audit partner delivers might cause some partners to exit the practice, which would actually diminish audit quality for the profession as a whole and be detrimental to capital markets. We expect the requirements of the reproposal will make it more difficult for audit firms to identify audit partners willing to fill the role of lead engagement partner.

We highlighted in our response to question 1 above the legitimate responses a user might have to the information that would be disclosed under the reproposal. We hope the Board is aware that inappropriate responses are also a concern, such as harassment of the partner and other malfeasance. We believe social networking exacerbates this unintended consequence.

QUESTION 9: What costs could be imposed on firms, issuers, or others by the reproposed requirement to disclose the name of the engagement partner in the auditor's report? Please provide any available empirical data. Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

As described in our response to question 8 above, we believe the cost of talent acquisition and retention will be adversely affected by the reproposed changes. Those costs will impact firms' overall talent costs, which will ultimately be reflected in audit fees, and will make it more difficult to maintain the level of quality afforded through more available resources. Furthermore, audits of EGCs sometimes carry a greater amount of audit risk, and the proposed changes will make audit partners less willing to become the engagement partner on EGC companies, for the reasons further described in our comments on unintended consequences, causing EGCs to bear a disproportionate share of the increased costs associated with the reproposal. See our additional comments related to the applicability of the reproposed requirements to EGCs in our responses to questions 24 and 25 below.

QUESTION 10: What costs could be imposed by the application of the consent requirement to an engagement partner who is named in the auditor's report? Please discuss both administrative costs to obtain and file consents with the SEC, as well as any indirect costs that might result. How could insurance or other private contracts affect these costs?

As the Board acknowledged in the reproposal, identifying the name of the lead engagement partner in the audit report would likely mean that engagement partners would have to provide a consent to the inclusion of their names in an auditor's report filed with or incorporated by reference in another document filed with SEC. We believe there are common circumstances, such as rotation requirements, that could make it difficult to obtain such consents in a timely manner. For this reason, we strongly favor alternatives of providing the information the Board seeks to provide via means other than inclusion in the auditor's report. In evaluating the cost benefit of the reproposal, the Board should consider the reaction that the professional liability providers to the accounting profession would have to the potential increased risk for the individual partners and firms.

QUESTION 11: Would application of the consent requirement to an engagement partner named in the auditor's report result in benefits, such as improved compliance with existing auditing requirements? Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

See our response to question 12 below.

QUESTION 12: Would the reproposed amendments increase the engagement partner's or the other participants' sense of accountability? If so, how? Would an increased sense of accountability for engagement partners or other participants have an impact on audit quality? If yes, please provide specifics.

The academic evidence described on page 30 of the reproposal does not indicate that a definite link exists between disclosure of the engagement partner's name and increased accountability. Our view is that the disclosure of the name of the audit engagement partner will not impact the sense of accountability, or have a meaningful effect on audit quality. Our view is consistent for both large and smaller engagements, including audits of EGCs.

QUESTION 13: What costs could be imposed on firms, issuers, or others by the reproposed requirement to disclose the information about other participants in the auditor's report? Please provide any available empirical data. Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

Consistent with our views described in our response to question 9 above, we believe the following costs will be imposed on firms and issuers:

- Additional legal liability costs, as acknowledged by the Board
- Talent acquisition and retention costs associated with the increased risks to engagement partners as a result of additional legal liability costs
- Sourcing costs associated with other participants in the audit as a result of the additional risk of legal liability
- Administrative costs associated with preparing the disclosure when the participation of others must be described, and
- Administrative costs associated with obtaining consents

QUESTION 14: What costs could be imposed by the application of the consent requirement to other firms that are named in the auditor's report? Please discuss both administrative costs to obtain and file consents with the SEC, as well as any indirect costs that might result. How could insurance or other private contracts affect these costs?

We chose not to respond to this question.

QUESTION 15: Would application of the consent requirement to other firms named in the auditor's report result in benefits, such as improved compliance with existing requirements? Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

We believe the application of the consent requirement to other firms named in the report would result in benefits such as improved compliance with existing requirements.

QUESTION 16: Would disclosure of the extent of other participants' participation, within a range rather than as a specific number, provide sufficiently useful information to investors and other financial statement users? Why or why not? Would the reproposed requirement to disclose the extent of other participant participation within ranges impose fewer costs than a specifically identified percentage?

We agree with the Board that disclosing a range is sufficient for the purpose of conveying the materiality of participation by others in the audit. Our view is that even if the proportion of participation were expressed as a single number, users of the audit report would nevertheless consider the impact of such participation based on ranges within their own perception. Requiring a range rather than a single number reduces the cost to the entity of the auditor's performance of the reproposed requirements.

QUESTION 17: Would increasing the threshold for individual disclosure of other participants to 5% from the originally proposed threshold of 3% improve the relevance of the disclosure? Would it reduce potential costs? Would another threshold, such as 10%, be more appropriate? If so, why?

We agree with the Board that 5% is a more appropriate threshold than the originally proposed 3%. Increasing the disclosure threshold above 5% would not be more appropriate in our view.

QUESTION 18: Under the reproposed amendments disclosure would not be required when audit work is offshored to an office of the firm that issues the auditor's report (even though that office may be located in a country different from where the firm is headquartered), but disclosure would be required when audit work is performed by a foreign affiliate or other entities that are distinct from the accounting firm issuing the auditor's report.

a. Should all arrangements whether performed by an office of the firm issuing the auditor's report in a country different from where the firm is headquartered, a foreign affiliate or another entity that is distinct from the accounting firm issuing the auditor's report be disclosed as other participants in the audit? Why or why not?
b. Is it sufficiently clear how the disclosure requirement would apply in the context of offshoring? If not, how could this be made clearer?

We agree with the Board's approach in the reproposal with respect to the inclusion of audit firms that are distinct from the issuing firm regardless of affiliation. However, the disclosure requirement definition of "distinct from the accounting firm issuing the report" could be improved

by addressing the role of the “parent” firm. Audits of large multi-national corporations frequently use offices of firms that are owned by the same parent firm as the issuing firm, but not by the issuing firm itself. It is not clear from the reproposal requirements whether such entities are considered included or excluded from the disclosure requirements.

QUESTION 19: Are there special considerations for alternative practice structures or other nontraditional practice structures that the Board should take into account regarding the reproposed requirement to disclose other participants in the audit?

We chose not to respond to this question.

QUESTION 20: Under the reproposed amendments, the auditor would be required to include the extent of participation of persons engaged by the auditor with specialized skill or knowledge in a particular field other than accounting and auditing ("engaged specialists") in the total audit hours and to disclose the location and extent of participation of such persons. The engaged specialists would not be identified by name, but would be disclosed as "other persons not employed by the auditor."

a. Is it appropriate to require disclosure of the location and extent of participation of engaged specialists? If not, why?
b. Would there be any challenges in or costs associated with implementing this requirement for engaged specialists? If so, what are the challenges or costs?

We chose not to respond to this question.

QUESTION 21: In the case of other participants that are not public accounting firms (such as individuals, consulting firms, or specialists), is the participant's name a relevant or useful piece of information that should be disclosed? Does disclosure of the participant's location and the extent of the participant's participation provide sufficient information?

Our view is that the usefulness of information provided about other participants is materially the same for both other accounting firms and non-accounting firms. We believe information other than the participant’s location and extent of participation would not yield additional benefits.

QUESTION 22: If the Board adopts the reproposed amendments for auditors to disclose the name of the engagement partner and certain information about other participants in the audit in the auditor's report, should the Board also require firms to disclose the same information on Form 2 or another PCAOB reporting form? Why or why not?

We believe it might be beneficial for the Board to require the firms to disclose the same information on Form 2 or a similar form maintained and made public on the PCAOB’s website, as doing so would provide users with a single source of information from which databases or other compilations could be created over time.

QUESTION 23: Are the reproposed amendments to disclose the engagement partner's name and information about other participants in the audit appropriate for audits of brokers and dealers? If yes, are there any considerations that the Board should take into account with respect to audits of brokers and dealers?

We note that Broker-Dealers include both clearing and introducing firms. Even though all Broker-Dealers must file reports with the SEC, introducing Broker-dealers are predominantly not publicly traded registrants, but instead companies closely held by a few owners, who are usually familiar with the financial reporting process of the Broker-Dealer. Our view is that including the audit partners name in the audit report will not increase the transparency to those owners because of their closely held nature and the fact that owners typically are involved in the selection of the auditor.

QUESTION 24: Should the reproposed disclosure requirements be applicable for the audits of EGCs? Are there other considerations relating to efficiency, competition, and capital formation that the Board should take into account when determining whether to recommend that the Commission approve the reproposed amendments to disclose the engagement partner's name and information about other participants in the audit for application to audits of EGCs?

Our view is that the impact to EGCs is the same as other entities with regard to the usefulness of information about the engagement partner or the other participants in the audit. However, given our previously described views on the net effect of the reproposed requirements on effective capital formation, we believe applying the reproposed disclosure requirements to audits of EGCs is counter to the intent of the JOBS Act in creating the EGC designation.

QUESTION 25: Are the disclosures that would be required under the reproposed amendments either more or less important in audits of EGCs than in audits of other public companies? Are there benefits of the reproposed amendments that are specific to the EGC context?

Our view is that the disclosures that would be required under the reproposed amendments are neither more nor less important in audits of EGCs. We do not perceive additional benefits of the reproposed amendments that are specific to EGCs.