

February 25, 2022

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

Dear Madame Secretary,

I appreciate the opportunity to comment on the Public Company Accounting Oversight Board's Draft Governance Frameworks. I support the Investor Advisory Group's mission to protect the interests of investors, and further the public interest in preparation of informative, accurate, and independent audit reports.

In furtherance of this mission, it seems to me that the proposed composition of the IAG should include representation from independent audit committee member(s) of corporate boards. There is strong alignment of the mission of audit committees with the mission of the PCAOB. The NYSE, NASDAQ, SEC and the PCAOB all describe the role of the audit committee as providing oversight and monitoring of the financial reporting processes of listed companies and the audits of financial statements. Audit committee charters typically have language to oversee the relationship with the external auditor, review the terms of engagement, and review the findings of the audit, all in the context of fulfilling their fiduciary role with respect to investors.

Therefore, Audit committees are a significant governance body in corporate America charged with acting upon results of the PCAOB inspections. They typically review the nature and significance of the findings, and consider the PCAOB's report in making decisions about the selection of their audit firm, the terms of the audit engagement, the adequacy of skills of the audit team, and more. Today, determining whether the findings are significant toward this oversight responsibility and acting timely on them has been difficult. For example, historically, many PCAOB findings relate to audit documentation and audit committee receive the results of the inspection process several years after the date of inspection. Invariably, this means that the audit Firm will report that the matters found during inspection are "old news" and steps have already been taken to improve any weaknesses noted. This leaves audit committees in the unfortunate position of having to act on stale information.

Simply put, audit committee membership on the IAG can help improve the quality, timeliness and overall meaningfulness of the PCAOB's mission.

I thank you for the opportunity to present this comment and am available to discuss my views further.

Sincerely,

Robert J. Lipstein

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