

From: Donna Harman <donna.a.harman@gmail.com>
Sent: Friday, August 4, 2023 12:00 PM
To: Comments
Subject: [EXT]: PCAOB Rulemaking Docket 051: Amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations

Dear Board members,

Thank you for the opportunity to offer comments on the PCAOB's Auditing Standards related to a Company's Noncompliance with Laws and Regulations. I strongly urge the Board to substantially modify the proposed rule and resubmit it for public comment.

This proposed rulemaking is a gross over-reach of the PCAOB's legitimate role of ensuring proper auditing to protect the public's interest. It is duplicative and conflicting with other local, state and federal government agencies' oversight and enforcement responsibility. Accountants are not equipped to judge compliance with all rules and laws, some of which, in and of themselves, are duplicative or conflicting, and each trying to accomplish a different goal. Already, they must bring in actuaries, cyber experts and others to conduct an audit. There is no justification for the audit firms to bring in multiple lawyers with expertise in numerous areas of the law to review corporate compliance programs, which in most cases have been reviewed by counsel for their completeness and adequacy.

This proposed rule significantly underestimates the amount of time, money, and expertise that goes into corporate compliance under the direction of the general counsel or the compliance officer. While there may be a few bad actors, the overwhelming majority of companies take their role and responsibility to comply with laws and regulations extremely seriously. This proposed rulemaking disregards the role of management, working in tandem with independent board members on the audit (or other committees such as Governance, Environment or Safety committees of the Board) to ensure compliance with laws and regulations.

Adding yet another layer of oversight is a very inefficient use of time and money for the government and for all stakeholders. It will not result in significantly better information for shareholders. It will however create confusion and cloud the role of the auditor with the role of the primary regulatory agency responsible for the regulation (i.e. EPA, DOJ, SEC, DOL, HHS, etc.) This proposed rule will create more costly and unnecessary litigation for the government, companies, and accounting firms without materially improving corporate compliance with laws and regulations.

Thank you for your considerations of my point of view.

Sincerely,

Donna Harman

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