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

Submitted via Email: comments@pcaobus.org

RE: Public Comment
PCAOB Rulemaking Docket Matter No. 029

Position: Support the Proposed Standard

The proposed amendment to require disclosure of the engagement partner on the Auditor's Report is a long overdue standard that should be approved and implemented. The opposition by CPA firms is without merit. In applying for financing, purchasing buildings, and filing of tax reports, a partner or other responsible party must sign their personal name on behalf of the firm. No agency or financing entity accepts the signature of the firm name as is done on the auditor's report.

The argument that this requirement would subject the engagement partner to liability is not valid. As a matter of business practice, the firm would and is required to provide legal assistance and financial responsibility for the acts of its employees. Not only do CPA firms maintain professional liability insurance, most engagement partners maintain their own personal liability policy typically paid for by the firm.

The disclosure is simple to implement. The signature block should include the name of the partner signing the Auditor's Report and the signature should be that of the partner on behalf of the firm, not the firm name as the actual signature. This is in agreement with best business practices and fulfills the crucial standard of independence and transparency required in audit engagements. Additionally, as noted in the discussion presented by the PCAOB, it would conform to the practice used in other highly developed economic countries.

The information is useful to investors and creditors as trust and ethics are attributable to the quality of engagement partner not the firm. Such a requirement may have been beneficial to prevent the unchecked debacles exhibited in the audits of companies such as: Enron, Adelphia, and Bernard L. Madoff Investment Securities.

Having been on both sides of an audit, as an engagement partner and as the Internal Lead Accountant, I know firsthand the benefit of this information. As the lead accountant I have had to correct both the Audit Supervisor and the Engagement Partner in the preparation and reporting of the financial statements. In fact I had to recommend revisions to their reports due to errors they missed in their review. In checking the licensing of both CPAs, the Audit Supervisor had been licensed for less than three years and the engagement partner 9 years. They both were promoted to fast, in my opinion, to take on such responsibilities and the disclosure of both individuals would benefit investors and other interested third parties.
As a practicing CPA with 25 years of licensed experience, I firmly support the proposed amendment to the auditing standards requiring the disclosure of the audit staff of the responsible firm and the signature, with license number and state of issuance, of the engagement partner on the Auditor's Report.

Additionally, the disclosure of other professionals responsible for parts of the audit should be referenced in the auditor's report as a supplemental listing presented as a separate report following the Auditor's Report. The purpose of implementing this requirement this way is based on two reasons. First the listing may be confusing to the user of the statements as to who is ultimately responsible for the opinion stated in the auditor's report. Second, the listing may be quite lengthy and distract from the opinion presented in the Auditor's Report.

Respectfully submitted

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