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PCAOB Open Comment

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I can only think of one situation where the signatures would add value to the final report: miscommunication. When communication is unclear pertaining to the terms of the audit engagement, expectations among parties may not coincide. The initial proposal delivered by the CPA is a mission statement essentially intended to further develop a professional business relationship. A contract by definition is an agreement between two or more parties for the doing or not doing of something specified. Disclosure of the engagement partner's name seems more appropriate in the engagement letter (where it usually appears). The specific location of the partner's name shouldn't alter the information to the client regarding who performed the audit.

Beginning stages of the audit are used for the partner and possible client to develop an understanding of each other. Topics for discussion would include: the scope, internal control, accounting procedures, audit team, related credentials, the responsibilities of both parties, along with standard Q&A. Let's not forget that these external auditors have considerations of their own to address: transparency of engagement risk, uncollectible debts, possibility of law suits, etc.

Unfavorable risk factors are the pressure points used by the firm to help weigh out decisions. In all fairness, professional skepticism is and shall remain a priority not only in the accounting industry but in all business dealings. One would appear to be unacquainted with reality to not place emphasis over the matter. Other obvious economic

dispositions have proven that professional skepticism is something that must remain omnipresent within business as a whole. The burden which holds the state of the economy at ransom won't possibly be relieved by issuing a duplicate credit statement.

Investors need to be a little more self-reliant and confident in the people they trust with their money. Certainly the psychology behind the proposal makes sense on paper, but these assumptions are mitigating real ethical dilemmas. Forming relationships face to face is a much more sincere or earnest attempt to fulfill whatever commitment was made. When people go out of their way to be made known it builds a healthy partner-client foundation. Typically the audit partner is responsible for bringing new clients into the firm and by default is considered the face of the business. Maintaining their public image at both an independent and company level is crucial for competitive industries.

Requiring an audit partner to sign a finalized report seems redundant in theory and purely bureaucratic. The need for a signature is more likely to be justified through a significant change to the structure of the audit, hence a different partner. The audit team won't remain anonymous because they will be the ones conducting the fieldwork. The clients have opportunities throughout the engagement to meet and converse with the audit team. They also have the power to not accept an engagement unless they feel more comfortable with the information. Physically working in the same building/area and allowing for this type of interaction with the employees is a more sufficient way to gain credibility. The auditors have their clients to worry about, and those clients have their own responsibilities to fulfill in terms building trust.