

From: [John R. Roberts](#)
To: [Comments](#)
Subject: PCAOB Release No. 2016-003
Date: Thursday, August 11, 2016 5:42:23 PM

Board Members and Staff of the PCAOB:

With regard to the above referenced Release I have several concerns that I would like to address. By way of background I spent 35 years with a large international public accounting firm 23 of which I was a partner and also served as managing partner of two different offices while also serving as lead audit partner on several large multinational clients. Beginning in 2001 I have served on the Board of Directors three NYSE registered firms (one retired and two current) and have served as chairman of the audit committee of each firm.

With that as a backdrop I can honestly say that I have attend in excess of one hundred shareholder meetings where the auditors were present and available to answer questions. To the best of my recollection I do not recall any investor ever asking any question of the auditors. Therefore I am having a very hard time understanding the need for the auditors to disclose “critical audit matters” when the opportunity already exists for interested investors to raise any questions they may have. This appears to be a solution in search of a problem.

I share the concerns of those other responders who believe such a standard will have a chilling effect on the open communications that presently exist between auditors and audit committees. Will auditors be reluctant to discuss sensitive matters or audit committees be reluctant to ask sensitive questions if PCAOB reviewers might subsequently conclude that such discussions could have been deemed “material”? I believe this issue alone might well diminish an audit committee’s ability to exercise its oversight responsibility of the audit on behalf of the shareholders.

If the PCAOB subsequently determines that an auditor’s report failed to include a certain “critical audit matter” will the auditor be required to recall the defective report and reissue a new one even if several years have passed? How might this effect a company in the midst of a transaction or registration? This might not not be a situation where the financial statements and notes, which are still the primary responsibility of management, were misstated but merely reflect a difference of opinion between the auditor and PCAOB. It seems such an occurrence could be highly detrimental to the shareholders.

I am not in favor of this release and appreciate the opportunity to share my comments.

Most sincerely,

John R. Roberts

Sent from [Mail](#) for Windows 10