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August 15, 2016

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

Re: PCAOB Rulemaking Docket Matter No. 034
The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion

Dear Secretary:

The members of the audit committee of CA, Inc. (the "Company") appreciate the opportunity to comment on the Public Company Accounting Oversight Board's (the "PCAOB" or the "Board") proposed auditing standard, Rulemaking Docket Matter No. 034 (the "Proposed Standard"), "The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion".

We fully support the PCAOB's objective of improving the auditor's report to make it more informative and relevant to financial statement users and commend the Board on its thoughtful exploration of the important issues in this project. The Board's decision to repropose the standard for a second time after receiving over 400 comments in response to the initial proposed standard dated August 13, 2013 and the concept release dated June 21, 2011 shows how important and impactful this topic is to financial statement preparers, auditors and investors.

While we believe that there are certain aspects of the Proposed Standard which do further the PCAOB's objective, such as retaining the pass/fail model of the existing auditor's report, requiring the opinion to be the first section of the auditor's report and requiring section titles to guide the reader, we also firmly believe that there are other sections, mainly the requirement to communicate critical audit matters and disclose auditor tenure in the auditor's report, which will not further the Board's objective and should not be included in the final Proposed Standard.

CRITICAL AUDIT MATTERS

We acknowledge the Board's efforts to provide additional clarification on critical audit matters ("CAMs") but continue to believe that the inclusion of CAMs in the auditor's report will not provide the expected value to the users of the financial statements. We have the following specific concerns with the Board's CAM proposal:

- The primary responsibility for reporting on a company's financial matters has historically and appropriately resided with management in its duty to meet the disclosure requirements set forth in the Securities and Exchange Commission ("SEC") rules and regulations. Under existing SEC rules, companies are required to disclose areas of critical accounting, many of which involve complex situations and a high degree of judgment either in the application and interpretation of existing accounting literature or in the development of estimates that affect the financial statements, within Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") as "critical accounting policies and estimates". Since the SEC rules for determining what qualifies for disclosure as critical accounting policies and estimates differ from the Board's framework for determining CAMs, this will invariably lead to differences in identification of matters for disclosure. Moreover, the proposed disclosure requirements for CAMs differ from the SEC disclosure requirements. Together these fundamental differences will cause the auditor to become the original source of disclosure of company information. We believe that it is the responsibility of the SEC, not the PCAOB, to determine what disclosures a company must make to its investors. While it might be appropriate under certain circumstances for management and the auditor to work closely in determining the appropriate level of disclosures, we firmly believe that management, not auditors, should be the primary source for disclosure of critical accounting matters and be able to make final determination of what would be deemed critical information to the users of the financial statements and the auditor must determine if such disclosure, in the context of the financial statements taken as a whole, impacts their ability to issue an unqualified opinion.

- An unqualified audit opinion should, by definition, be free from qualifications. Since investors do not have direct access to the auditor and many may not have a thorough understanding of the audit process, CAMs will likely be misinterpreted as an indicator of an issue with any particular matter highlighted as a CAM and may also be perceived as an implicit qualifier to the audit opinion. This, in turn, could result in undue investor focus on the impact of CAMs on an unqualified opinion, unnecessary effort by management in answering questions on or providing explanations about CAMs and ultimately weaken the effectiveness and value of the auditor's unqualified opinion.

- The effort required to incorporate CAMs into the audit opinion will result in a diversion of time and attention of all parties involved in the financial reporting process that will lead to a chilling effect on communications between the auditor and the audit committee. The revision to the definition of CAMs to include "any matter that was communicated or required to be communicated to the audit committee…" may make some auditors include matters in audit committee communications that might not otherwise have been included out of concern the omission of the item from the CAM section of the auditor's report could lead to a PCAOB finding or legal exposure. On the other hand, some auditors may think twice about communicating border-line or judgment-based matters to the audit committee and may not do so knowing that this will need to be disclosed in the auditor's report and could perhaps be misconstrued or confusing to investors and/or regulators. Either way, it is reasonable to expect that CAMs that were not previously anticipated in the early phases of the audit will arise during the tight reporting deadline, and, as such, there will be a considerable investment of time and effort by the auditor in determining whether or not a matter "involved especially challenging, subjective or complex auditor judgment" and is therefore a CAM that should be included in the report and in formulating language describing a particular CAM that is acceptable to both management and the auditor. Furthermore, such assessment of what audit matters are "challenging, subjective and complex" requires the auditor to make a separate determination on each audit matter, which arguably is inconsistent with the objective of an integrated audit - the reasonableness of the financial statements taken as a whole and that the company maintained, in all material respects, effective internal controls over financial reporting as of the balance sheet date. In order to properly convey the context of a CAM to external financial statement users, disclosure will need to be expansive, and the likely battles over wording as well as the inclusion/exclusion of certain CAMs will cause other audit matters to receive less focus and could put pressure on communications between the auditor, management and the audit committee, thus undermining the overall quality of the audit while increasing the amount of time spent by the auditor on the engagement, ultimately leading to an increase in overall audit fees.

AUDITOR TENURE

The new Proposed Standard requires that the auditor's report include a statement regarding auditor tenure. As with the initial Proposed Standard, the new Proposed Standard once again indicates that there is no conclusive evidence as to how auditor tenure impacts audit quality or how the disclosure of auditor tenure would benefit investors. Likewise, there is no objective evidence on linkage between the auditor's tenure and audit firm independence. As such, we do not believe that this part of the Proposed Standard would add value to the auditor's report and should not be included in the final standard.

Just as important, requiring the auditor to disclose its tenure is inconsistent with the auditor/client relationship established by the Sarbanes-Oxley Act. The auditor is appointed by a company's audit committee and does not necessarily control its tenure. In response to the SEC's concept release seeking comment regarding an audit committee's reporting requirements, we noted that the Company, as well as other companies, have provided voluntary disclosures. Included among the Company's voluntary disclosures is the number of years our auditor has been the Company's auditor. We believe, in the Company's case, our auditor's tenure may be meaningful information. However, consistent with the auditor/client relationship framework such determination should be voluntarily made by the registrant.

CONCLUSION

We appreciate having the opportunity to comment on the Proposed Standard and commend the PCAOB's efforts to make the auditor's report more informative and relevant to financial statement users. With respect to the proposed enhancements to the auditor's report regarding retaining the pass/fail model of the existing auditor's report, requiring the opinion to be the first section of the auditor's report and requiring section titles to guide the reader - since these matters promote this objective, we believe that they should be included in the final standard. However, we believe that the PCAOB needs to more strongly consider the negative impacts caused by provisions in the Proposed Standard requiring disclosure of critical audit matters and disclosure of audit firm tenure.

We believe the proposed shift of responsibilities for original source of disclosure of company information from the company's management and audit committee to the auditors, as suggested in the Proposed Standard, inappropriately expands the role of the auditor and unavoidably takes away from the importance of management's responsibility to communicate important financial information and the governance role performed by the audit committee, thus essentially undermining the foundation of financial reporting. Therefore, we encourage the Board to take steps towards ensuring that the roles of management, the audit committee and the auditors are neither compromised nor diminished under the Proposed Standard, and that the objective of improving the auditor's report is achieved while maintaining the integrity of the current financial reporting infrastructure.

If it would be helpful to the Board, the chairman of our audit committee, Raymond J. Bromark, is available to discuss our comments with the Board or its staff. If you wish to arrange this meeting, please contact the Company's Executive Vice President, General Counsel and Corporate Secretary, Michael Bisignano, at 1-800-225-5224. Thank you for your consideration of our comments.

Very truly yours,

The Audit Committee of CA, Inc.

Raymond J. Bromark, Chair
Jens Alder
Rohit Kapoor
Jeffrey G. Katz