Tyson Foods, Inc.
Making Great Food. Making A Difference.™

December 11, 2013

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803
comments@pcaobus.org

Submitted via electronic mail

Re: PCAOB Release No. 2013-005, PCAOB Rulemaking Docket Matter No. 034
PCAOB Board Members:

Tyson Foods, Inc. (Tyson), founded in 1935 with world headquarters in Springdale, Arkansas, is one of the world's largest meat protein companies and the second-largest food production company in the *Fortune* 500. We produce a wide variety of brand name protein-based and prepared food products marketed in the United States and approximately 130 countries around the world.

Tyson appreciates the opportunity to submit our comments on *The Auditor's Report on an Audit of the Financial Statements When the Auditor Expresses an Unqualified Opinion; the Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report; and Related Amendments to Public Company Accounting Oversight Board (PCAOB) Standards*. We support the PCAOB's continued focus on enhancing investor confidence and understanding of the audit process. However, we do not support the PCAOB's proposal in its current form.

Critical Audit Matters

We have significant concern with respect to the PCAOB's proposal that the auditor's report include a discussion of Critical Audit Matters (CAMs). The Board defines CAMs as the audit matters that:

- involved the most difficult, subjective or complex auditor judgments;
- posed the most difficulty to the auditor in obtaining sufficient appropriate evidence; and
- posed the most difficulty to the auditor in forming an opinion on the financial statements.

The source of such matters is identified as being:

- included in engagement completion documents:
- reviewed by the engagement quality reviewer; and
- communicated to the audit committee.

Our first objection is we do not believe it would be appropriate for the auditor to be the first source of information or to disclose information that is not otherwise required to be disclosed by management (or even exempt from disclosure). Board Member Jay D. Hanson illustrated an example in his Statement on Proposed Standards Regarding the Auditor's Report and the Auditor's Responsibility Regarding Other Information. The example he provided was a deficiency in internal controls that is classified as a significant deficiency, not a material weakness. If the auditor determined the evaluation of this deficiency was a CAM, then it would be disclosed by the auditor but not required (or exempt) from disclosure by management.

Secondly, the language of the proposal and Board member Jeanette M. Franzel's comments indicate the Board expects multiple CAMs in most cases. It seems likely auditors would err on the side of including more rather than less CAMs, and management would be compelled to address all CAMs within footnotes and/or Management's Discussion and Analysis. Like several other respondents have noted, we believe these reported CAMs would closely or exactly mirror management's existing disclosures, effectively diluting those areas of the financial statements. As a result, understanding of the information required to be presented in the financial statements would not be enhanced in any meaningful way, and the simple "pass/fail" opinion would be harder to find and interpret.

It is also quite possible the inclusion of specific audit procedures performed on these CAMs (as in all three of the Illustrative Examples of CAMs provided by the Board on pages A5-65-78), although not required, leads to the inference that the auditor has differing levels of opinions on these matters, since no conclusions are stated for the procedures performed. We do not believe a description of specific audit procedures performed is necessary nor would conclusions on those procedures be appropriate.

The potential "bright light" shined on CAMs by PCAOB inspectors and others would likely lead to additional review by the auditor's engagement leadership and national office and issuers' legal counsel, as well as requiring time for management's review of the auditor's disclosure. As a practical matter, this review would necessarily occur during the busiest few weeks prior to SEC filing, a period that is already pressured and that ought to be devoted to focused completion of the primary audit work.

Moreover, we believe that a likely consequence of adding superfluous (from the company's perspective) requirements is a potentially chilling effect on effective dialogue amongst auditors, audit committees and management. In the interest of arriving at the "best answer" when dealing with unusual, complex and/or infrequent financial reporting issues, it is not conducive to robust discussions (or discussions at all) among these groups if one of the results of such discussion is that the matter will be deemed a CAM. Ultimately, financial statement quality could become the main casualty.

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At a minimum, we agree that the proposal should be "field-tested" by accounting firms, their clients and representative investors.

Reporting on Other Information

We believe the proposed wording of the requirement to "read and evaluate" rather than "read and consider" will be interpreted as a higher standard by the auditors and a requirement to perform additional audit procedures, thus driving up the audit cost. Just as importantly, it leads to the inference that the auditors are undertaking a higher degree of accountability than warranted on information the auditor may not possess the expertise to perform. For example, reporting on forward-looking information that is complex or challenging for the auditor to evaluate involves complexities that could result in this standard requiring significant time and attention by auditors. At a minimum, we agree that the proposal should be "field-tested" by accounting firms, their clients and representative investors.

Auditor Tenure

Absent an objective correlation between audit tenure with audit independence or quality, and we are aware of none, we believe disclosing this information in the auditor's report, in which independence is already noted elsewhere, does not convey helpful information and potentially portrays an inaccurate implication to those readers. It is better suited to inclusion, if at all, in the proxy statement or other avenues.

Conclusion

Again, we thank the PCAOB for the opportunity to comment on these Proposed Auditing Standards. If you have any questions regarding the comments in this letter, please contact our Senior Vice President, Controller & Chief Accounting Officer, Curt Calaway at (479) 290-5576.

Sincerely,

/s/ Kevin M. McNamara
Kevin M. McNamara, Director and Audit Committee Chairman
Tyson Foods, Inc.

/s/ Dennis Leatherby
Dennis Leatherby, Executive Vice President and Chief Financial Officer
Tyson Foods, Inc.