



March 15, 2024

Phoebe Brown
Office of the Secretary
PCAOB
1666 K Street, NW
Washington, D.C. 20006-2803

Re: Amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations and Other Related Amendments, PCAOB Release No. 2023-003, PCAOB Rulemaking Docket Matter No. 051, June 6, 2023.

Dear Ms. Brown:

On behalf of AARP, which advocates for the more than 100 million Americans age 50 and over, we are resubmitting comments in response to the request for public comment by the Public Company Accounting Oversight Board (PCAOB) on amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations and Other Related Amendments (NOCLAR).

On August 7, 2023, we submitted the included comment letter where we noted that we generally support the PCAOB's continued efforts to update auditing standards, particularly the legacy standards held over from the period prior to the creation of the PCAOB. We also noted PCAOB's proposed amendments would update the standard in place since 1988 to reflect changes needed to better protect investors and savers from potential wrongdoing by companies.

There are few issues in the auditing space that are more important to older investors and savers than concerns over fraud. Our position from our original comment letter has not changed and we respectfully resubmit those comments during this reopened comment period.

Again, AARP appreciates the opportunity to comment on the PCAOB's proposed amendments to the NOCLAR. If you have any questions, please feel free to contact Chad Mullen of our Government Affairs office at chmullen@aarp.org or (405) 697-9434.

Sincerely,

A handwritten signature in black ink, appearing to read "David Certner", with a stylized flourish extending from the end of the signature.

David Certner
Legislative Counsel and Legislative Policy Director
Government Affairs



August 7, 2023

Phoebe Brown
Office of the Secretary
PCAOB
1666 K Street, NW
Washington, D.C. 20006-2803

Re: Amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations and Other Related Amendments, PCAOB Release No. 2023-003, PCAOB Rulemaking Docket Matter No. 051, June 6, 2023.

Dear Ms. Brown:

On behalf of AARP, which advocates for the more than 100 million Americans age 50 and over, we submit these comments in response to the request for public comment by the Public Company Accounting Oversight Board (PCAOB) on amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations and Other Related Amendments (NOCLAR).

We generally support the PCAOB's continued efforts to update auditing standards, particularly the legacy standards held over from the period prior to the creation of the PCAOB. PCAOB's proposed amendments would update the standard in place since 1988 to reflect changes needed to better protect investors and savers from potential wrongdoing by companies.

Few issues in the auditing space are more important to older investors and savers than concerns over fraud. Ensuring that fraud does not occur is an important part of an audit. Under existing auditing standards, firms are obligated to implement procedures designed to provide reasonable assurance that financial statements are free from material misstatements, whether from error or fraud.

The NOCLAR proposal would strengthen these obligations. First, by including fraud in the NOCLAR proposal, the amendments would clarify that auditors have additional responsibilities in cases of suspected fraud. For example, they would be required as part of the audit to understand the company's processes for preventing, identifying, evaluating, communicating, and remediating instances of alleged or suspected fraud.

Second, the proposal would require that as part of the assessment process, auditors read an expanded category of publicly available information including press releases, company websites and, in some cases, social media accounts of executive officers in an effort to assess the possibility of inaccurate financial statements. As the release notes:

Reading such information may bring to the auditor's attention statements made by the company and its executive officers, which may be contradictory to other information obtained by the auditor or within the financial statements and may indicate potential risks of material misstatement in the financial statements. Information from these sources may also assist the auditor in identifying and assessing risks of material misstatement related to accounts or disclosures in the financial statements or omitted, incomplete, or inaccurate disclosures.

Contradictions and inconsistencies can themselves implicate noncompliance with the federal securities laws, particularly the antifraud provisions. We ask that any amendments to the NOCLAR make clear that when applicable the information will be communicated to the audit committee.

Finally, we note that the proposed language would require additional procedures whenever the auditor uncovers evidence of "material misstatements of fact" in documents containing audited financial statements. While the additional procedures would be limited to documents containing financial statements, we would suggest it be clear that an auditor uncovering possible misstatements of material fact found in any SEC filing or other public document would be obligated to communicate the information to the audit committee.

Again, AARP appreciates the opportunity to comment on the PCAOB's proposed amendments to the NOCLAR. If you have any questions, please feel free to contact Chad Mullen of our Government Affairs office at chmullen@arp.org or (405) 697-9434.

Sincerely,

A handwritten signature in black ink, appearing to read "David Certner", with a long horizontal flourish extending to the right.

David Certner
Legislative Counsel and Legislative Policy Director
Government Affairs