

Laura Phillips
Oral History
December 11, 2019

Lucy Harvey:

Hi, it's Lucy Harvey. I'm here with the Securities and Exchange Commission Historical Society and we are doing an oral history with Laura Phillips, former Deputy Chief Auditor of the PCAOB. We're in the Washington DC offices of Ankura Consulting and it's December 11th, 2019. Thanks Laura. I'm so glad you could join me today.

Laura Phillips:

It's my pleasure. It's an honor to get to do this!

Lucy Harvey:

Laura, you're a Buckeye. You're an Ohio native. Tell me about your college experience of what drew you to accounting?

Laura Phillips:

I went to Miami University in Ohio. It was my dad's pick for the strength of their business school. At the time I started my undergraduate work, I knew I wanted to go into business, but I wasn't sure exactly what I wanted to do. I knew that accounting would be a great foundation. I actually started off as a triple major in Accounting, Finance, and Spanish!

Lucy Harvey:

Oh wow. And your dad had been an auditor, right?

Laura Phillips:

He was a partner at Ernst. He started off on the audit side of things, and then he moved to tax.

Lucy Harvey:

So your dad had given you some pretty practical advice in terms of choosing a career, hadn't he?

Laura Phillips:

It was great advice. He said, "You're responsible for your own happiness and finding your own way in life. You can do anything you want—except you're not allowed to try to ride professionally." For folks who know me, horses are my grand personal passion. I've been riding continuously since I was a child, and my dad was right. My horses are better enjoyed as an amateur. Accounting—particularly having watched my dad grow up in public accounting—that felt like a natural fit to me in terms of a practical career that would suit me well.

Lucy Harvey:

And a way for you to afford your horses.

Laura Phillips:

Indeed!

Lucy Harvey:

What kind of training and experience did you get in your early career (sic. assignments) which was at Ernst & Young, is that right?

Laura Phillips:

It was Ernst & Young—at the time I joined the firm. Ernst & Ernst, and Ernst & Whinney, when my dad was there. Ernst & Young by the time I joined. And like a lot of folks, early in my career I had a really broad base of clients. Ultimately, I specialized in financial services. At that point, most of my clients were banks and broker dealers.

Lucy Harvey:

And you were aiming for the national office, right?

Laura Phillips:

Well, I had made a deal with myself: When I started in public accounting, I wasn't positive at the outset whether that would be the right career path for me. I decided that I'd give it at least five years, make manager, and then make a decision about whether that was the right long-term career path for me. When I hit that milestone, I really liked what I was doing. So I decided if I wanted a long-term career in public accounting, I ought to find myself a national office rotation. And that's what I set out to do.

Lucy Harvey:

And you got some pretty amazing experience at the national office, right? Will you talk about those experiences?

Laura Phillips:

Sure. My banking background became the entree to the National Financial Services practice in New York. I was in the Cleveland practice office when I interviewed for the national residency, and initially received the feedback that I hadn't gotten it because they'd wanted someone more seasoned. As I recall, the person who was supposed to go backed out, and they called me and said, "You're younger than we wanted, but if you can be here within three weeks, you can have it." And that was the first relocation my husband and I did! Extra challenging to do it in just three weeks!

Laura Phillips:

It was a spectacular experience, indeed, as I started to really broaden my network. I saw even more of the corner-case type things that were happening at the firm. And I didn't know it at the time, but it started to become really great preparation for what I was going to want to do with the PCAOB. I started to consult nationally on matters involving FDICIA—the FDIC Improvement Act. That was the regulatory reaction to the savings & loan crisis and big banks ended up needing to do substantially the same kind of reporting on internal control as the Sarbanes–Oxley Act would later require of all public companies.

Laura Phillips:

I didn't know it at the time, but FDICIA was really a giant field test of what was later to come. I got a chance to see audits of internal control as a practicing auditor, and how you would do that work in the

field. And then handling the firm's national audit methodology on FDICIA and dealing with all those national consultations was another perspective.

Lucy Harvey:

You also got some AICPA experience, right?

Laura Phillips:

I did. I ended up with two separate national rotations, the first one in New York, in National Financial Services, and then another one back in Cleveland, in the National AABS Standards practice. And yes, I assisted at the AICPA's Auditing Standards Board and their work, which was a really interesting developmental experience for me to get to see more closely the interplay between the firms' methodology and the auditing standards. And how did the firms' methodologies differ? How did the auditing standards in fact accommodate slightly different approaches within a firm's more detailed audit methodology?

Lucy Harvey:

And then you were a working auditor when Enron hit. So what did that feel like? And Anderson of course. Tell me what your reaction to that was.

Laura Phillips:

It was shock, both at Enron and when Anderson went down. Although I was relatively young in my career, I felt fortunate to have gotten perspective on what was happening at the other firms. I'd heard the discussions and debates around the Auditing Standards Board when I was in National. In terms of business development and acquiring new clients in the practice office, I'd also been involved in successor auditor work paper reviews and seeing other auditors work in that context.

Laura Phillips:

I just had a strong sense that there wasn't anything uniquely inferior about Anderson, and there but for the grace could have gone any of the other big firms. It was a time to restore confidence in the audit profession as a whole and really improve the whole profession across the board.

Lucy Harvey:

And then tell me what was your path to the PCAOB and why did you want to go work there?

Laura Phillips:

I had a strong sense of public service and wanting to go help out. The PCAOB, as you know, is composed of the five Board members, only two of whom can be CPAs. What was going on in the press at the time was this hand-wringing, that this was going to be the equivalent of lay people setting surgical standards. The sentiment was that the PCAOB was going to make the profession worse, not better.

Laura Phillips:

My internal reaction was "well, it's literally going to take an act of Congress to make them go away. It's going to be better for all of us, not just the profession, but the capital markets as a whole, if they make things better, not worse. They're going to need good senior staff and advisors to help out." And I knew

the internal control standard would be one of the very first things on the agenda and I really wanted to be able to go help.

Laura Phillips:

And so I pursued two paths. I was a voracious reader and listener of all things the PCAOB was doing. I remember listening to a recording of one of the Board's open meetings and Kayla Gillen, one of the original Board members, saying, "We're recruiting! If you have an interest, please apply on the website." So I did that. It was a form-driven application, that went to a recruiting firm that was doing the screening. It was a good thing that I also pursued a second path, which was personal networking.

Laura Phillips:

Doug Carmichael was appointed the Board's first Chief Auditor. I managed through personal networking to get an introduction to Doug, and I approached him privately with, "I really want to come help on the standard setting staff."

Lucy Harvey:

That's fantastic. On the first day, I think that you started, did you get something in the mail that basically was a rejection?

Laura Phillips:

Yes! I can't remember the exact timing; it was definitely after I'd gotten my offer and accepted. But yes, I got a form rejection letter from the recruiting firm that was doing the screenings saying basically 'thank you for applying but you're not quite up to snuff.' Which in fairness to the firm, I think they were probably screening for more senior roles. But indeed, really good thing I'd pursued the other path!

Lucy Harvey:

Yes. Really good thing. What was the culture of the PCAOB like in those early days?

Laura Phillips:

Intensely mission-driven. Everyone there had a lot of energy for the Board's mission and felt a really heavy sense of responsibility to improve the profession, do the right thing for investors, and be really careful about the precedents we were setting.

Lucy Harvey:

And I understand that it was a very small staff and everyone had several projects. So what were your projects?

Laura Phillips:

Right off the bat, of course the internal control standard was first up, with the most urgency. I initially had great aspirations for how many standards I'd work on. We thought we would do more substantive standards, much more quickly. The risk assessment standards were next up. I was originally supposed to be the staff lead on those, too. It became very clear, very quickly, that it was going to be all internal control all the time for me, or near to it.

Lucy Harvey:

You have said that AS2 “had a lot to shoulder,” so explain that.

Laura Phillips:

As I mentioned before, I had an appreciation for the way the auditing standards accommodated different detailed approaches in terms of the firms’ methodologies within each firm. And as the PCAOB really got settled and matured—including for the first time having standard setting, enforcement, and inspections all under one roof—there needed to be some element of close convergence in the firms’ audit methodologies. An integrated audit of internal control touches all phases of the audit.

Laura Phillips:

So that was one of the first things that I think AS2 needed to shoulder: some element of convergence in the firm's methodologies that was going to need to happen anyway. There was probably a need for even more learning about auditing internal control than I appreciated, too. Particularly coming from my banking background, where auditing internal control already felt familiar. I think I underestimated the learning curve that would be really broad-based, and how few folks had that background at the time.

Laura Phillips:

It was the first standard of real substance that the PCAOB was writing. So the Board needed to find their voice, what that looked like. I think there also was probably an element of enhancing audit quality. At least on some engagements, I think the audit engagement may have gotten more commoditized and in terms of being able to enhance audit quality, firms probably needed to make up some margin.

Laura Phillips:

The adoption of AS2 and auditing internal control provided some cover for that, which was healthy and needed to happen anyway. So there's really a lot going on beyond just auditing internal control that AS2 ended up having to shoulder.

Lucy Harvey:

You've also said that for the PCAOB, it was the first time they had the pen in their hand. Can you describe what that was like?

Laura Phillips:

A lot of folks had initially expected that the PCAOB would delegate standard setting back to the AICPA. It became clear in the Board’s early days, in terms of discharging their mission and protecting investors, that they weren't going to be able to do that. I already anticipated that decision in terms of why I wanted to be there. If they delegated standard setting back to the AICPA, it wouldn't have had near the appeal to me that it did, knowing that they'd be writing their own standards.

Laura Phillips:

The Board members were as active as you would have wanted them to be regarding their duties and understanding what it means to have the pen. They appropriately wanted to articulate things that would make sense to both auditors and non-auditors. There’s an element of setting auditing standards that’s behavioral, too. The standards need to be effective in directing audit behavior, and there’s necessarily a technical element to that.

Lucy Harvey:

For the profession though, that was a big change. It was like things were going on in a black box, right? Because they had been in the room before.

Laura Phillips:

I think that's an important change that you're highlighting. The Board certainly wasn't trying to create a black box or put the firms at any kind of disadvantage. That would be the antithesis of what the Board's about in terms of enhancing audit quality. It was more about the integrity of the due process. In terms of setting precedents and finding their way, the Board has some flexibility in how it sets up its rulemaking; since it's not a government agency, it's not subject to the Sunshine Act.

Laura Phillips:

Particularly at that time and still today, it is set up with a lot of rigor. The intention was to protect the rigor of the due process, to create as good a draft as possible and expose it for public comment. Everyone comments, the PCAOB takes the comments on board, and then adopts a final standard.

Laura Phillips:

But yes, it left out a lot of the debate that would have been happening at the Auditing Standards Board: What does that really mean? How would different firms translate that into methodology? Is there a better way to articulate it? Even if there wasn't necessarily a better way to articulate it, the firms would have had some dialogue as part of the Auditing Standards Board's process such that there would have been more of a common, shared understanding of what was really intended. There was a lot of depth to that communication that then got simplified in the PCAOB's process. More dimensions to the process that were compressed.

Lucy Harvey:

Yeah. And you ended up writing AS2 in about four months. You proposed it in October 2003 and then waited for comment letters. So did you expect that you would then be going on to your next assignment and that was not, in fact, what happened, right?

Laura Phillips:

There was a lot of time pressure because for large accelerated filers, the intention was adoption of 404 in 2004. Folks couldn't do that without an auditing standard in place. So there was an enormous amount of time pressure to get through this rigorous due process fast. I can't recall now whether the comment letter period on AS2 was 60 days or 90 days.

Lucy Harvey:

I think it was 90. (https://pcaobus.org/Rulemaking/Docket008/2003-10-17_Release_2003-017.pdf
According to the release it was 45 days)

Laura Phillips:

There was at least some light criticism on whether that was too short. There was probably a Standing Advisory Group meeting in there that I would have had responsibility for preparing agenda materials and some other things. But the moment comment letters started to come in, we were already analyzing

them and really starting to think about the precedent setting again. How were we going to set up briefing papers and analysis? And the volume of comment letters that came was even greater than expected.

Laura Phillips:

It would have fallen either right before or right after the holidays. But I do remember already having slew of comment letters that I was reading over the holidays. I try to normally take the time off between Christmas and New Year's, but that year, I was busily reading comment letters to be able to analyze them as fast as possible and then get together a really thorough briefing paper for the Board.

Laura Phillips:

I remember reading every comment letter twice to be able to sort them in terms of major themes and comments and then further analyze them. We used a construct maybe loosely patterned after a pre-clear type process of what were the alternatives presented and pros and cons considered and rejected. I think it was a very strong process in terms of analyzing the comment letters, notwithstanding being done in such a compressed period of time.

Lucy Harvey:

Then about five months later, the board adopts AS2 in March of 2004. But now it still needs to be approved by the SEC. So what's the reaction?

Laura Phillips:

Fortunately, most folks' posture was to assume the SEC would approve it, and so they dug right in to understanding it and going to work on implementation, as opposed to directing their efforts at seeing if the SEC would make changes to it. The implementation questions came fast and furious and that then became one of the initial challenges for the Board, another precedent to set: what was the best mechanism to be able to address the questions that were coming.

Lucy Harvey:

And you have said before that staff didn't necessarily realize they would be getting so many and that many of the questions were surprising, weren't they?

Laura Phillips:

They ran the gamut. Some of them were very surprising. Some felt like an overreaction or something that wasn't intended and were easy to clarify. Others were more interesting in terms of more detailed fact patterns and understanding how would one apply the standard? But it became clear in terms of precedent setting that we needed mechanisms to better understand the questions that were arising. We created two private working groups that I chaired, one composed of auditors and one composed of issuers, and we would have both separate and joint meetings of those two working groups.

Laura Phillips:

As you can imagine, the dialogues were different depending on whether you were meeting with the auditors and issuers separately or jointly, and that dialogue became a lot of the basis for the staff Q&As to come. We had rigorous public speaking schedules. We had lots of folks coming to visit in private meetings. We felt pretty plugged in, regarding the questions that were coming, but those two working

groups were people who really invested a lot of time. They would come visit in Washington for full day meetings to talk in depth about what the implementation questions were and to give us a chance then to think about those and digest.

Laura Phillips:

The next precedent to figure out was how to best deal with those implementation questions. In terms of the fairness of due process, we decided that staff guidance was the best solution. We believed it wasn't something that needed to be addressed at the Board level. These weren't things that we thought should result in changes in the standard itself but rather that they were implementation questions that could fairly be addressed in staff level guidance. At the same time, making that guidance available publicly so that everyone had equal access to it, was important.

Lucy Harvey:

Equal access. And that was the first time that had been done too, Staff QAs?

Laura Phillips:

There might've been inspection Q&As or something else, but it was the first time that the staff Q&As had been done interpreting an auditing standard that the Board had issued.

Lucy Harvey:

Yeah. And so now AS2 is up for its first year of implementation. The PCAOB ends up releasing staff guidance three times and then the SEC has its first roundtable, and they're signaling that there's some interest in making changes. And so, what was your reaction at that time or the Board's reaction to all of this?

Laura Phillips:

At that point in time, I'm not sure that I took it as strong signaling for change, but rather just an extension of the due process. It had been an enormous change and it was an appropriate point roughly a year after implementation to solicit feedback and do a check-in.

Lucy Harvey:

Did you feel a lot of political pressure at that time?

Laura Phillips:

Oh absolutely. I mean, coming to Washington I was terribly naive. I thought that coming to the PCAOB as a non-profit, not a government entity, that it would be this apolitical entity that would have a completely free hand do whatever it thought was right for public accounting. I had no idea what a committee of jurisdiction was. I had never dealt with government relations. And I completely underestimated how politicized it would be. Yes, the attention and politicization and polarization that would happen around the implementation of 404 was significant.

Lucy Harvey:

So then after this SEC round table, PCAOB issues Q&As in response to that. And what is the reaction to those?

Laura Phillips:

At this point, my feeling was still 'the standard's not broken,' that it's still a matter of implementation. From my banking background and that experience, I had a good sense of what I was visualizing should happen and that an audit of internal control was very much a risk management exercise. This was about what could reasonably go wrong in a company's financial statements and how do you know that didn't happen? An audit of internal control is a rigorous process, but at the same time, you're obtaining reasonable assurance, not absolute assurance. And so I had a strong sense that if folks are having a bad experience with this, there's probably a misunderstanding somewhere because at the heart of it, it should be about good risk management.

Lucy Harvey:

And did you see kind of this continuous flow of opposition? Was it renewed opposition, or it was just that the opposition kept flowing?

Laura Phillips:

Well, at the practitioner level from the firms and certainly large issuers, at one point it felt like it was starting to settle down a bit in terms of folks understanding. It certainly wasn't a mature process yet, but it felt like it was starting to settle down a bit. But I think about the time that it felt like it might be starting to settle down then yes, it seemed like it fanned back up again. It was hard for me personally to interpret at that point if the way it was getting re-energized was representative of more broad-based issues or if that was more a function of the adeptness of certain voices to get a lot of attention.

Lucy Harvey:

Right. Then the PCAOB released their first 4010 report describing the inspection results after the first year of implementation of 404, and was that a milestone?

Laura Phillips:

I think it was a big milestone. It was really important to the Board, in relation to realizing the PCAOB's potential of having standard setting, inspections, and enforcement all under one roof and being able to provide fast feedback to the firms on the application of AS2. And the approach taken was important. It certainly wasn't just friendly coaching, but at the same time, it was strategic that the regulatory response would be restrained and not put the firms under too much scrutiny immediately.

Laura Phillips:

Again, the feeling of time pressure, to be able to get the firms good feedback...and good feedback meaning that the inspections staff wasn't just picking up the standard, reading it cold, and making some decisions but rather that we were closely collaborating behind the scenes and getting together in conference rooms and talking through "Here's what we're seeing in the work papers. This looks like it is or isn't the kind of response that was intended in the standard. Here's the sort of inspection finding that we're getting ready to tee up. Is that a fair criticism? How should we describe that?" So there was a lot of collaboration behind the scenes between the inspections and standard setting groups.

Lucy Harvey:

But the criticism continues and SEC and PCAOB announced that they're going to have a joint round table and that's going to be May 10th of 2006. And did you have a sense then that changing the standard was kind of a foregone conclusion at this point?

Laura Phillips:

I'm not sure completely foregone conclusion. Having the round table was an important part of the public record and the due process, but I think it was close to it. I think there was a sense already, and preparations underway, that that would likely be the outcome, that was likely what the public record would support coming out of the round table.

Lucy Harvey:

Was there even more political pressure coming from the Bush administration at this point? SEC sources have said that "fixing 404" was one of President Bush's top priorities. So did you feel that?

Laura Phillips:

I'm not sure about President Bush personally, but at this point it was the first time, yes, that the White House was involved. We had earlier exposure to committees of jurisdiction and were doing briefings for committee staff on House Financial Services and Senate Banking. Starting to undertake what became AS5 was the first time, at least at the PCAOB level, that there were White House briefings as well.

Lucy Harvey:

And then whose decision was it to replace instead of amend AS2?

Laura Phillips:

There was a lot of discussion behind the scenes about it at a technical level. There was a technical argument of 'what are you trying to signal about the magnitude of change?' When you think about the way FASB undertakes their standard setting or the AICPA, there's some threshold of change that you're looking to drive, and that gets signaled by whether it's an amendment to an existing standard or a whole new standard.

Laura Phillips:

Regarding the magnitude of change that we were looking to drive, that was an interesting thing to get grounded in. It's signaling change, at the same time, there were parts of the audit of internal control that were being criticized unfairly. In an audit of internal control, you need to obtain reasonable assurance. It's not a by-product of the audit of the financial statements. For the folks at this point who were taking a run at trying to repeal the whole of 404, those voices were never going to be satisfied with any audit standard requiring reasonable assurance on internal control.

Laura Phillips:

What became clear, and what ultimately carried the day, was look, that's really too subtle and too technical an argument. There's enough change that needs to be made and an important rebranding that needs to take place. What is the audit of internal control? It became very clear that the right thing to do was a new standard with a new number, a new title, and really completely new branding.

Lucy Harvey:

Were you overwhelmed at the idea of rewriting AS2?

Laura Phillips:

Not at all. I was actually really glad I was still there. Coming in to the PCAOB, I never intended to be a career regulator. I intended it to be something developmental and short-term, that I would help out for a while. I was really excited that if the Board was going to undertake rulemaking to completely change the standard, that I was still going to be there, both to fix it, and to keep anyone else from breaking it. I know what was intended and why; I knew that what should be a good risk management exercise ought to be reasonable and healthy.

Laura Phillips:

Both to have the opportunity to fix it and to keep anyone else from breaking it, I felt really fortunate that I was still there to be able to work on that.

Lucy Harvey:

Why do people not understand that you actually wrote AS5?

Laura Phillips:

On the adopting release, it lists the folks to call with questions. I'm a pretty low ego practical person. So folks asked me, at the time that we were getting ready to finalize the adopting release, whether I wanted to be listed. Keep in mind, it was already clear at this point that I was going to be leaving the Board. I'm a very practical person, and in my mind, it's not meant to be a roll of credits. I take it at its face, which it says who to call for questions, and I knew I wasn't going to be there for very long after it was released.

Laura Phillips:

I said, "Don't put my name on it because I won't be here to answer questions." I had no idea that would create this misimpression that I wasn't involved with AS5, when in fact I was very much involved. I don't know if I had it to do over again, I probably would have said put my name on it, but don't put my direct dial line on it. Put the Board's main number so that someone could be quickly redirected, but it's fine.

Lucy Harvey:

Yes. Why did you choose to leave the PCAOB at this time?

Laura Phillips:

I felt like I was getting to a logical point of closure in the work that I was doing. As I mentioned, I had never intended to become a career regulator and at that point in time I also was starting to feel like internal control was starting to define my career. I was so much the face of the Board's internal control standards and they'd gotten so much attention. In many ways I'm fortunate, but at the same time, I didn't want internal control to define my career. That was part of why it all came together at the same time to feel like it was the right time for me to move on.

Lucy Harvey:

They set a precedent for you, didn't they? By sending out a press release.

Laura Phillips:

It was really nice. Yes. So yet another precedent. I think I was among the very first of the original senior staff to leave. The press release was really nice, particularly because I was wanting to explore whether I wanted to go back to a firm or I wanted to go onto the industry side of things. I ultimately chose the industry side of things, but this exploration I wanted to do was going to involve recusals.

Laura Phillips:

Not only was the press release a really nice public acknowledgement, it made the recusals easier. It took a little while for folks to understand though! That again, they should take it at its face. It was really meant to be open season for me to find my next step, and initially the reaction was a little slow. Folks thought maybe that was just a really nice gesture, but that I already had something lined up on the side.

Laura Phillips:

So things were initially kind of quiet and my phone wasn't ringing until the word got out—No, nothing lined up yet; the release just meant open season.

Lucy Harvey:

Right. They sent out a press release that said she is going to leave the board and so people could then be free to approach you.

Part of your responsibilities at the board were to hire staff. So what were you looking for when you were hiring for the PCAOB?

Laura Phillips:

It wasn't just former national office folks. It really was much more about people who had a natural passion and energy for the Board's mission and had good communication skills. There's certainly both oral and written communications, with a demanding public speaking schedule, and then standard setting. Much of what's done there is needing to be good at written communications, but really it was much about attitude and aptitude, a willingness and interest to really become a standard-setting technician. But again, not necessarily somebody right out of the national office.

Lucy Harvey:

And what were you looking for in your next move after the PCAOB?

Laura Phillips:

I ultimately decided to make a pivot, which surprised me. There became two big differentiators: One was about personal risk taking and accountability and wanting to be responsible for a big public company's financial reporting and held accountable for that, and not fundamentally an advisor.

Laura Phillips:

The other was about people development and having the opportunity to lead a really large team of people, which as you know, is hard to do in a traditional sense in public accounting based on firm structure.

Lucy Harvey:

Is internal control still a big part of your life?

Laura Phillips:

It is. It's turned into a continuing passion project of mine. One of the things that made me want to make that career pivot and get involved in public company controllership was time that I'd spent while I was on the staff of the PCAOB with FEI's Committee on Corporate Reporting. It's a national standing committee of FEI that's composed of about 45 chief accounting officers of really large public companies.

Laura Phillips:

I've stayed involved with the CCR in one form or another ever since I've left the PCAOB. I'm a member now and have been chairing for the last few years an ad hoc working group on internal control issues. Last year, we issued for the first time two in-depth documents on ICFR insights on the new leases and CECL standards, and just last week, we issued the third document that is internal control insights on business combinations.

Laura Phillips:

This is the first time that this sort of in-depth internal control guidance has been published that's been written by preparers, for preparers. A lot of folks have helped make these the successful documents that they are. There've been a number of CCR member companies that have invested a lot in terms of the core team working on that, as well as the broader CCR. Also, their auditors have provided input and feedback. The FEI staff has been a huge help and we've had other stakeholders provide key input. It's been really wonderful how supportive the whole community has been in trying to make those successful.

Lucy Harvey:

And did your experience at the PCAOB change you professionally?

Laura Phillips:

Oh my gosh, yes. It was even more formative than I expected. I put spending time in Washington maybe somewhat on par with doing some kind of international experience, because it really is quite its own environment in terms of how politicized everything is and how does the government work. It is an amazing experience. Broadened my network so much. Put me on a changed career path that I didn't expect.

Laura Phillips:

Taught me so much. Coming in, I felt well prepared to really add value and make a positive difference based on my background and heading into standard setting. At the same time, I had so much growing up to do; I matured so much while I was there. I'm really fortunate.

Lucy Harvey:

And I think you made a big difference while you were there. I know they feel that way.

Laura Phillips:

Thank you.

Lucy Harvey:
Thank you for this talk.

Laura Phillips:
It's been my pleasure.