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June 10, 2022

By email: comments@pcaobus.org

PCAOB Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Re: Interim Analysis No. 2022-001, Estimates and Specialists Audit Requirements

Dear Office of the Secretary:

Crowe LLP appreciates the opportunity to share our views in response to the Public Company Accounting Oversight Board's (PCAOB or Board) *Request for Comment: Post-Implementation Review Interim Analysis of Estimates and Specialists Audit Requirements*.

We support the Board's commitment to fully understanding the impact of the estimates and specialists audit requirements on auditors, audit committees, financial statement preparers, investors, and other financial statement users. To support that effort, we provide the following information about the most significant activities that led to costs related to the implementation of the new auditing standard on accounting estimates and the amendments on the auditor's use of the work of specialists as well as the impact on communications with audit committees.

Implementation Efforts

The costliest activities involved training staff and incorporating the new requirements into firm audit methodologies and tools. The focus of the activities for the new accounting estimates standard included addressing the method, data, and assumption components of estimates, including the potential for management bias. For management's specialists, we emphasized the importance of assessing the knowledge, skill, and ability and the specialist's relationship to the company, while review and supervision was emphasized in training and methodology updates for auditor-employed and auditor-engaged specialists.

The firm participated in the Center for Audit Quality task force (Task Force) on the implementation of the auditing standards related to accounting estimates and use of the work of specialists. The Task Force met with the PCAOB staff to discuss certain implementation and interpretation questions. These discussions were extremely beneficial for the firm in the development of our methodology related to implementation of these auditing standards.

In addition, the PCAOB staff's guidance¹, and webinars^{2 3} held in advance of the effective date of the requirements were appreciated. These efforts helped to support an effective initial implementation of the requirements and the staff guidance was a valuable resource in helping update our audit methodologies and tools.

¹ [PCAOB Staff Provides Guidance for New Requirements on Auditing Estimates & Auditor's Use of the Work of Specialists](#)

² [PCAOB Staff Presentation on Auditing Estimates](#)

³ [PCAOB Staff Presentation on Auditor's Use of the Work of Specialists](#)

Communications with Audit Committees

The new standard on accounting estimates and amended standards on the auditor's use of the work of specialists did not impact our communication with audit committees⁴, specifically, the requirements related to critical accounting estimates and the nature and extent of specialized skill or knowledge needed for the audit.

We would be pleased to respond to any questions regarding our observations noted within this letter. Should you have any questions, please contact Kyle Owens at (630) 575-4265.

Sincerely,

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted to the right.

Crowe LLP

⁴ [PCAOB Auditing Standard 1301, Communications with Audit Committees](#)