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Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, D.C. 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 030, *Proposed Auditing Standard Related to Communications with Audit Committees Related Amendments to PCAOB Standards; and Transitional Amendments to AU SEC. 380*, PCAOB Release No. 2011-008

Dear Office of the Secretary:

Crowe Horwath LLP appreciates the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB) "*Proposed Auditing Standard Related to Communications with Audit Committees; Related Amendments to PCAOB Standards; and Transitional Amendments to AU SEC. 380*" (Proposed Standard).

We share the goal of improving communication between the auditors and the audit committee. We believe it is critically important that the audit committee and the auditors have strong two-way communications that will enhance the audit and enhance the oversight responsibilities of the audit committee. This communication should be tailored to the client, to the audit committee's expressed needs and should be free flowing throughout the audit and not prescriptive nor boiler plate. Audit committees play an important role in protecting the interest of the investors. Audit committees should receive important information from the auditors that assist them in carrying out their roles and responsibilities and the audit committee should share important information with the auditors that enhances the audit process. We believe there are several items within the proposed standard that do not achieve the above objectives, and we have described those in the following comments.

Paragraph 10 indicates that the auditor should communicate the overall audit strategy with the audit committee. However, in paragraph 10d, the auditor should communicate "*the names, locations, planned roles, and responsibilities, including the scope of audit procedures, of other independent public accounting firms or other persons, who are not employed by the auditor, that perform procedures in the current period audit*". We do not believe the description in 10d is consistent with objective of communication of the overview of the overall audit strategy. The requirement in 10d is very detailed and prescriptive and we do not believe it is important to the audit committee to be presented in that manner. We understand the need to communicate the overall strategy and as part of that strategy a firm may utilize other audit firms or individuals not employed by the principal auditor in the process. We believe such communication should be related to communication of other firms participating in a significant part of the audit or other firms that may be auditing significant risk even though their overall participation may not be significant. This would apply to individuals as well. As noted in paragraph 13e and repeated here, this should be left to judgment of the auditor and the audit committee as to what is relevant to the audit committee's oversight of the audit process.

Paragraph 18 of the Proposed Standard specifically notes that the auditor should provide the audit committee with the schedule of "*uncorrected misstatements related to accounts and disclosures*". However, in paragraph 19, "*the auditor should communicate to the audit committee those corrected misstatements that may...*" The description in paragraph 19 (corrected misstatements) does not explicitly indicate "*related to accounts and*

disclosures". We believe for consistency and for appropriate communication to the audit committee, paragraph 19 should describe misstatements in the same manner as uncorrected misstatements were in paragraph 18.

Paragraph 25 addresses the timing of audit committee communications. However, the "Note" under paragraph 25 indicates that *"An auditor may communicate to only the audit committee chair if done in order to communicate matters in a timely manner during the audit. The auditor, however, should communicate such matters to the full audit committee prior to the issuance of the auditor's report"*. We believe the requirements to communicate to the full audit committee is an unnecessary burden and may cause unforeseen consequences (e.g. report delays) therefore, we encourage the PCAOB to eliminate the requirement for "full" and simply indicate that communication should be made to the audit committee. A quorum would appear to be sufficient and would reduce the chance of unforeseen consequences.

The Proposed Standard requests comment on whether it should apply to the audits of all brokers and dealers and on whether the Board's interim standard, AU sec 380, should apply to such audits prior to the effective date of the Proposed Standard. We support the application of AU sec 380 to all audits of brokers and dealers prior to the effective date of the Proposed Standard if the SEC's proposed rule becomes effective earlier.

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Crowe Horwath LLP supports the Board's efforts to improve its auditing standards and communication with the audit committee. We hope that our comments and observations will assist the Board in its consideration of the matters in the Proposed Standard.

Cordially,



Crowe Horwath LLP