



Colorado Public Employees' Retirement Association
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February 27, 2014

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

Dear PCAOB:

We are submitting the following comments for the PCAOB's consideration in response to a request for comments on the proposed Auditor's Reporting Model (PCAOB Release No, 2013-005). These comments represent my perspective as an institutional investor for a large public pension plan representing more than 500,000 current and retired members and over \$43 billion in assets.

I am pleased to see the PCAOB move forward with a proposal. Recognizing that there was no proposal that would completely satisfy all stakeholders, I believe the PCAOB has structured a well-balanced proposal that will ultimately benefit all stakeholders.

Of the many important efforts the PCAOB has made to improve the audit process for shareholders, I believe the proposed addition of critical audit matters to the auditor's report will be one of the most significant. I see parallels between the critical audit matters requirements in the auditor's report with the management discussion and analysis (MD&A) requirements in the annual report. The MD&A has not only become a powerful resource for investors, but I believe its introduction has helped to foster a stronger relationship between management and their investors. The MD&A helped to foster a culture where management was more welcoming of investor communication and disclosure with numerous benefits.

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The MD&A was revised over time and it would be helpful if this proposal contains the essence of what the PCAOB would like to accomplish and need little revision over time. While the overall proposal is excellent, we would like to see a stronger requirement for auditors to disclose their evaluation on management's estimates and judgments, an issue of meaningful uncertainty for investors. Management's estimates can be the cause of inaccurate financial reporting, and a greater level of disclosure and discourse between management, auditors, and investors about estimates and judgments, will strengthen financial reporting and improve our capital markets.

We appreciate the PCAOB for giving us the opportunity to comment on potential changes of the auditor's reporting model, and would welcome additional opportunities to provide input to the PCAOB as this process continues.

Sincerely,



Jennifer Paquette
Chief Investment Officer