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June 15, 2020

By email: comments@pcaobus.org

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

Re: Interim Analysis No. 2020-01, Critical Audit Matter 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 - Interim Analysis of Critical Audit Matter Requirements*.

We support the Board's commitment to fully understanding the impact of the critical audit matter (CAM) requirements on audit firms, preparers, audit committees, investors and other financial statement users. To support that effort, we provide the following information about the most significant activities that led to CAM-related costs. Our estimate of hours spent on CAM-related activities was recently provided to the Board under a separate firm survey request and therefore not included here.

The firm participated in the Center for Audit Quality task force (Task Force) on implementation of AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. The Task Force met periodically with the PCAOB to discuss implementation and interpretation questions. These discussions were extremely beneficial for the firm in the development of tools and guidance related to the implementation of CAMs. In addition, the PCAOB provided informal review and feedback of the firm's tools and guidance prior to the effective date of CAM reporting, which was very beneficial. These interactions with the PCAOB were not the most costly activities, but they may have been the most valuable activities.

The single most costly activity, based on hours incurred, was the development of the firm's tools and execution of dry-runs related to CAMs. The dry-runs allowed our engagement teams and National Office to walk through the process of evaluating communications to the audit committee, assessing communications for potential CAMs, drafting of CAMs, review of CAMs by engagement quality reviewers and National Office designated individuals, and communication to audit committees and management and

evaluation of the firm's tools. We appreciate that the PCAOB provided for staggered effective dates of the standard, which provided sufficient time for the firm to work through dry-runs providing valuable information and feedback on the implementation of the standard, before being applicable to all entities.

We would be pleased to respond to any questions regarding our observations noted within this letter. Please contact Michael G. Yates at (574) 236-7644.

Sincerely,

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP