



April 25, 2019

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Numbers PCAOB-2019-02 and PCAOB-2019-03

Dear Mr. Fields:

We appreciate the opportunity to comment on the Securities and Exchange Commission's ("SEC" or "the Commission") Release No. 34-85434, Notice of Filing of Proposed Rules on *Auditing Accounting Estimates, Including Fair Value Measurements, and Amendments to PCAOB Auditing Standards*, as well as the Commission's Release No. 34-85435, Notice of Filing of Proposed Rules on *Amendments to Auditing Standards for Auditor's Use of the Work of Specialists* (collectively the "PCAOB standards" or "PCAOB adopting releases").

We have provided feedback to the Public Company Accounting Oversight Board ("PCAOB" or "the Board") throughout the development of the PCAOB standards. As we have expressed to the PCAOB, we support a single, more uniform principles-based standard to address the auditing of accounting estimates, including fair value measurements, that is aligned with the Board's risk assessment standards. We have also expressed our support of the PCAOB's project to enhance auditing standards related to the auditor's use of the work of specialists, in particular through a risk-based approach to the supervision of the work of auditor-employed and auditor-engaged specialists. We believe the PCAOB standards accomplish these objectives and we support the Commission's approval of the PCAOB standards.

Specific to the new estimates standard, we agree with the Board's observations that the evolution of financial reporting frameworks has resulted in the expanded use of estimates that have a significant impact on a company's reported financial position and results of operations. We agree with statements made by the Board that the new standard is risk-based and scalable in that it prescribes neither detailed procedures nor the extent of those procedures in each circumstance. Given the wide range of accounting estimates to which the PCAOB standards will apply, audit firms will naturally need to continue to develop and maintain specialized guidance and methodology to facilitate and promote a tailored application to particular estimates, including how the work of different types of specialists may be used in relation to these estimates. Because questions could arise from both small and large firms, as well as other stakeholders, about what is expected in relation to particular estimates to comply with the principles-based requirements, we believe monitoring and supporting the implementation of the new standards will be essential. We are particularly encouraged by comments made during the Board's December 2018 open meeting with regard to the Board and Staff's intent to engage with stakeholders to promote an understanding of these standards and to be available for consultation. Doing so will enable the Board and



Staff to issue clarifying guidance as necessary. We stand ready to engage with the PCAOB during their efforts.

* * * * *

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions. Please contact Len Combs (██████████), Brian Croteau (██████████), or Heidi Schuetze (██████████) regarding our submission.

Sincerely,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP