



July 22, 2022

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Number PCAOB-2022-01

Dear Ms. Countryman:

We appreciate the opportunity to comment on the Securities and Exchange Commission's (SEC or "the Commission") Release No. 34-95159, *Notice of Filing of Proposed Rules on Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit with Another Accounting Firm* (the "PCAOB standards" or "PCAOB adopting release").

We have provided feedback to the Public Company Accounting Oversight Board (PCAOB or "the Board") throughout the development of the PCAOB standards. Since the Board commenced its standard-setting activities related to other auditors in 2016, the landscape in which multi-location audits are conducted have continued to evolve. Broadly, the manner in which many companies are structured continues to change – some businesses are increasingly centralizing and standardizing processes, while others are expanding globally and have highly dispersed operations. Laws and regulations in the jurisdictions in which companies and auditors operate also affect how a multi-location audit is conducted, including how documentation is shared or provided to lead auditors. The increased use of technology has made it easier for lead auditors to be more involved in the work of other auditors, facilitating review and resulting in more frequent and comprehensive communications with other auditors.

As we have expressed to the PCAOB, we support the PCAOB's consideration of enhancements and the promotion of consistency in the lead auditor's performance when supervising other auditors. The nature of interaction between the lead auditor and other auditors is important to audit quality. Accordingly, we support the Commission's approval of the PCAOB standards.

We appreciate the PCAOB's acknowledgment that the existing methodologies of larger firms continue to emphasize the need for the lead auditor to be sufficiently involved in the work of other auditors, as well as to oversee the work of other auditors using a risk-based approach. Global network firms have made significant investments in developing network policies, methodology, technology, training, and quality review processes. Effective systems of quality control underpin audit quality. Leveraging our global network is an important part of how we perform multi-location audits, including how we determine the extent of supervision of other auditors. In conducting multi-location audits, our engagement teams consider relevant network information and prior experience with other auditors, not just the fact that the respective firms are part of a common network. Accordingly, as the PCAOB progresses its separate standard-setting in relation to how its quality control standards can be enhanced, we encourage the



PCAOB and its staff to consider the intersection of a firm's system of quality control with the requirements in the PCAOB standards.

We agree with statements made by the Board that the amendments to the standards (1) apply a risk-based supervisory approach to the lead auditor's oversight of other auditors and (2) take into account recent practice developments in the lead auditor's oversight of other auditors' work, including the greater use of communication technology. However, given the wide range of multi-location audits to which the PCAOB standards will apply, questions are likely to arise about what is expected to comply with the principles-based requirements, including with regard to the nature and extent of documentation. We believe monitoring and supporting the implementation of the amended standards will be essential. We encourage the PCAOB and its staff to actively engage with stakeholders, including the auditing profession, to promote an understanding of these standards and to be available for consultation. As an example, we believe the engagement between PCAOB staff and task forces established by the US Center for Audit Quality was helpful as auditors implemented the new estimates and specialists standards because it helped to inform the development of the PCAOB's staff interpretive guidance to promote appropriate consistency. We stand ready to engage with the PCAOB during their efforts.

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We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions. Please contact Brian Croteau ([REDACTED]) regarding our submission.

Sincerely,

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

PricewaterhouseCoopers LLP