

Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803  
United States

Chris Barnard  
Actuary

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**-Release No. 2010-001**  
**-PCAOB Rulemaking Docket Matter No. 030**  
**-Proposed Auditing Standards Related to Communications With Audit Committees and Related Amendments to Certain PCAOB Auditing Standards**

Dear Sir.

Thank you for giving us the opportunity to comment on your Proposed Auditing Standards Related to Communications With Audit Committees and Related Amendments to Certain PCAOB Auditing Standards.

I would prefer to see a principles based standard, rather than one based overly on rules, which would lead to a checklist approach being adopted by participants. I also prefer to see substance over form. In this case we should concentrate on the more substantive issues, those which could affect the management of business, and the effective discharge of duties by the auditors and audit committee. In principle, communications between the auditors and the audit committee should always encompass the following:

- any outstanding matters of material significance, including misstatements
- suspected bias in critical accounting estimates, and significant sensitivities thereon
- disagreements with management
- any judged shortfalls in processes or personnel in critical functions including governance, compliance, internal audit, risk management and legal, whether currently material or not

All such communications should be in writing.

Yours faithfully

C.R.B.

Chris Barnard