

August 15, 2016

Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Via e-mail – comments@pcaobus.org

Re: PCAOB Rulemaking Docket Matter No. 034: Proposed Auditing Standard on *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, and related amendments to PCAOB standards

Plante & Moran PLLC (Plante Moran) is the 13th largest public accounting firm in the United States and serves a wide range of public and non-public entities in multiple industries. Plante Moran supports the PCAOB's efforts in improving standards by seeking feedback and appreciates the opportunity to provide comments on the Proposed Auditing Standard referenced above.

Plante Moran Commentary on the Proposed Auditing Standard

Definition of Critical Audit Matter (CAM). For the most part, we agree with the definition of CAM as proposed. We do believe, however, that it could be interpreted that a significant deficiency would qualify as a CAM in some circumstances. Given that we believe this is not the PCAOB's intent, we suggest adding some clarification that significant deficiencies, by themselves, would not be a CAM.

Applicability. We agree with the Proposed Standard's exclusion of CAMs in the auditor's reports for the audits of certain brokers and dealers, investment companies, and employee benefit plans. We also recommend that the requirement be excluded from the auditor's reports for the audits of emerging growth companies and smaller reporting companies, as we have not yet seen any research that indicates these audits would sufficiently benefit from the information provided by this requirement that would justify the cost of the effort.

Effective date. We recommend that the effective dates of the Proposed Standard be in the year or years following the respective effective date of FASB ASU No. 2014-09 *Revenue from Contracts with Customers*, assuming timely approvals from the PCAOB and SEC. We acknowledge, regretfully, that this would be a significant delay from the PCAOB's preferred time frame. However, issuers and accounting firms are entering some years of great change as a result of the multiple major accounting standards that are required to be implemented in upcoming years. We believe that implementation of the Proposed Auditing Standard subsequent to ASU 2014-09 will be of much higher quality than if required to be implemented before ASU 2014-09. In addition, we strongly recommend that the effective dates be phased in to allow the smaller accounting firms and issuers and their audit committees additional time to review and consider actual examples of CAMs from larger firms and issuers.

Thank you again for the opportunity to comment on this proposed auditing standard. We would be pleased to respond to any questions the PCAOB or its staff may have about these comments. Please direct any questions to Joan Waggoner at joan.waggoner@plantemoran.com or 312-980-2945.

Very truly yours,

PLANTE & MORAN, PLLC