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

Re: PCAOB No. 2026-001, Request for Public Comment: PCAOB Strategic Priorities

Dear Board Members:

I appreciate the Board's decision to seek public comments on its strategic planning process. As an investor, I also appreciate this opportunity to influence the direction of audit oversight. Because investors are the ultimate beneficiaries of the PCAOB's work, I believe that its regulatory processes should be evaluated from the standpoint of a prudent common-stock investor making a meaningful capital allocation decision.

By no means is this a request for "investor protection" in the sense that investors should be directly shielded from losses arising from their own imprudence. Instead, it is a call for investor protection through information: the PCAOB's regulatory activities should yield robust, realistic and decision-useful information that investors can rely upon when making investment decisions. Reducing information or oversight in the name of issuer or preparer "streamlining" can only transfer costs and risks to investors, and away from those whose duty is to serve investors.

With that in mind, I believe the PCAOB's strategic priorities over the next two to five years should be guided by this principle: make audit oversight more decision-useful to investors, by making the reporting of its activities more comparable across firms and periods, resulting in greater transparency about audit quality.

1. Registration, inspections, and enforcement priorities

I have nothing to offer on the subject of registrations. Regarding inspections, I believe that timely, thorough reviews - supported by a credible enforcement program - consistently deliver meaningful benefits to the investor community. Over the next two to five years, the PCAOB should emphasize these priorities:

1. **Earlier and public identification of repeat offenders.** The inspection program should be designed to detect patterns across years, offices, industries, and engagement teams. The PCAOB is not serving investors well with isolated descriptions of deficiencies when the Board does not clearly indicate that the same firm has failed to correct the same issues repeatedly.
2. **Tighter integration of inspections and enforcement.** When inspection findings reveal chronic noncompliance, firms should not be allowed to treat remediation as an extended negotiation. At some point, continued failure is not a "remediation issue," but instead morphs into an enforcement issue.
3. **More visible scrutiny of global network firms.** Investors buy securities of multinational issuers. It follows that scrutiny should follow the full audit footprint, including shared-service centers, component auditors, and offshore work. Where network structures obscure responsibility, inspection reports should explain how the Board has looked through them.

An investor-centered regulatory framework should focus oversight with the intention to reduce the uncertainty costs that poor audit quality imposes on markets, rather than simply document failures after the fact.

2. Inspections in light of QC 1000. I understand that the Board is considering targeted revisions to aspects of QC 1000 and is soliciting further views on how the standard should function in practice. I have no other views other than those expressed by the PCAOB's Investor Advisory Group in its January 13, 2023, letter¹ on the Request for Public Comment for QC 1000.

3. Inspection reporting: what investors need. Inspection reporting to investors can be improved by quantifying deficiencies whenever possible and making inspection information more accessible.

Some suggested improvements:

- Providing the public with firm-level trend data on engagement deficiencies over multiple years.
- Providing distinctions between engagement-level failures and quality-control failures.
- Categorizing deficiencies by financial reporting and auditing topics. For example: revenue, estimates, internal control over financial reporting, independence, supervision.
- Discussion of whether a firm's remediation efforts were effective.
- Metrics that permit meaningful year-over-year and firm-to-firm analysis.

I have long believed that structured, consistent, and - where possible - machine-readable disclosures materially improve investors' ability to analyze information and reduce their dependence on guesswork and manual data collection. The SEC's XBRL is a prime example of that kind of data. The same logic applies here: PCAOB inspection reports should be published in formats that allow investors, researchers, and audit committees to compare firms without building their own databases.

I encourage the Board to consider creating a public inspection dashboard that aggregates themes by firm, industry, and issue. Such a dashboard would not replace narrative reports, but it would make their content significantly useful and encourage further "drill-down" by investors.

4. Standard-setting priorities

The Board asks what standard-setting projects it should pursue. I would answer that question by focusing on areas where weak auditing discipline imposes the greatest uncertainty on investors. In my view, priority projects include:

- **The auditor's report and critical audit matters.** I support auditor reporting that provides more insight into challenging audit areas. The current crop of critical accounting matters does not fulfill the spirit of the rule's intended purpose; perhaps the standard needs to be revised and strengthened.
- **Fraud.** Standards should sharpen auditors' responsibilities for identifying and responding to fraud risks - particularly management override, fabricated documentation, and the manipulation of accounting estimates. Investors reasonably expect auditors to exert pressure on these points.
- **Estimates and fair value.** These areas remain fertile ground for management bias and optimistic reporting. Standards should support deeper testing of assumptions, sources of market data, and model sensitivity.
- **Group and multi-location audits.** Standards should reflect the reality that significant parts of audits are performed by affiliates and shared-service centers, and should ensure that group auditors exercise appropriate direction, supervision, and review.
- **Internal control auditing.** Investors benefit from rigorous audits of internal control over financial reporting, particularly in companies that rely heavily on complex systems, manual overrides, or end-user computing tools (spreadsheets and similar).

¹ See letter at Docket 046: https://assets.pcaobus.org/pcaob-dev/docs/default-source/rulemaking/docket046/4_iag.pdf?sfvrsn=1941e7c0_4

5. Alignment with international auditing standards

I do not hold that any strategic plan should treat international standard convergence as a goal. I believe that standards alignment is desirable only when it produces equal or better investor protection, clearer obligations, and more comparable cross-border audits. It is not desirable if it is intended to reduce headcount at the PCAOB as a cost-saving measure.

My recommended principles: evaluate standards in terms of their impact on the quality of information provided to investors, then align where possible, diverge where it matters, and explain any differences in approach.

6. Technology and AI in support of the PCAOB's mission

Technology, including AI, can and should be used in ways that directly advance investor protection. Two suggested ways technology can help in the PCAOB's mission:

1. **Improving the Board's own surveillance.** The PCAOB can use technology to sharpen risk-based selection of engagements and firms for inspection. I would expect that it already does use technology to this end, but the constant improvement of technology allows for constant improvement in the Board's own processes.
2. **Enhancing public access to PCAOB information.** As already discussed, technology can make inspection reports and enforcement actions more searchable and analyzable by investors and researchers.

7. Transparency and stakeholder engagement

The most valuable PCAOB transparency improvements from an investor standpoint would be:

1. **More decision-useful inspection information.** Investors and audit committees need trends, context, and comparability. This improvement is effectively married to the suggested expanded use of technology for providing higher-quality reporting to investors.
2. **Clearer explanations of agenda-setting choices.** When the Board elevates certain projects and defers others, it should explain the rationale in terms that connect directly to investor protection. That helps investors understand not just what the PCAOB is doing, but why.
3. **Expanded live engagement with investors and other financial statement users.** I urge the PCAOB to supplement written comment processes with outreach, roundtables, and investor-focused discussion sessions. Live questioning and dialogue can surface issues that formal written submissions do not capture. I believe the PCAOB should adopt live engagement practices on a recurring basis, especially with investor advocates, audit committee members, and professional users of financial statements.

Closing observations

The PCAOB's strategic plan should read like an investor-advocate document, with clear and measurable commitments: what the PCAOB will report, what it will standardize, what it will enforce, and how investors can tell whether progress is actually occurring.

I appreciate the Board's constructive step of requesting input at the front end of the planning process. If you need to discuss anything further, please do not hesitate to contact me.

Sincerely,



Jack Ciesielski