

April 30, 2026

Ms. Lorene Rosenberg
Public Company Accounting Oversight Board
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We appreciate the opportunity to comment on the Public Company Accounting Oversight Board's Request for Public Comment regarding its 2026–2030 Strategic Plan. As a Top 20 accounting firm that audits fewer than 100 issuers and is therefore subject to triennial inspections, we strongly support the PCAOB's mission to protect investors and promote audit quality.

Our perspective is informed by the realities of firms that perform public company audits at scale, but without the benefit of annual inspection feedback loops. For firms like ours, PCAOB standards, guidance, and inspection practices must function not only as an enforcement mechanism, but as a clear, practical roadmap for continuous improvement between inspection cycles.

We believe the PCAOB can further its statutory mission by providing clearer expectations, more consistent guidance, and a stronger emphasis on helping firms improve, rather than penalizing minor or technical foot faults that do not impair investor protection.

1. Strategic Priorities for Registration, Inspections, and Enforcement

For firms inspected only once every three years, clarity and predictability in PCAOB expectations are essential. We recommend that the PCAOB's strategic priorities emphasize:

- Clear articulation of inspection expectations, particularly in areas involving judgment (e.g., risk assessment, audit evidence sufficiency, supervision).
- A more explicit distinction between audit quality issues and technical or documentation deficiencies, as all findings are not created equal or indicative of true quality issues.
- Guidance designed for use between inspections, enabling firms to address emerging themes proactively rather than retrospectively.

From an enforcement standpoint, we encourage continued focus on significant matters, such as independence violations, integrity issues, and systemic quality control failures, while avoiding enforcement outcomes that could discourage sound professional judgment or drive unnecessary over-auditing.

2. Inspections Program Enhancements (Including QC 1000)

As the PCAOB transitions to a QC-focused inspection model under QC 1000, proportionality is particularly important for triennially inspected firms. We recommend:

- Clear differentiation between design deficiencies and operating effectiveness issues in quality control systems.
- Practical examples of "effective" QC responses, including examples appropriate for firms with fewer issuer audits.
- Recognition of firm scale, complexity, and risk profile when evaluating QC systems and remediation efforts.

- Guidance reiterating that auditing standards covering ICFR, sampling, and documentation are not applicable for monitoring under QC 1000, as stated by the Office of Chief Accountant. Clear distinction is needed between expectations on QC 1000 versus Firm audits of Issuers.
- During inspections, provide timely observations and specific improvement opportunities (not merely generalized comments), so firms can begin remediation while facts and context are fresh.

Absent such guidance, there is a risk that QC 1000 inspections may be experienced primarily as retrospective critiques rather than as constructive assessments that promote sustainable audit quality. Additionally, there is a risk that applying auditing standards to QC 1000 monitoring requirements will require a significant amount of time for firm resources, which will draw resources away from focusing on the quality of actual audits.

3. Inspection Reporting and Usefulness to Stakeholders

Inspection reports could be significantly more useful to firms and other stakeholders if they:

- Distinguish clearly between:
 - Deficiencies that may affect audit reliability, and
 - Matters primarily related to documentation form or process.
- Include root-cause insights that firms can translate into concrete improvements.
- Provide guidance on which findings rise to level of being included as a Quality Control criticism (themes, isolated incidents, repeat findings, etc.).

4. Standard-Setting Priorities

We encourage the PCAOB to prioritize standard-setting initiatives that:

- Clarify existing requirements rather than layering additional prescriptiveness onto areas already governed by judgment-based standards.
- Reflect how audits are performed in modern, technology-enabled environments.
- Include implementation guidance at or near the time standards become effective, particularly for firms without frequent inspector interaction.

Well-calibrated standards, paired with timely guidance, foster compliance and consistency more effectively than post-hoc interpretations arising through inspections.

5. Alignment with International Auditing Standards

We do not have specific comments on this area.

6. Use of Technology and AI

We support thoughtful adoption of technology and AI by the PCAOB, particularly to:

- Identify systemic audit quality risks rather than isolated, low-impact deviations.
- Improve consistency across inspection teams and inspection cycles.
- Provide guidance to firms on acceptable use of technology, data analytics, and AI in audit planning, execution, and documentation.

Technology should enhance insight and consistency, not expand focus on immaterial differences in form.

7. Transparency and Ongoing Engagement

For firms inspected every three years, ongoing transparency outside the inspection cycle is critical. We recommend that the PCAOB:

- Publish anonymous, fact-pattern-based examples illustrating inspection expectations.
- Provide earlier signaling of emerging inspection themes.
- Expand educational outreach tailored to firms subject to triennial inspection cycles.

Increased transparency and dialogue would enable firms to self-correct and improve audit quality years before formal inspection feedback is received.

For triennially inspected firms, the PCAOB's standards, guidance, and inspection philosophy must serve as a reliable guide for continuous improvement, not merely as a mechanism for post-cycle criticism. We believe the PCAOB can most effectively protect investors by emphasizing clarity, proportionality, and constructive guidance, while reserving enforcement for matters that truly threaten audit integrity.

We appreciate the Board's consideration of these comments and look forward to continued engagement as the PCAOB develops its 2026–2030 Strategic Plan.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

CHERRY BEKAERT LLP