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**SENT ELECTRONICALLY**

Via online submission: [comments@pcaobus.org](mailto:comments@pcaobus.org)

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

**Re: PCAOB Release No. 2026-001, Request for Public Comment on PCAOB Strategic Priorities (2026–2030 Strategic Plan)**

Dear Members of the Board,

Thank you for the opportunity to provide input on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") strategic priorities for 2026–2030. We commend the Board for initiating this early and transparent public dialogue in the strategic planning process, which reflects a constructive commitment to stakeholder engagement and openness to diverse perspectives. We also share the Board's unwavering dedication to its statutory mission of protecting the interests of investors and furthering the public interest in informative, accurate, and independent audit reports. Consistent with that mission, we have framed our comments below to explain how each suggested priority would strengthen audit quality in ways that ultimately benefit investors.

We have organized our feedback by key themes. Each theme responds to one or more of the specific questions raised in the Board's request for comment. In many cases, our views are aligned with the direction the Board has already indicated it is considering. Our comments are therefore offered in a constructive and supportive spirit, with the goal of reinforcing those directions and providing practical observations from our experience as a mid-sized registered public accounting firm.

**Risk based and quality control focused inspections**

*(Relevant to Questions 1, 2, and 4)*

We strongly support evolving the PCAOB's inspection approach to be increasingly risk-based, focusing primarily on evaluating firms' systems of quality control (QC 1000). Engagement level file reviews should be used mainly to supplement and confirm the effectiveness of firm level systems, rather than serving as the primary lens through which audit quality is assessed. This approach appropriately directs oversight toward the foundational elements of audit quality, including firm governance, culture, and quality control processes, rather than relying on a small non-representative sample of individual engagement deficiencies as a proxy for overall quality.

By prioritizing higher risk engagements and leveraging the QC 1000 framework, the PCAOB can focus its resources where they have the greatest impact on investor protection. Centering inspections on firms' quality control systems yields particularly valuable feedback by giving firms clear insight into where they can strengthen their processes, and it provides investors with greater visibility into the improvements firms are making. We also encourage the Board to share thought-leadership insights drawn from these system-level inspections to provide practical observations or best practices that firms can apply to enhance

quality. Strong firm wide quality control systems drive more consistent execution across all audits, which in turn enhances the reliability of financial reporting for investors. We appreciate the Board's evident interest in evolving inspections in this direction and believe continued emphasis on risk and systems will produce more meaningful inspection insights for stakeholders, while fostering effective and sustainable remediation by firms.

### **Balanced messaging on audit quality**

*(Relevant to Questions 3 and 7)*

We encourage the PCAOB to continue developing a more balanced approach to public communications about audit quality, including inspection reports and other publications. Taking into consideration improvements in auditing standards, quality control systems and engagement files, the audit profession has made meaningful progress in audit quality since the PCAOB's establishment, driven by sustained investment in methodology, training, and technology. Communications that acknowledge improvements, effective remediation, and good practices, alongside identified deficiencies, can provide a more complete and informative picture for investors and other stakeholders.

A balanced tone can strengthen investor confidence by demonstrating that the regulatory framework is contributing to continuous improvement in audit quality across the profession. It can also encourage openness and transparency by firms, as recognition of progress and sound practices helps reinforce a culture focused on learning and improvement. We recognize and support the Board's recent efforts to highlight good practices in certain communications and believe that expanding this approach would further advance the Board's transparency objectives.

### **Encouraging transparency through proportionate safeguards**

*(Relevant to Questions 2, 3, and 7)*

The effectiveness of QC 1000 and similar initiatives depends on firms being willing to identify, escalate, and remediate issues within their quality control systems. We encourage the PCAOB to explore establishing additional policies or safeguards to support good faith self-identification of issues and their prompt remediation.

Where firms identify issues through their own monitoring processes and take timely corrective action, proportionate regulatory responses can reinforce the value of transparency. This approach encourages early issue resolution and helps prevent potential audit matters from affecting financial reporting. It also provides the PCAOB with more timely and decision-useful information, allowing regulatory resources to be directed toward supporting quality improvements rather than primarily toward issue detection. Ultimately, this supports investor protection by strengthening firms' quality control systems and supporting a regulatory environment that promotes continuous improvement alongside appropriate accountability.

### **Focus on substantive audit quality matters**

*(Relevant to Questions 1, 2, 4, and 6)*

Focusing inspections and enforcement on firms' systems of quality control, significant audit judgments, risk assessments, and execution of audit procedures better aligns regulatory activity with investor interests. We appreciate the Board's recognition of the need to avoid unnecessary burdens and encourage continued refinement of programs so that attention remains centered on those matters that most directly influence the quality and reliability of audited financial information. In doing so, there may be opportunities to reassess aspects of administrative and technical requirements that, while important, do not substantively affect audit quality and may otherwise divert resources from higher-risk areas

### **Clear expectations for technology and artificial intelligence in audits**

*(Relevant to Questions 4 and 6)*

We commend the Board for seeking input on how technology, including artificial intelligence, should be incorporated into auditing standards and oversight. Audit firms are investing significantly in advanced analytics and AI enabled tools to enhance audit quality, consistency, and efficiency. Clear, forward-looking guidance from the PCAOB regarding expectations for governance, validation, documentation, and use of these tools will support responsible innovation, especially if delivered through timely staff thought

leadership and a formal audit consultation process to provide practical direction as formal standards evolve.

Clarity around how technology-assisted procedures fit within existing concepts of audit evidence will help firms deploy these tools confidently and consistently. This benefits investors by enabling auditors to use technology to improve audit precision while maintaining appropriate rigor and reliability. We encourage the Board to continue engaging with stakeholders on these topics and to consider providing additional timely guidance (for example, through staff practice alerts or consultation channels) to complement formal standard-setting and support effective adoption of emerging technologies.

### **Timeliness and procedural fairness in oversight**

*(Relevant to Questions 1, 2, 3, and 7)*

Timely inspection and enforcement outcomes are critical to maximizing the impact of regulatory oversight on audit quality. When feedback is provided while audits and related processes are still current, firms are better positioned to remediate issues and incorporate lessons learned into subsequent audit cycles. This directly supports investor protection by reducing the likelihood of repeated deficiencies.

We recognize the importance of due process and thorough review. At the same time, we encourage the Board to continue exploring opportunities to deliver inspection reports and resolve matters as efficiently as possible, without compromising fairness. The Board's willingness to balance urgency with implementation practicality in recent initiatives demonstrates an approach that ultimately serves investors by ensuring that regulatory actions are both effective and workable.

### **Accountability and role clarity within the financial reporting ecosystem**

*(Relevant to Questions 1, 3, 4, and 7)*

We support continued emphasis on clear and appropriate delineation of the roles and responsibilities of auditors, management, and audit committees. Auditors play a critical gatekeeping role and must be held accountable for performing high quality audits. At the same time, investor protection is strengthened when regulatory communications and auditing standards clearly distinguish between audit failures and broader business or governance failures that are outside the auditor's control.

High quality audits provide reasonable assurance over financial reporting, but they do not guarantee business success or prevent all corporate failures. Clear articulation of these distinctions, both through standard setting and related guidance, helps establish realistic expectations of the audit function, supports confidence in audited financial information, and reinforces accountability across the financial reporting ecosystem. In our view, continued attention to this clarity as part of the Board's standard-setting agenda will contribute to more consistent application of auditing standards and more effective oversight, ultimately benefiting investors.

### **Sustainability of the audit market and proportionate regulation**

*(Relevant to Question 1)*

We encourage the Board to consider the long-term sustainability and diversity of the audit market as it establishes strategic priorities. The cumulative effect of regulatory demands, including the investment, specialized skills, risk, and regulatory considerations involved, can influence firms' willingness and ability to participate in the public company audit market, particularly for small and mid-sized firms.

A market with sufficient capacity and choice benefits investors by promoting competition, resilience, and access to audit services. Proportionate and scalable oversight, aligned with risk, helps ensure that strong audit quality can be maintained without discouraging participation in the market. We believe continued attention to these considerations will support both audit quality and investor interests over the long term.

### **Talent pipeline and attractiveness of the profession**

*(Relevant to Question 1)*

Audit quality ultimately depends on people. Attracting and retaining skilled professionals is essential to sustaining high quality audits. The profession is facing talent challenges in several jurisdictions, and regulatory tone and public messaging play an important role in shaping perceptions of the profession.

We commend the Board's efforts to support the talent pipeline through outreach, education, and scholarship initiatives. A regulatory approach that is rigorous yet balanced, and that recognizes improvements alongside deficiencies, can further support the profession's attractiveness. This, in turn, helps ensure a strong and capable audit workforce, which is fundamental to protecting investors.

### **Cross border considerations and international alignment**

*(Relevant to Questions 4 and 5)*

We support the Board's focus on greater alignment with international auditing and quality control standards, as well as continued coordination with international regulators. In cross border and foreign private issuer contexts, reducing unnecessary differences between standards helps limit duplication and allows firms to focus resources on substantive audit quality.

Alignment and cooperation contribute to more consistent audit quality globally, which benefits investors who operate across markets. We encourage the Board to continue pursuing international coordination and alignment where it supports audit quality and investor protection.

### **Support for a formal audit consultation process**

*(Relevant to Question 7)*

We strongly support the Board's consideration of establishing a formal consultation process for audit-related questions within the Office of the Chief Auditor. A structured mechanism for timely, authoritative consultation on complex or novel auditing issues would promote consistent interpretation and application of standards.

Such a process would help ensure that interpretations are informed by standard setting intent rather than arising indirectly through inspections or enforcement. By enabling proactive resolution of difficult issues, a consultation process can contribute to more consistent audit execution and stronger audit quality, thereby enhancing investor protection.

### **Conclusion**

MNP fully shares the PCAOB's commitment to advancing audit quality in support of investor protection and the public interest. We are encouraged by the Board's openness to stakeholder input at this stage of the strategic planning process and by the thoughtful directions under consideration. We believe the themes outlined above align well with the Board's objectives and will help strengthen audit quality in a manner that benefits investors. We appreciate the opportunity to provide these comments and would welcome continued dialogue as the Board develops its strategic plan.

Yours truly,

*Kerry Clark*

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