



May 15, 2026

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

Re: PCAOB No. 2026-001

Dear Ladies and Gentlemen:

Better Markets<sup>1</sup> appreciates the opportunity to comment on the Public Company Accounting Oversight Board (“PCAOB” or “Board”) strategic plan for the years 2026-2030.<sup>2</sup> The PCAOB is vital to ensuring that investors have independent and high-quality audits of the companies in which they invest and the Board should continue its recent history of rigorous rule-setting, inspection and enforcement activity.

The PCAOB was created after accounting scandals rocked U.S. financial markets in the late 1990s and early 2000s. Companies like Enron, WorldCom, Tyco and Adelphia wiped out investors’ savings and destroyed thousands of jobs by cooking the books. The fall of Enron alone cost almost 20,000 jobs and more than \$2.1 billion in retirement assets to its employees, as well as about \$67 billion to its shareholders.<sup>3</sup> WorldCom cost its shareholders about \$180 billion.<sup>4</sup> The failure of these companies exposed that self-regulation of the audit industry had failed: none of these failed companies’ auditors caught and stopped their accounting misconduct before they harmed shareholders, workers and the broader economy. Therefore, on a bipartisan basis,

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<sup>1</sup> Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements, and more.

<sup>2</sup> Public Company Accounting Oversight Board. “Request for Comment: PCAOB Strategic Priorities (PCAOB No. 2026-001).” March 31, 2026. Available at: [https://assets.pcaobus.org/pcaob-dev/docs/default-source/about/administration/documents/strategic\\_plans/pcaob-no-2026-001-rfc-sp.pdf?sfvrsn=b6ef3170\\_2&utm\\_medium=email&\\_hsenc=p2ANqtz-9iEuR0Bo6YYLBtVtMb41cBwnDletfW4s8J-Ll2L1SktgB7O3TcIMEbQUGNkh3DZ1Riyf38-wGsGo8N8NOrs7zMdA\\_Www&\\_hsmi=411583058&utm\\_content=411583058&utm\\_source=hs\\_email](https://assets.pcaobus.org/pcaob-dev/docs/default-source/about/administration/documents/strategic_plans/pcaob-no-2026-001-rfc-sp.pdf?sfvrsn=b6ef3170_2&utm_medium=email&_hsenc=p2ANqtz-9iEuR0Bo6YYLBtVtMb41cBwnDletfW4s8J-Ll2L1SktgB7O3TcIMEbQUGNkh3DZ1Riyf38-wGsGo8N8NOrs7zMdA_Www&_hsmi=411583058&utm_content=411583058&utm_source=hs_email)

<sup>3</sup> Harris, Steven B. “Background on the PCAOB.” *Remarks at Kennesaw State Graduate Student Meeting*, May 16, 2013. Available at: [https://pcaobus.org/news-events/speeches/speech-detail/background-on-the-pcaob\\_465](https://pcaobus.org/news-events/speeches/speech-detail/background-on-the-pcaob_465)

<sup>4</sup> Id

Congress created a new Board to write audit standards, register and inspect audit firms and enforce their rules with disciplinary proceedings against firms and individuals that engage in wrongdoing.

Just because memories of these scandals may have faded does not mean that the Board should lose sight of the importance of its mission. With that in mind, we offer several observations on the PCAOB's 2026-2030 strategic plan.

First, regarding inspections, we are concerned about the PCAOB's shift towards evaluating firm-wide systems of quality management rather than engagement-level review. Audit firms themselves recognize the importance of engagement-level assessment to determine audit quality. To focus solely on quality control would be misguided and, to the extent such reviews evidence anything of note, unhelpful to investors given that those findings remain nonpublic. Simply put, question three on the PCAOB's strategic plan request for comment seems to imply that the Board is contemplating abandoning its mandate. Such a move would help mask deficiencies in the audit industry at the expense of investors.

After inspections, enforcement is the second line of defense in ensuring audit quality. And on that front, we are concerned about a drop of enforcement both at the Securities and Exchange Commission ("SEC" or "Commission") and at the PCAOB. Fiscal year 2025 saw a 22 percent decline in enforcement activity at the Commission<sup>5</sup> and the first half of fiscal year 2026 was even worse, with only five new actions filed by the SEC.<sup>6</sup> The most recent half year represented a 16-year low in enforcement activity at the Commission.<sup>7</sup> This trend extends to audit matters, specifically, with the Commission and the PCAOB bringing one-third fewer of such cases in the last fiscal year.<sup>8</sup> Our concerns are heightened by the fact that the PCAOB's enforcement budget was slashed by 15 percent in 2026.<sup>9</sup>

The consequences of the collapse of audit-related enforcement actions may not appear immediately, but over time, as companies experience more restatements, professional standards lapses become public, or financial fraud is revealed, the investing public will slowly lose confidence in the American capital markets. The result will be a decline in trust and a higher cost

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<sup>5</sup> Schiffrin, Ben. "The SEC is Supposed to Prevent Companies from Misleading Investors, but Its 2025 Enforcement Report Misleads the Public." *Better Markets*, April 21, 2026. Available at: <https://bettermarkets.org/wp-content/uploads/2026/04/SEC-ENF-Report-FY2025-FINAL-4-21-2026.pdf>

<sup>6</sup> "SEC Enforcement Against Public Companies and Subsidiaries in 1H FY 2026." *Cornerstone Research*, May 14, 2026. Available at: <https://www.cornerstone.com/insights/research/sec-enforcement-against-public-companies-subsidiaries-1h-fy-2026/>

<sup>7</sup> Id

<sup>8</sup> Iacone, Amanda. "SEC Audit Oversight Push Renews Questions for Enron-Era Watchdog." *Bloomberg*, May 11, 2026. Available at: <https://news.bloombergtax.com/financial-accounting/sec-audit-oversight-push-renews-questions-for-enron-era-watchdog>

<sup>9</sup> White, Nicola. "SEC Targets Auditing 'Bad Actors' With New Enforcement Team." *Bloomberg*, March 19, 2026. Available at: <https://www.bloomberg.com/news/articles/2026-03-19/sec-targets-auditing-bad-actors-with-new-enforcement-team>

of capital for public companies. Specifically, the PCAOB should maintain its focus on enforcing instances of ethics failures and cheating on exams.<sup>10</sup> The last few years have seen persistent concerns in this regard, and the Board must ensure its continued focus on this area.

We appreciate the opportunity to comment on the Board's strategic plan for 2026-2030. Maintaining a rigorous PCAOB is vital to U.S. capital markets, and the Board should maintain its recent history of strong rule-setting, inspections and enforcement.

Sincerely,

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<sup>10</sup> Prentice, Chris. "KPMG, Deloitte affiliates hit with US penalties for exam cheating." *Reuters*, April 10, 2024. Available at: <https://www.reuters.com/business/finance/us-accounting-watchdog-hits-kpmg-netherlands-with-25-mln-over-exam-cheating-2024-04-10/>