

303 Wyman Street
Suite 300
Waltham, MA 02451



May 15, 2026

By e-mail: comments@pcaobus.org

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803
Attn: Phoebe W. Brown, Secretary

Re: PCAOB Strategic Priorities (PCAOB Release No. 2026-001, March 31, 2026)

Dear Ms. Brown:

Tapestry Networks is pleased to respond to the recent *Request for Public Comment on PCAOB Strategic Priorities* (the “Comment Request”) published by the Public Company Accounting Oversight Board (PCAOB or the Board). Since 2003, our firm has been a trusted convener of corporate directors, regulators, and capital markets leaders with a mission to foster dialogue and collaborate in problem solving.

Audit committees play a critically important role in governance and society, establishing confidence and trust in capital markets through oversight of high quality, reliable financial reporting. We recently convened a selection of audit committee chairs (hereinafter “audit chairs”) who participate in our US networks (Audit Committee Networks and Audit Committee Leadership Network) to discuss the PCAOB’s Comment Request. A partial list of chairs who participated can be found in the appendix.

This letter captures the input gathered during discussions with these audit chairs. While we heard broad agreement from many of those who participated on many of the matters described below, this letter does not purport to provide a consensus view. All of the individual audit committee chairs’ quotes appearing here* were recorded under the Chatham House Rule, so that neither the individual audit chairs nor their organizations are identified. Each comment from an audit chair presented in this letter reflects an individual’s view and not necessarily that of any company connected to the audit chair. EY sponsors Tapestry’s US audit committee networks but did not contribute to the views set out here.

*Italicized quotations below reflect direct comments from participating audit chairs.

The audit chairs we heard from support having a capable audit regulator. They believe the PCAOB has improved the level of audit quality over time. They are encouraged by the Board's recent outreach to audit committees as a constituency. And they were pleased to receive a direct invitation to comment on the Board's strategic priorities; they view this outreach as a step in the right direction to take advantage of a period of change to implement welcome improvements.

What follows are responses to the topics the Board posed for consideration.

A. Inspections and Quality Control (questions 1 through 3)

Audit chairs emphasized that the work of auditing public companies is a privilege, not an entitlement. As fiduciaries bearing oversight responsibility for the integrity of financial statements, audit chairs wholeheartedly support the Board's efforts to improve audit quality, and recognize that inspections are a key element of those efforts. However, audit chairs have over the years experienced various levels of frustration with the manner in which the PCAOB's inspections have been conducted.

- Audit chairs would like to see a reduction in the time lag between the conduct of inspections and the reporting of inspection results. *"I would like to see the PCAOB become a little bit more consumer focused, being that we, the audit committees, investors, the firms and the preparers are the consumers. Tell us what you've done, what you found, and what it's about. And try to move it up in timeliness."*
- Audit chairs would appreciate greater visibility into the inspection process, including the opportunity to discuss objectives and findings with the PCAOB inspection team.
- In the view of many audit chairs, there has been too little clarity about the severity, pervasiveness, and materiality of deficiencies, which leads to a perception that all deficiencies are equal. *"In an inspection of an audit, there needs to be a framework to help users of the inspection reports evaluate the findings. Something where it is easier to discern whether deficiencies identified were the equivalent of significant deficiencies, control deficiencies, or material weaknesses – have them based on severity, impact and pervasiveness."*
- Audit chairs invite the Board to consider how they could provide additional context to enable audit committees to compare the PCAOB's observations from inspections across firms, as the current inspection approach makes it difficult for audit committees to compare inspections across firms and over time. *"Right now, the inspections are not comparable, because they're pulling different companies every year, they're pulling different industries every year."*
- Some audit chairs expressed concerns about the PCAOB's expectations with respect to the audit firm's use of specialists. *"For highly specialized industries and sectors, the PCAOB inspectors appear to expect auditors to have the same level of specialists without consideration for the risk of material error related to that audit area. For example, in the energy sector around oil and gas reserves, it is expected that the auditors have in-house petroleum engineers. This seems to be driving unnecessary cost and effort."*

- Audit chairs would welcome an approach to implementing QC 1000 that adopts a view of audit quality that looks at the audit firm at the entity level, rather than through a build-up or composite view based primarily on inspections at the audit engagement level. In addition to magnifying the concerns about severity, etc., of deficiencies noted above, the current approach makes it extremely difficult to compare inspection reports year over year, or to compare firms one to another. *“There needs to be a change in mindset of the inspection staff to support QC 1000 implementation.”*
- In the implementation of QC 1000, audit chairs would like to see due regard given to the existing quality control practices at the largest audit firms. Audit chairs recognize that firms’ systems of quality control differ based on many factors, including the size of the firm and the complexity of the companies they audit. *“The PCAOB approach should be to gain comfort that the firms’ systems of quality control and quality management processes are really effective.”*

B. Enforcement (question 1)

Audit chairs would prefer that enforcement activity be conducted primarily by the SEC. *“The PCAOB and the SEC should be aligned on enforcement. Could the PCAOB just outsource enforcement to the SEC and move on?”*

C. Standard-setting projects (question 4)

Audit chairs support the PCAOB in continuing to improve audit quality, and encourage the Board to demonstrate professional rigor in its standard-setting processes while upholding due process.

- Audit chairs encourage the Board to update auditing standards in order to keep pace with the current state of audit industry practice.
- Audit chairs would like the Board to formally withdraw the NOCLAR proposal, or at the very least to substantially revise its scope in order to bring it current with other relevant standards.
- Audit chairs encourage the Board to examine whether current independence rules are appropriately calibrated. They are concerned that immaterial and attenuated relationships too frequently trip independence rules that are overly sensitive and do not take appropriate account of context or the principles undergirding the rules. Monitoring for independence at every level of the organization without appropriate regard for what is truly “material” is a costly undertaking, and these costs are ultimately passed on to preparers. *“The current rules around independence are not fit for purpose. They result in violations reported to multinational companies on a very regular basis, on issues that would never actually impair independence. In many cases this repeated foot fault reporting to audit committees (and boards) creates confusion around something that truly does not matter.”*
- Audit chairs suggest that the Board proceed cautiously when it comes to any rulemaking that addresses artificial intelligence and other fast-moving technological advances. Something akin to interpretive staff guidance may be the better approach.

- Audit chairs would like the Board to assess its rulemaking process with a view to increasing the level of due process afforded to the public and key constituencies. This would entail, at a minimum, longer comment windows and a wider solicitation of views. *“The PCAOB proposals have previously given us a very narrow window to comment. There needs to be a wider window, and cost-benefit analysis should be included within the scope for comment.”*
- Audit chairs encourage the PCAOB to emulate some of the established standard-setting practices of the FASB and IAASB.

D. Alignment with international auditing standards (question 5)

Audit chairs encourage the Board to align with international standards wherever possible, but to recognize where differences are necessary. Abiding by different sets of rules ultimately imposes a cost on preparers. Areas of difference should therefore be evaluated, understood, and explained. *“You’re never going to get completely converged, but on big new areas, they should work together. On existing areas, they should understand where differences are causing problems for auditors, preparers and investors.”*

E. Technology (question 6)

Audit chairs would like the PCAOB to develop a deeper understanding of how audit firms employ AI themselves, and how the firms interact with AI used natively by preparers, and to make this an ongoing area of engagement with the firms. Only by appreciating how, where, and why AI is deployed by the firms can the PCAOB assist in communicating to investors the value of these advances in the audit process. *“The PCAOB needs to really understand how audit firms are using AI today, otherwise the gap between the firms and the PCAOB is going to get wider and wider.”* Meanwhile, audit chairs encourage the PCAOB itself to take steps to adopt AI and other new technologies as part of its own inspection methodology and standards research. *“More and more, every quarter, we find out how our companies are using AI, and the auditors are responding, and they’re using it in their practice. So, the question is, how does the PCAOB keep up?”*

F. Transparency (question 7)

Audit chairs are enthusiastic about the prospect of regular engagement between the PCAOB and audit committees. For a variety of reasons, over the PCAOB’s lifespan a preexisting expectations gap between the investor community and the audit firms has widened rather than narrowed. Audit chairs believe that the PCAOB has a role to play in educating the investor community in order to bridge the gap. Audit committees are uniquely positioned to work with the PCAOB to help change investor perceptions of the role of the auditor. Audit chairs understand that public accounting is a noble pursuit, and would like to help the PCAOB in changing a narrative that has seen an unfortunate decline in the number of young people signing up to join the ranks of CPAs.

Audit chairs recognize that recent leadership changes at the PCAOB provide an opportunity to make a number of improvements to the way the Board carries out its mission. Audit chairs are keen to see the Board work quickly in order to make the most of the current momentum. They are pleased to see the

Board's commitment to receiving input from audit committees, and they look forward to the opportunity to continue engaging with the Board as it formulates its 2026 Plan, and beyond.

We would be happy to respond to any queries or requests for further information. Please do not hesitate to be in contact if we can be helpful.

Yours sincerely,

A handwritten signature in blue ink that reads "Jonathan Day". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

Jonathan Day
Chief Executive
Tapestry Networks, Inc.

About Tapestry Networks

Since 2003, Tapestry has been the premier firm for building collaboration platforms with leaders of the world's foremost organizations. Tapestry Networks brings senior leaders together to learn and to shape solutions to today's most pressing challenges. We are a trusted convener of board directors, executives, policymakers, and other stakeholders, connecting them with information, insight, and each other. Top experts join our discussions to learn from the leaders we convene and to share their knowledge. Our platforms help educate the market, identify good practices, and develop shared solutions. We call this the power of connected thinking.

Appendix

The following audit chairs participated in our discussions. A number of other audit chairs offered their views but asked that their names and companies not be listed, and are therefore not included here.

Name	Company
Vanessa Chang	Transocean
Mike Hanley	BorgWarner
Bob Herz	Morgan Stanley
Don Kendall	
Sara Lewis	Weyerhaeuser
Jim Turley	Citigroup