



California State Teachers'  
Retirement System  
Sustainable Investment & Stewardship Strategies  
100 Waterfront Place, MS 4  
West Sacramento, CA 95605

May 15, 2026

The Honorable James Logothetis, Chairman  
PCAOB Board Members  
Phoebe Brown, Office of the Secretary  
PCAOB  
1666 K Street, NW  
Suite 300  
Washington, DC 20006-2803

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

We write on behalf of the California State Teachers' Retirement System (CalSTRS). Established in 1913, CalSTRS is the largest educator-only pension fund in the world with a global investment portfolio valued at approximately \$390.6 billion as of 3/31/2026. As administrators of both a defined benefit plan and a defined contribution plan, our mission is to secure the financial future and sustain the trust of more than 1 million Californian educators and their families. Thank you for the opportunity to provide input on the PCAOB's 2026–2030 strategic plan.

As a long-term institutional investor CalSTRS has a direct interest in high-quality, independent audits that support informed capital allocation. We encourage the PCAOB to keep investor protection at the center of its strategic priorities. Investors rely on high-quality audits to allocate capital with confidence, and we appreciate the PCAOB's work to strengthen audit quality, auditor independence, and accountability.

We want to underscore the importance of firm and engagement-level metrics as a standalone priority. Information about partner involvement, workload, personnel experience, retention, internal monitoring, and restatement history is vitally important to investors, audit committees, and other market participants seeking to assess audit quality. These disclosures give investors a meaningful basis for evaluating the conditions under which an audit was conducted, and we strongly encourage the PCAOB to continue pursuing projects that prioritize transparency on these topics. Transparency at the firm and engagement level is foundational to investor confidence in the audit system.

As the PCAOB integrates its new quality control standard into the inspections program, we encourage the Board to adopt processes that test whether firms' quality control systems are producing better audit outcomes, not merely whether those systems are formally documented.

We also appreciate the PCAOB's audit committee research and resources. These materials encourage more substantive dialogue between audit committees and auditors and help identify practical questions, suggested areas of focus, and emerging best practices. Investors benefit when audit committees are better equipped to ask auditors about matters such as internal controls, materiality, audit evidence, fraud risk, critical audit matters, auditor use of technology, and engagement team turnover.

We encourage the PCAOB to continue its standard-setting work in areas of direct importance to investors, including fraud detection, evaluation of internal controls, and auditor response to noncompliance with

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laws and regulations. Modernizing standards for technology, data analytics, and artificial intelligence is important to maintain investor confidence.

The PCAOB's work on technology-assisted audit procedures is also important. As companies increasingly rely on large volumes of electronic data, automated systems, and new technologies, PCAOB standards and inspections should continue to ensure that auditors maintain professional skepticism, judgment, and responsibility for the audit. We encourage the PCAOB to consider how its own use of technology in inspections can sharpen the detection of audit deficiencies.

We urge the PCAOB to expand direct investor engagement through the Office of the Investor Advocate, the Investor Advisory Group, roundtables, and publicly accessible investor resources. Investors need audits that are independent, rigorous, and responsive to the modern market. We believe the PCAOB should continue building on its recent investor-focused work and to ensure that its strategic priorities remain grounded in investor protection, audit quality, transparency, and accountability. We thank the Board for the opportunity to contribute to this process.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Paquin', with a stylized flourish at the end.

Lynn Paquin  
Portfolio Manager