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August 25, 2026

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

Via e-mail: comments@pcaobus.org

Re: **PCAOB No. 2026-006: Request for Public Comment – Draft 2026-2030 Strategic Goals and Objectives**

Dear Members of the Public Company Accounting Oversight Board (PCAOB):

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the PCAOB's Request for Comment – *Draft 2026-2030 Strategic Plan Goals and Objectives*. NASBA's mission is to enhance the effectiveness and advance the common interests of State Boards of Accountancy (State Boards) that regulate all Certified Public Accountants (CPAs) and their firms in the United States and its territories, which includes all audit, attest and other services provided by CPAs. State Boards are charged by law with protecting the public.

In furtherance of that objective, NASBA offers the following comments.

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NASBA commends the PCAOB for continuing to seek stakeholder input as it develops its 2026-2030 Strategic Plan. NASBA supports the three overarching strategic priorities of advancing audit quality and investor protection; clarifying regulatory expectations; and transforming oversight through technology and organizational modernization. Collectively, these priorities appropriately recognize that effective regulation should be risk-based, transparent and adaptive to changes affecting the auditing profession.

As the PCAOB finalizes the Strategic Plan, NASBA offers the following comments regarding certain goals and objectives where additional emphasis or clarification would further advance audit quality, investor protection and the public interest.

Goal 1: Modernize Standard Setting and Implementation

NASBA supports Goal 1 and encourages the PCAOB to maintain a sense of urgency in modernizing its standards. As NASBA has previously commented, a significant number of PCAOB standards addressing fundamental audit responsibilities remain substantially in the form adopted more than two decades ago. Accordingly, NASBA recommends that the PCAOB not only modernize its standard-setting approach but also accelerate modernization of the remaining legacy and interim standards through a transparent plan that identifies priorities, sequencing and expected timelines.

NASBA supports Objective 1.3 regarding alignment with international auditing standards. However, NASBA recommends that the objective be broadened to recognize opportunities for alignment with other U.S. auditing standards as well. The PCAOB should seek to reduce unnecessary differences not only between PCAOB and international auditing standards but also between PCAOB standards and U.S. Generally Accepted Auditing Standards (GAAS), when doing so is consistent with the PCAOB's statutory responsibilities.

The AICPA Auditing Standards Board (ASB), for example, has an established process for updating GAAS and considering convergence with international standards. Greater collaboration with the ASB and other standard setters could allow the PCAOB to leverage existing research, standards and implementation materials rather than independently recreating work that has already been performed. Such collaboration may be particularly beneficial in the development of nonauthoritative guidance and implementation resources.

NASBA also supports Objective 1.2 and the PCAOB's explicit recognition of the need to assess whether additional guidance is necessary regarding artificial intelligence (AI) and other emerging technologies. The PCAOB should continue to consider AI from two distinct but related perspectives: the use of AI by companies in their financial reporting and business processes, and the use of AI by auditors in performing audit procedures.

Because AI technology and its applications are evolving rapidly, timely staff guidance may serve as an appropriate bridge while the PCAOB evaluates whether additional standard-setting is warranted. In doing so, the PCAOB should coordinate with other standard setters and professional organizations that are examining similar issues. Where appropriate guidance already exists or is under development, collaboration can promote consistency and allow the PCAOB to focus its resources on matters unique to audits performed under PCAOB standards.

Goal 2: Modernize the Inspections and Registration Programs

NASBA strongly supports Objective 2.1 and the PCAOB's intention to focus inspections on firms' systems of quality control. This approach is consistent with NASBA's prior recommendation that inspections place greater emphasis on the preventative measures embedded in a firm's quality control system rather than relying predominantly on an engagement-deficiency model.

NASBA believes, however, that alternative practice structures (APS) warrant explicit attention within Goal 2. APS arrangements and private equity investment in accounting firms continue to raise significant questions concerning independence, governance, control, resource allocation, compensation arrangements and transparency. These matters can directly affect a firm's system of quality control and, consequently, audit quality.

Accordingly, NASBA recommends that the PCAOB expressly incorporate consideration of APS-related risks into Objective 2.1. As part of its quality control inspection approach, the PCAOB should consider how the structure and operation of an APS may affect governance, leadership, tone at the top, partner compensation and incentives, personnel and other resources, risk management, independence, and ultimate decision-making responsibility within the attest firm.

NASBA also recommends that APS considerations be incorporated into Objective 2.5 as the PCAOB assesses and enhances its firm registration process. The PCAOB should obtain sufficient information through registration and subsequent reporting to understand whether a registered firm participates in an APS, the nature of the relationships among the attest firm and affiliated non-attest entities, and whether the firm possesses the independence, resources, governance and capabilities necessary to perform audits in accordance with PCAOB and other applicable professional standards.

NASBA continues to believe that the privilege of registering with the PCAOB and auditing public companies should be accompanied by appropriate scrutiny of a firm's capabilities. State Boards have encountered disciplinary matters involving firms that did not appear to possess the requisite capabilities to perform audits in compliance with applicable standards. A more rigorous registration process can serve as an important preventative investor protection measure.

With respect to Objective 2.4, NASBA supports establishing a permanent broker-dealer auditor inspection program that takes into account the risk profile of broker-dealers and the nature of their audit and attestation engagements. In implementing the objective, the PCAOB should ensure that the inspection approach is appropriately risk-based, including consideration of meaningful differences between custodial and non-custodial broker-dealers.

Goal 3: Sharpen Enforcement Focus on Conduct Harmful to Investors

NASBA supports the PCAOB’s intention to concentrate enforcement resources on significant violations that present meaningful risks to investors, audit integrity and U.S. capital markets.

Objective 3.2 appropriately recognizes the importance of coordination with the Securities and Exchange Commission. NASBA recommends expanding this objective to recognize the important role of State Boards and other regulators in protecting the public.

State Boards regulate the licenses of CPAs and CPA firms and may have independent enforcement responsibilities arising from the same or related conduct addressed by the PCAOB. More timely and effective communication between the PCAOB and State Boards can help regulators carry out their respective responsibilities while avoiding unnecessary duplication of effort.

Therefore, NASBA encourages the PCAOB to establish a strategic objective of greater collaboration with State Boards on enforcement matters, including appropriate mechanisms for the timely exchange of information following disciplinary or enforcement actions. Such collaboration should be reciprocal where appropriate and consistent with applicable legal and confidentiality requirements.

Goal 4: Deepen Stakeholder Engagement and Communication

NASBA supports Goal 4 and the PCAOB's commitment to meaningful two-way stakeholder engagement.

Objectives 4.1 and 4.2 identify investors, audit committees, audit firms, advisory groups, other audit standard setters and other key stakeholders. NASBA recommends that the final Strategic Plan expressly recognizes State Boards and other regulators among the PCAOB's key stakeholders.

State Boards have a unique perspective because they regulate the broader CPA profession and are charged by state law with protecting the public. Their responsibilities intersect with the PCAOB's work in areas including audit quality, firm registration, independence, enforcement and emerging firm structures. Continued and enhanced engagement with NASBA and its member State Boards can therefore provide the PCAOB with useful information about developments affecting the profession while promoting coordinated and efficient regulation.

NASBA appreciates the PCAOB's use of advisory groups and other stakeholder forums and encourages the Board to continue creating opportunities for substantive dialogue, including smaller group discussions that allow stakeholders to provide focused feedback on emerging issues.

Goal 5: Modernize Oversight Through Technology and Data

NASBA supports Goal 5 and the PCAOB's plans to develop technology, data and AI-enabled oversight capabilities. The effective use of data analytics and emerging technology can enhance risk identification, improve the targeting of inspections and other oversight activities, and allow the PCAOB to identify trends or anomalies that may not be readily apparent through traditional review processes.

Goal 6: Strengthen Organizational Effectiveness and Stewardship

NASBA supports the PCAOB's focus on disciplined, cost-effective operations and believes Goal 6 presents an opportunity to address the administrative burden imposed on registered firms.

Registered firms are required to provide substantial amounts of information to the PCAOB through Form 2, Form 3, Form AP and other reporting requirements. In some instances, information reported to the PCAOB on one form must subsequently be manually accumulated or re-entered on another form. Other requested information may already be available to the PCAOB through prior submissions or public sources. NASBA recommends that the PCAOB undertake a comprehensive review of its reporting and data collection processes to determine whether each item of information currently collected remains necessary and relevant to the PCAOB's mission.

Measuring Strategic Plan Progress

NASBA supports the PCAOB's commitment to use its governance, budgeting and performance-planning processes to assess progress toward the Strategic Plan.

To further transparency and accountability, NASBA encourages the PCAOB to provide stakeholders with periodic information regarding implementation of the Strategic Plan. Such information could include key milestones, sequencing of major initiatives, expected timelines, and measures used to assess progress.

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NASBA appreciates the opportunity to comment on the Draft 2026-2030 Strategic Plan Goals and Objectives and looks forward to continuing to work with the PCAOB in support of audit quality, investor protection, and the public interest.

Very truly yours,

Nicola Neilon Daniel J. Dustin

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