Submitted electronically to comments@pcaobus.org

September 3, 2026

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

Re: PCAOB Release No. 2026-006, Draft 2026-2030 Strategic Plan Goals and Objectives, Objective 2.4 (Permanent Broker-Dealer Auditor Inspection Program)

Dear Members of the Board:

The American Securities Association[1] ("ASA") submits this comment on the Public Company Accounting Oversight Board's ("PCAOB" or the "Board") Draft 2026-2030 Strategic Plan Goals and Objectives, PCAOB Release No. 2026-006, specifically Objective 2.4, which would establish a permanent inspection program for broker-dealer auditors. ASA represents regional and mid-size broker-dealers whose auditors would be subject to this program.

The Draft Plan leaves significant elements of Objective 2.4 undefined, including the scope of the inspection program, the risk factors that will govern its application, and the process issues raised throughout this letter. While the PCAOB has operated an interim program for inspections of broker-dealer auditors using authority from the 2010 Dodd-Frank Act, the Board should issue a further request for comment addressing outstanding concerns, before adopting any final program.

I. Risk-Based Calibration

Objective 2.4 states that the program will account for broker-dealer risk profile and the nature of audit and attestation engagements, but the Draft Plan does not define how. Before finalizing the program, the Board should specify the risk factors that will govern inspection scope, frequency, and depth, including custody of customer assets, business line complexity, and prior inspection history. ASA members have reported that current audit engagements already impose documentation demands and testing scopes indistinguishable from those applied to much larger, custodial organizations, even where the audited firm does not hold customer funds or securities, underscoring the need for custody-based calibration.

[1] ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

II. Cost Allocation

A permanent program with largely fixed compliance costs will affect smaller audit practices disproportionately relative to larger firms. Objective 2.4 references balancing costs and benefits to investors. The Board should publish that analysis before the program is finalized. ASA members have specifically identified rapidly escalating audit fees and internal resource demands attributable to PCAOB-driven audit expectations as having become operationally disruptive for small, non-custodial firms, underscoring the need for the cost-benefit analysis requested above.

III. Coordination with the SEC and FINRA

Broker-dealers and their auditors are already examined by the Securities and Exchange Commission and the Financial Industry Regulatory Authority, as well as the securities regulators of the states in which they operate. The Draft Plan does not acknowledge that a PCAOB inspection program would duplicate existing examination regimes. ASA has previously urged the Commission to use its oversight authority to direct the Board to evaluate and propose amendments to its standards and inspection approach for audits of small, non-custodial broker-dealers, underscoring the need for coordinated action in this area rather than a unilateral PCAOB program.[2]

The Board should not adopt or materially revise the broker-dealer auditor inspection program described in Objective 2.4 without first consulting with the SEC and FINRA and obtaining their concurrence on scope, timing, and information-sharing protocols. Broker-dealers are subject to concurrent SEC and FINRA oversight, as well as oversight by state securities regulators, and a unilateral PCAOB program risks inconsistent examination standards, duplicative document requests, and conflicting findings across regulators covering the same firms. Any future changes to the program's scope or methodology should likewise require prior consultation with the SEC and FINRA before implementation.

IV. Direct Engagement with Affected Trade Associations

In addition to consulting with the SEC and FINRA, the Board should engage directly with the trade associations representing the firms and auditors most affected by a permanent inspection program, before the program's design is finalized. ASA represents regional and mid-size broker-dealers whose auditors would be subject to this program, and its membership has direct visibility into the operational and cost impact that inspection scope, frequency, and reporting requirements would have on smaller firms. The Board should provide ASA and similarly situated trade associations with an opportunity to consult on program design, separate from this general strategic plan comment process, before Objective 2.4 is adopted in final form.

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[2] Letter from Jessica R. Giroux, Chief Legal Officer, American Securities Association, to Vanessa A. Countryman, Secretary, U.S. Securities and Exchange Commission, File No. S7-2026-01, "Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers (Mar. 13, 2026).

V. Process

Before the program is made permanent, the Board should:

- Open a separate comment period on the program's specific design.
- Provide a phase-in period for firms and auditors to transition from any interim inspection approach.
- Publish criteria for reporting inspection findings and applicable remediation timelines.
- Evaluate an alternative or risk-scaled audit framework for small, non-custodial broker-dealers, limiting required procedures to those commensurate with the risks such firms actually present.

ASA asks that the Board address the points above, including formal consultation with the SEC, FINRA, and directly affected trade associations such as ASA, before finalizing Objective 2.4.

Respectfully submitted,

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