RSM US LLP

30 South Wacker Drive
Suite 3300

Chicago, IL 60606

www.rsmus.com

September 4, 2026

Office of the Secretary

Public Company Accounting Oversight Board

1666 K Street, NW

Washington, D.C. 20006-2803

Re: Draft 2026-2030 Strategic Plan Goals and Objectives, PCAOB Release No. 2026-006

Dear Office of the Secretary:

RSM US LLP (RSM, “we”) values the opportunity to offer our comments on the Public Company Accounting Oversight Board’s (PCAOB) *Draft 2026-2030 Strategic Plan Goals and Objectives*. RSM is the leading provider of assurance, tax and consulting services focused on the middle market, with nearly 18,000 professionals in 77 U.S. cities, six locations in Canada, one in El Salvador and four in India.

Overall Comments on the Proposal

We support the PCAOB's continued focus on investor protection, high-quality standard setting, effective inspections, transparent remediation processes and disciplined stewardship of the Board's resources. At the same time, we believe the outlined goals and objectives will be most effective when carried out through a transparent, practical and risk-based framework that considers the implementation realities faced by firms and promotes timely, useful information for investors and other stakeholders. Across the goals and objectives discussed below, our comments emphasize several recurring themes: the importance of robust cost-benefit analysis; timely and meaningful implementation guidance; active engagement with firms, other standard setters and relevant task forces; thoughtful alignment with international standards where appropriate; inspection and reporting approaches that provide appropriate context; and investment in the expertise needed to address evolving areas such as systems of quality management, data analytics, artificial intelligence, and other emerging technologies. We offer the following responses in that spirit, with the goal of supporting oversight that is both rigorous and practical, and that advances audit quality in a manner that is understandable, actionable and aligned with the public interest.

We provide further detail on these areas, as well as other comments, in our responses to the specific objectives set out below.

Comments on Specific Objectives Posed by the Board

Goal 1: Modernize Standard Setting and Implementation

Objective 1.1: Establish a Framework for High-Quality Standard Setting

We support the PCAOB establishing a transparent framework for high-quality standard setting that advances investor protection. In developing that framework, the Board should clearly identify the need for a proposed standard or amendment, the public-interest objective it is intended to address, why standard setting is the appropriate response rather than interpretive guidance or examples, and how the action would enhance investor protection. The framework should also describe how the PCAOB will obtain and evaluate stakeholder feedback in a more transparent approach and provide timely guidance and interpretations. In doing so, the PCAOB could draw from useful elements of the International Auditing and Assurance Standards Board (IAASB) and Accounting Standards Board (ASB) processes, including an explicit public-interest focus, transparent due process, public exposure of proposed standards, open deliberations and clear consideration of stakeholder comments. In addition, we encourage the PCAOB to include a meaningful cost-benefit analysis informed by the practical experience of those responsible for implementation, rather than relying solely on theoretical assumptions. That analysis should recognize that implementation costs extend beyond direct audit firm expenditures and may include demands on talent, time, systems, audit committees, issuers and, ultimately, investors. Our experience implementing QC 1000 demonstrates that anticipated costs can differ significantly from actual costs incurred by firms. A framework that incorporates practical outreach, clear examples and consideration of relevant approaches used by other standard setters would help ensure that standards are understandable, implementable and capable of achieving their intended public-interest objectives.

Objective 1.2: Support Effective Implementation and Post-Implementation Evaluation

We support the PCAOB's objective of promoting effective implementation and post-implementation evaluation of PCAOB standards. To be effective, implementation guidance should be timely, practical and sufficiently detailed to help firms of all sizes apply the standards consistently. Guidance that simply restates the standard is less helpful than guidance that provides practical context, illustrations, FAQs or interpretations that address recurring implementation questions or observed challenges. For example, the PCAOB's outreach related to the implementation of quality management, including staff guidance, illustrations and other supporting materials, provided meaningful assistance to firms. We further believe the Office of the Chief Auditor, not individual inspection teams, should be the authoritative arbiter of PCAOB standards and how those standards are interpreted and applied in practice. We are encouraged by the PCAOB's new consultation process and would welcome additional detail on how responses and learnings from such consultations with broader applicability will be made available to the profession to proactively address audit quality considerations.

In addition, the PCAOB should take a more proactive role with respect to artificial intelligence (AI), digital assets and other emerging technologies as timely and meaningful guidance is important to support consistent application of PCAOB standards. These areas are evolving rapidly, and timely guidance for auditors will be important to support consistent application of PCAOB standards. Such guidance should recognize the continued importance of appropriate human involvement and professional judgment, while also avoiding an expectation that technology-generated outputs be subjected to a higher level of scrutiny than comparable judgments, analyses or work performed by individuals. In our view, guidance should focus on how auditors evaluate and obtain appropriate evidence regarding the relevance and reliability of technology-enabled outputs, including when verification of the output may be sufficient and when reperformance or other procedures may be necessary based on the nature of the tool, the output and the audit risk being addressed.

The PCAOB should actively engage with existing task forces, councils and other groups, and leverage existing work rather than recreate it. As noted in our May 2026 comment letter, we recommend that the PCAOB consider ideas from the 2024 Technology Innovation Alliance report, *Transforming Audit Quality Through Technology*, including innovation labs, tech sprints, and additional guidance and use cases for AI in the audit. The PCAOB also could consider models such as the sandbox environment used by the Dutch Authority for the Financial Markets and the UK Financial Reporting Council's Audit Tech and AI Sandbox, which help firms explore how auditing standards apply to new and emerging technologies in practice.

Objective 1.3: Foster Alignment with International Standards

We support the PCAOB's objective of fostering alignment with international standards where appropriate. Alignment can promote consistency and reduce unnecessary differences in practice, while still allowing for U.S.-specific requirements when warranted, similar to how the ASB and Professional Ethics Executive Committee function today. In addition, because many PCAOB-registered international firms already use international standards as the basis for their global policies and methodologies, alignment where appropriate can support a more consistent application and reduce unnecessary differences and costs without compromising investor protection. In evaluating alignment, the PCAOB should consider differences in both wording and application, including whether concepts that are substantively similar are expressed using different terminology. Where the underlying concepts are the same, guidance, examples or other explanatory materials may help firms understand how the requirements are intended to operate and avoid unnecessary divergence in practice. When the PCAOB determines that a U.S.-specific difference is necessary, we encourage the Board to explain the basis for that difference and the investor-protection objective it is intended to serve. We believe this approach would support transparency, avoid divergence and help firms understand how the PCAOB's standards relate to other relevant standard-setting frameworks.

Objective 1.4: Advance Responsive, Risk-Based Standard-Setting Priorities

We support responsive, risk-based standard-setting priorities that are informed by active stakeholder engagement. In doing so, we encourage the PCAOB to participate actively in relevant standard-setting groups, task forces and international forums, while also conducting direct outreach to firms, investors, audit committees, preparers and other stakeholders affected by emerging risks and standard-setting priorities. Active participation and outreach can support knowledge sharing and help ensure that standards or PCAOB Staff Guidance, including implementation guidance, Staff Audit Practice Alerts, or Staff Questions and Answers are responsive to emerging risks while remaining practical and capable of consistent application, as described further in our response to Goal 4.

We also encourage the PCAOB to preserve appropriate lines between standard setting and inspection activity so that standards and interpretations are developed through transparent standard-setting processes. Consistent with our response to Objective 1.2, the Office of the Chief Auditor should determine how PCAOB standards are ultimately interpreted and applied, rather than allowing those determinations to arise through inspection or enforcement activities.

Goal 2: Modernize the Inspections and Registration Programs

Objective 2.1: Focus Inspections on Firms' Systems of Quality Control

We support the PCAOB focusing inspection on a firm's system of quality control. We encourage the Office of Registration and Inspection to engage with firms to understand the Quality Control (QC) system as a whole, including the firm's risk assessment process and conclusions, as well as monitoring and remediation activities. That understanding of a firm's system of quality control can help the inspection team's assessment of relevant risk factors and tailor the nature and extent of individual engagement file selections. As discussed in our response to Objective 6.2, these QC system evaluations require specialized skill sets and perspectives that may differ from those used in traditional individual engagement team inspections. We continue to believe that engagement-level inspections are essential and relevant to investor protection. The nature, extent and focus of those inspections should be calibrated to the results of the firm's system of quality control evaluation and the risks most likely to affect audit quality and investors.

We encourage the PCAOB to consider a firm's evaluation of individual engagement findings for implications to the effectiveness of the overall system of quality control, particularly where the issue relates to a limited population or where the firm has evaluated the risk and designed responses accordingly. This is particularly important in a QC-focused inspection as the evaluation of the effectiveness of a firm's system of quality management is not an "as of" point in time evaluation but an assessment based on effectiveness throughout the period being evaluated at the evaluation date. Furthermore, we believe clarifying that an inspection of a firm's system of quality control is not the same as an inspection of internal control over financial reporting. Although both involve controls, they are designed to operate at different levels of precision and for different purposes. A QC system is evaluated under the QC 1000 framework based on the design, implementation and operation of interrelated policies, procedures, monitoring activities and remediation processes that collectively support audit quality. By contrast, ICFR is focused on controls over the preparation and reliability of an issuer's financial statements. Accordingly, QC inspection procedures, findings and conclusions should be evaluated within the QC framework and should not be analogized directly to ICFR concepts or expectations. As Form QC reporting develops, it will also be important for PCAOB inspection reporting to distinguish deficiencies identified by the firm through its own monitoring and remediation processes from deficiencies identified by the PCAOB. That distinction is important because a firm-identified deficiency that is timely remediated reflects the effective operation of the firm's monitoring and remediation process as part of its system of quality management, while a PCAOB-identified deficiency may communicate a different message. Finally, any inspection reporting that includes percentages or failure rates should provide appropriate context, including sample size and other relevant information, because changes in the denominator may cause percentage swings that do not necessarily reflect changes in audit quality.

Objective 2.2: Improve Inspection Report Clarity and Timeliness

We support improving inspection report clarity and timeliness. Timely reporting is particularly important as Form QC reporting and QC-related inspection findings evolve. If firms are expected to identify, evaluate and remediate deficiencies within a defined annual reporting cycle, PCAOB inspection reports should be issued in a timeframe that permits users to understand the status of those matters without creating inconsistencies between the firm's Form QC conclusions and the PCAOB's reporting or remediation determinations. Reports issued years after the inspection may describe matters that have already been remediated or no longer exist, reducing the usefulness of the report and creating a public perception of quality issues that are not current or have already been resolved. We encourage the PCAOB to evaluate its processes and release practices to provide clearer and more timely inspection reporting.

Objective 2.3: Revise Evaluation and Reporting of Remediation Determinations

We support revising the evaluation and reporting of remediation determinations to improve transparency and usefulness. As the PCAOB evaluates remediation, we encourage the Board to align its terminology, evaluation criteria and reporting with QC 1000 definitions and the related framework. A firm's system of quality control is designed to monitor, identify, analyze, remediate and improve. Accordingly, the existence of a deficiency should not, by itself, be evaluated without regard to the firm's monitoring, root cause analysis, remediation and continuous improvement processes. Greater transparency into the remediation process and the basis for determinations would help firms, investors and other stakeholders understand how the PCAOB evaluates remediation and whether the process supports sustained improvements in audit quality.

Objective 2.4: Establish a Permanent Broker-Dealer Auditor Inspection Program

We are supportive of the PCAOB establishing a permanent inspection program for audits of broker-dealers, provided it is appropriately calibrated based on the risk profile of the broker-dealer and the nature of the audit or attestation engagement. In evaluating the scope of the program, the PCAOB should articulate the investor protection benefits of applying comparable inspection focus and resources to lower-risk broker-dealers—including introducing broker-dealers that do not hold customer funds or securities and do not carry customer accounts—and weigh those benefits against the associated costs.

Objective 2.5: Assess and Enhance the Firm Registration Process

We support the PCAOB assessing and enhancing the firm registration process in a manner that promotes strong oversight while preserving the ability for qualified firms to operate in the public company market. Registration should be required and sufficiently robust to help ensure that firms performing audits of issuers and broker-dealers can meet PCAOB standards and related obligations. At the same time, the process should be modernized to be efficient, transparent and scalable for firms of all sizes. Enhancements to the registration process should not create unnecessarily burdensome requirements which limit competition, discourage capable smaller firms from participating in the public company audit market and reduce issuer choice without a corresponding investor-protection benefit. A modernized registration process should therefore protect investors by bringing qualified firms within the PCAOB jurisdiction and inspection oversight, while avoiding barriers that unnecessarily restrict a competitive and appropriately supervised market.

Goal 3: Sharpen Enforcement Focus on Conduct Harmful to Investors

Objective 3.1: Focus Enforcement on Significant Risks to Investors and Market Integrity

We recognize that all violations of PCAOB standards and rules warrant appropriate consideration. At the same time, we encourage the Board to apply a risk-based and proportionate approach in determining how enforcement resources are deployed. In our view, enforcement priorities should distinguish between matters that have a substantive effect on audit quality, investor protection or confidence in financial reporting, and administrative or technical compliance issues that require correction but do not indicate broader audit quality concerns or create meaningful risk to investors or the capital markets.

Objective 3.2: Clarify Enforcement Principles and Priorities and Strengthen SEC Coordination

We support the PCAOB clarifying its enforcement principles and priorities and coordinating effectively with the Securities and Exchange Commission (SEC). We recommend that the Board publish enforcement principles indicating that PCAOB enforcement will be focused on matters involving intentional or reckless misconduct or conduct that poses identifiable harm to investors, companies or market integrity. Such principles should distinguish those matters from good-faith disputes over the application of standards, reasonable differences in professional judgment or technical compliance issues that do not indicate broader audit quality concerns. Such principles need not disclose investigative strategies or limit the PCAOB's discretion in appropriate cases, but it should provide firms, individuals and other stakeholders with a clearer understanding of the principles that inform enforcement referrals and priorities by PCAOB staff. Greater transparency would help promote consistency, proportionality and confidence in the enforcement process.

Goal 4: Deepen Stakeholder Engagement and Communication

Objective 4.1 Strengthen Stakeholder Engagement to Inform Oversight Priorities and Communications

We support strengthening stakeholder engagement to inform oversight priorities and communications. We encourage the PCAOB to engage actively in relevant forums, task forces, roundtables and other stakeholder discussions, including those regarding rapidly evolving areas such as AI, data, technology and changes in systems of quality management. Consistent with our prior comment letters, this engagement should reflect active and substantive participation, not merely passive observation. This should include participation with the IAASB throughout the standard-setting process, such as serving as a recognized observer, nominating a Board member, supporting task forces, monitoring standards development, providing comments at Board meetings and commenting on exposure drafts. The PCAOB also should participate actively in the International Forum of Independent Audit Regulators Standard-Setting Working Group to share ideas and help build consensus among leading global audit regulators. Early involvement in the International Standards on Auditing development process would help ensure that international standards consider U.S. capital market needs and can be adopted or adapted domestically more efficiently. By engaging directly and meaningfully with firms, other standard setters and stakeholders, the PCAOB can obtain more timely, practical insight and better align its oversight priorities with emerging risks and implementation realities.

Objective 4.2: Improve Organizational Transparency and Accountability

PCAOB processes and conclusions are most useful when they are timely, understandable and supported by clear frameworks. We encourage the PCAOB to continue improving transparency in a way that helps stakeholders understand how the Board identifies priorities, evaluates outcomes and communicates information intended to advance audit quality and investor protection.

Goal 5: Modernize Oversight Through Technology and Data

Objective 5.1: Enable Data-Driven, Risk-Based Oversight Capabilities

We support enabling data-driven, risk-based oversight capabilities. To be useful, however, such capabilities should rely on data that is sufficiently current to inform timely oversight and communication with the profession. Stale data may be less relevant to investors, create confusion about the current state of audit quality, and cause the PCAOB or other stakeholders to miss risks that currently exist and require attention. We also encourage the PCAOB to use inspection and other oversight data to identify profession-wide trends and recurring areas of challenge. Where the PCAOB observes repeated findings in particular areas, that insight should inform standard setting, implementation guidance and other more frequent communications that help firms improve audit quality and better protect investors.

Objective 5.2: Develop Internal Technology, Data and AI Capabilities

We support the PCAOB developing internal technology, data and AI capabilities. As discussed in our response to Objective 1.2, the PCAOB should seek to be proactive in understanding emerging technologies and their implications for audit quality and oversight. We encourage the Board to use its resources efficiently by leveraging existing work performed by firms, task forces, standard setters and other groups, and by considering mechanisms such as an innovation lab, sandbox, council or other structured forum. Such mechanisms could help the PCAOB build knowledge, engage with practical implementation issues and provide more timely guidance without needing to recreate all work independently.

Goal 6: Strengthen Organizational Effectiveness and Stewardship

Objective 6.1: Advance Organizational Effectiveness Through Disciplined Investment

In allocating resources, we encourage the PCAOB to leverage existing work and expertise across the broader audit ecosystem, including firms, other standard setters, task forces and relevant stakeholder groups. This approach can promote efficiency, reduce duplication and help the PCAOB build timely insight in areas that are changing rapidly, including AI, data and emerging technologies. Disciplined investment should support the PCAOB's mission while ensuring that resources are directed at activities that provide practical, timely and meaningful benefits to investors and the profession.

Objective 6.2: Strengthen Mission-Critical Organizational Culture and Workforce Capabilities

We support strengthening mission-critical organizational culture and workforce capabilities. As the audit landscape evolves, the PCAOB will need personnel with the expertise and mindset necessary to evaluate emerging practices in areas such as systems of quality management, AI, data analytics, crypto and other technologies. For example, a QC-focused inspection approach requires skills and perspectives that differ from those used in traditional engagement file inspections. We encourage the PCAOB to invest in attracting, developing and training personnel whose capabilities evolve with the market and who can evaluate emerging practices in a manner that is informed, risk-based and consistent with the Board's investor-protection mission.

* * * * *

We would be pleased to respond to any questions the PCAOB or its staff may have about our comments. Please direct any questions to Adam Hallemeyer, Chief Auditor, at 619.641.7318.

Sincerely,

RSM US LLP

RSM US LLP