September 4, 2026

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

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

Dear Office of the Secretary:

The Center for Audit Quality (CAQ) is a nonpartisan public policy organization that serves as the voice of U.S. public company auditors on matters related to public company audits. The CAQ promotes high-quality audits; convenes capital market stakeholders to advance dialogue on issues affecting audit quality, corporate reporting, and investor trust; and, through independent research and analysis, advocates for policies and standards that strengthen the effectiveness of public company audits amid evolving market conditions. This letter reflects the CAQ's observations based on feedback from certain member firms, but not necessarily the views of any particular firm, individual, or CAQ Governing Board member.

The CAQ appreciates the opportunity to provide comments on the Public Company Accounting Oversight Board's (PCAOB or Board) Draft 2026-2030 Strategic Plan Goals and Objectives (strategic plan).

Overview

We commend the Board for developing a strategic plan that articulates the PCAOB's priorities for the next five years while incorporating stakeholder feedback and recognizing the evolving nature of the audit profession and capital markets. We are supportive of the overall direction of the strategic plan and its stated objectives, including the continued evolution of a quality control-focused inspection model, an increased emphasis on the effective implementation of standards, enhanced transparency regarding regulatory decision-making, and investments in technology, data, and workforce capabilities. These priorities have the potential to strengthen the PCAOB's oversight framework and promote more effective achievement of its statutory mission.

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As the PCAOB moves from strategic planning to implementation, there are several areas that we believe warrant particular emphasis. Specifically, we encourage the PCAOB to consider: (1) the critical role of culture, professional development, and relevant expertise in the effectiveness of regulatory oversight; (2) the importance of execution, tactical prioritization, durability, and alignment with the SEC's broader regulatory priorities; (3) the continued evolution of the inspection program toward a quality control-focused oversight model; and (4) the importance of empowering the Office of the Chief Auditor (OCA) on matters related to standard setting, implementation guidance, and interpretation. These areas are foundational to the successful execution of the Board's strategic objectives and to maintaining stability and confidence in the PCAOB's regulatory framework.

Culture and Expertise Underpin Effective Organizational Performance

Even the strongest strategic plan depends on the organizational culture and day-to-day behaviors that support its execution. Effective execution requires a workforce and leadership culture that is aligned with organizational objectives, committed to continuous improvement, and capable of adapting to changing circumstances.

We are supportive of the strategic plan's commitment to clarifying expectations through two-way engagement.[1] Meaningful stakeholder engagement is an important component of effective regulation and contributes to both transparency and the quality of outcomes. In prior engagement with PCAOB leadership and staff, however, confidentiality concerns have been cited as barriers to transparency and robust dialogue and discussion with external stakeholders in some instances, reflecting a more restrictive approach than that taken by other audit and accounting standard setters. While we fully recognize the importance of safeguards designed to protect sensitive information and maintain regulatory independence, we encourage the PCAOB to consider whether there are opportunities to facilitate additional constructive dialogue as it seeks to strengthen responsiveness to stakeholders and improve transparency.

Establishing and sustaining an organizational culture that supports effective oversight is challenging and generally requires reinforcement through leadership actions, individual accountability, training programs, continuous learning, and ongoing feedback mechanisms. Meaningful cultural change rarely occurs through strategic planning alone and depends on active change management and practical mechanisms that promote and reward desired behaviors throughout the organization.

Maintaining relevant and contemporary expertise is equally important. Effective oversight depends on access to knowledge and experience that reflects current auditing practices, emerging technologies, evolving business models, and changing risks facing issuers and auditors. We encourage the PCAOB to continually evaluate how it attracts, develops, and maintains expertise across both its staff and Board. In addition, the PCAOB would benefit from expanding opportunities to access relevant outside perspectives and expertise, including practitioners, through a variety of mechanisms. Mechanisms used effectively by other regulatory and standard-setting bodies include fellowship programs, advisory committees, task forces, external consultants, and other subject-matter experts. The PCAOB’s newly announced fellowship program is one method to obtain useful practitioner perspectives. The program will be most effective if championed by OCA and the Board and could be enhanced and expanded over time.

[1] Goal 4: Deepen Stakeholder Engagement and Communication.

CAQ

Access to relevant and timely experience can strengthen the quality of standard setting, inspections, technology initiatives, and implementation support activities. It can also help ensure that regulatory initiatives are designed and implemented in a manner that is effective, efficient, operationally workable, and responsive to unintended consequences that may emerge over time. We support the goal and objectives related to technological modernization to enhance the effectiveness and timeliness of oversight activities.[2] However, the investments in talent and organizational change required to make significant advances in technology should not be underestimated.

Ultimately, organizational culture and workforce capabilities are foundational to the achievement of all strategic priorities. Sustained success will depend not only on the Board's strategic direction, but also on whether the PCAOB can leverage the institutional capabilities necessary to execute that strategy effectively.

Execution and Tactical Prioritization Are Critical to Durability and Long-Term Success

The effectiveness of the strategic plan ultimately depends on sustained, consistent execution over time. While the articulation of strategic priorities is an important first step, results depend on how those priorities are translated into operational decisions, resource allocation, and measurable actions and outcomes. We are supportive of Chairman Logothetis's proposed quarterly progress report to promote accountability,[3] and we encourage the PCAOB to maintain a strong focus on implementation and to continually evaluate whether day-to-day activities are aligned with the strategic objectives established in the strategic plan.

Successful implementation also requires prioritization. Although each objective reflected in the strategic plan is important, not all priorities can be pursued simultaneously with equal emphasis. At a foundational level, we believe the PCAOB should prioritize a strong organizational culture that supports effective execution through day-to-day behaviors, because such a culture underpins all other objectives. Tactically, we believe modernization of inspections and transparent, consultative standard setting focused on a limited number of topics should be prioritized.[4]

We encourage the PCAOB to consider the importance of durability as strategic objectives are translated into specific initiatives and action plans. Long-term success depends not only on the quality of current priorities, but also on the ability of any changes made to remain relevant and effective across changes in market conditions, Board composition, staff leadership transitions, and investor needs. Stability and predictability in regulatory priorities allow stakeholders to allocate resources, make investments, and respond to evolving requirements in an effective and efficient manner, which ultimately benefits the capital markets and investors through increased quality and decreased costs of compliance. The PCAOB would benefit from establishing durable frameworks in strategic areas such as inspections and standard setting that can remain relevant over time while allowing for sufficient flexibility to address emerging risks and changing circumstances. Such frameworks can benefit the PCAOB and its stakeholders by enhancing consistency, transparency, and predictability while supporting effective oversight. Finally, we encourage the PCAOB to prioritize coordination with the SEC—particularly where jurisdiction, requirements, or regulatory activity overlap.

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[2] Goal 5: Modernize Oversight Through Technology and Data.

[3] Refer to *Chairman Logothetis Statement on the PCAOB's Draft Strategic Goals and Objectives for Public Comment*.

[4] Refer to our previous comment letters on PCAOB Strategic Priorities and PCAOB Standard-Setting Agenda.

Modernizing Inspections and Inspection Reporting

We support the PCAOB's continued emphasis on firms' systems of quality control in modernizing the inspections process. An inspection approach that places greater emphasis on systems of quality control creates opportunities to understand root causes, evaluate governance and monitoring processes, assess remediation activities, and gain a better understanding of factors that influence audit quality. Such an approach is more likely to drive long-term audit quality than an approach that focuses primarily on individual engagement-level findings. As regulators in other jurisdictions have begun moving toward inspection models that place increased emphasis on a firm's system of quality control in recent years, at least some have directly observed a strong correlation between robust systems and a lower level of significant findings identified through the inspection of individual engagements.[5]

As part of modernizing inspections and inspection reporting, we encourage the PCAOB to consider holistically how it communicates audit quality information for the benefit of investors, regulators, and other stakeholders. This could include clarifying how stakeholders should interpret and use firm inspection reports in light of the reports' express limitations (e.g., that inspection findings are not intended to be representative measures of a firm's overall audit quality and are not necessarily comparable across years). The PCAOB could also communicate broader observations arising from inspections, including industrywide trends, recurring themes, common challenges, effective practices, and lessons learned related to systems of quality control, consistent with applicable statutory limitations.

We also support improving the clarity and timeliness of inspection reports.[6] We believe there is an opportunity to enhance the usefulness of inspection reports by making them more understandable and actionable for stakeholders, and continued outreach and engagement among a broad range of stakeholders (e.g., issuers, audit committees, investors, and firms) is critical as the PCAOB continues its work. Keeping reports simple to understand with clear objectives and criteria, and an emphasis on materiality, may provide the greatest value to stakeholders and be most consistent with desired policy outcomes and the principles of ACT (Advance, Clarify, and Transform). Introducing too much subjectivity into the reporting process risks creating unnecessary complexity and may make it more difficult for stakeholders to understand inspection results.

We are also supportive of the PCAOB's focus on revising the evaluation of and enhancing the timeliness of remediation determinations.[7] As the Board considers how best to evaluate and report such information, it is important to keep in mind the existing statutory restrictions related to the public disclosure of quality control matters.

Empowering the Office of the Chief Auditor

We support the PCAOB's efforts to improve both standard setting and implementation support and believe these activities are critical to promoting long-term audit quality and consistency.[8] We have previously provided recommendations related to the PCAOB's standard-setting agenda, including the importance of

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[5] Refer to CPAB's report *Strengthening audit quality through systems of quality management*.
[6] Objective 2.2: Improve Inspection Report Clarity and Timeliness.
[7] Objective 2.3: Revise Evaluation and Reporting of Remediation Determinations.
[8] Objective 1.2: Support Effective Implementation and Post-Implementation Evaluation and Objective 1.4: Advance Responsive, Risk-Based Standard-Setting Priorities.

collaboration with other standard setters domestically and internationally.[9] As part of those efforts, we believe OCA should serve as an authoritative source for standard setting, implementation guidance, interpretive positions, consultation outcomes, and post-implementation evaluation activities. Standards are most effective when they are interpreted through transparent and authoritative processes that provide stakeholders with clear and consistent direction.

As implementation questions arise and practice continues to evolve, we encourage the PCAOB to ensure that OCA has the authority and resources necessary to respond effectively to emerging issues and provide timely guidance where appropriate. This may require additional investment in personnel with the appropriate expertise and experience consistent with Objective 6.2. Timely interpretive guidance, developed after considering stakeholder input, including input from practitioners, can reduce uncertainty, improve consistency in implementation, and promote more effective compliance with PCAOB standards. We believe the SEC's approach, including the relationship among Commissioners, the SEC's Office of the Chief Accountant, and the Division of Corporation Finance; engagement with issuers and audit firms; and the use of consultations, comment letters, and public forums to provide guidance and communicate views, has been effective and could serve as a model for PCAOB OCA.

The issuance of authoritative guidance can also enhance durability within the regulatory framework. When interpretive positions are publicly available and communicated through transparent and established processes, stakeholders are less likely to face regulatory expectations that evolve based on individual perspectives or changing personnel. Instead, authoritative interpretations promote consistency, predictability, and quality implementation, which should be among the central objectives of standard-setting activities. Timely interpretive guidance can also help improve compliance and reduce unnecessary inefficiencies and implementation burdens associated with attempting to apply standards to situations that may not have been contemplated when the standards were adopted.

Conclusion

We commend the PCAOB for developing a thoughtful strategic plan that establishes an important foundation for the Board's future activities and articulates priorities for an evolving profession and capital markets environment.

As the PCAOB moves into the implementation phase, the ultimate success of the strategic plan will depend not only on the objectives it sets forth, but also on the consistency, durability, and effectiveness of its execution.

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We appreciate the opportunity to comment on the draft strategic plan and would welcome continued dialogue with the PCAOB as it advances these important initiatives. Please direct any questions to Dennis McGowan (dmcgowan@thecaq.org), Star Yuan (syuan@thecaq.org), or Emily Lucas (elucas@thecaq.org).

[9] See comment letters referenced in FN 4.

Respectfully submitted,

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cc:

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