PICPA
Pennsylvania Institute of CPAs

Sept. 1, 2026

Phoebe W. Brown, Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006-2803
Comments@pcaob.org

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

Dear Ms. Brown:

The Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB's) Draft 2026-2030 Strategic Plan Goals and Objectives.

The PICPA is a professional CPA association of about 16,000 members working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Our membership includes practitioners in public accounting, education, government, and industry.

We generally support the direction of the draft strategic plan. In particular, we welcome its focus on high-quality and implementable standards, quality-control-focused inspections, clearer regulatory expectations, enforcement directed toward conduct that creates meaningful risk to investors, improved stakeholder engagement, and greater use of technology and data. These priorities are responsive to many of the concerns raised in our May 2026 comments.

The plan would be strengthened, however, by more explicitly incorporating proportionality, scalability, due process, implementation discipline, and measurable accountability throughout the goals and objectives. A diverse audit firm marketplace is important to capital formation and investor choice. The PCAOB should, therefore, evaluate not only whether its oversight activities advance audit quality, but also whether the cumulative costs and operational demands create unintended barriers to participation by small and midsize firms.

Finally, many of the objectives are overly broad, and we will likely have additional comments once further details are provided.

General Comments

Incorporate scalability and proportionality throughout the plan.

The draft plan appropriately emphasizes risk-based oversight, but it does not consistently acknowledge differences among firms, issuers, broker-dealers, and engagement risk profiles. We recommend that the final plan expressly commit the PCAOB to considering firm size, practice characteristics, complexity, and the nature and risk of the entities being audited when developing standards, conducting inspections, imposing reporting requirements, and determining enforcement responses.

Scalability should not mean a lower standard of audit quality. Rather, it should ensure that regulatory requirements are proportionate to the risks addressed and do not prescribe processes, organizational structures, or documentation that are unnecessary for firms with less complex practices.

Establish measurable outcomes.

The plan states that the PCAOB will use governance, budgeting, and performance-planning processes to assess progress, but it does not identify the measures by which stakeholders will evaluate success. The final plan should include meaningful performance indicators for each goal, including measures related to the following:

- Timeliness of inspections, inspection reports, remediation determinations, and standard-setting projects.
- The quality, consistency, and clarity of inspection findings.
- Stakeholder understanding of PCAOB requirements and communications.
- Cost and implementation effects of new standards.

- Resolution of consultation requests and procedural concerns.
- Use of remediation rather than enforcement for appropriate matters.
- Trends in the number and diversity of firms participating in the public company audit market.
- Progress in modernizing the PCAOB's technology and data capabilities.

The PCAOB should report publicly on these measures at least annually.

Specific Comments

Our specific comments are included in the attached Appendix.

Conclusion

The PICPA supports the overall direction of the Draft 2026-2030 Strategic Plan. The proposed goals recognize the need for clearer standards, more risk-focused inspections and enforcement, improved stakeholder engagement, and modernized technology and data capabilities.

To fully achieve those goals, the final plan should more clearly incorporate scalability, proportionality, due process, measurable performance outcomes, implementation discipline, and the preservation of a diverse audit firm marketplace. These principles are not in tension with investor protection. They are essential to an oversight system that promotes high audit quality, encourages responsible innovation, and supports continued access to the public capital markets for companies of all sizes.

We appreciate the PCAOB's consideration of our comments and would welcome the opportunity to discuss them further.

Sincerely,

Allison M. Henry, CPA
PICPA Vice President – Professional & Technical Standards

Appendix - Specific Comments

Our comments on selected sections of the strategic plan are included below.

Goal 1: Modernize Standard Setting and Implementation

We support this goal and its focus on clear, effective, and implementable standards informed by expected costs and benefits. The final plan should more explicitly commit the PCAOB to evidence-based rulemaking, field testing, scalable standards, and consideration of cumulative regulatory effects.

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

We generally agree with the objective; however, the language is overly broad. Will the framework be exposed? We provided many comments in response to PCAOB Release No. 2026-005, *Request for Public Comment on PCAOB Standard Setting*. The final objective should also expressly recognize the importance of exercising professional judgment.

Objective 1.2: Support Effective Implementation and Post-Implementation Evaluation

We support commitment to guidance, consultation, and post-implementation review. The final objective should clarify that implementation support will be timely, practical, and available before new requirements become effective where possible.

We particularly support the reference to AI and emerging technologies.

Objective 1.3: Foster Alignment with International Standards

We support reducing unnecessary differences between PCAOB and international auditing standards. Where the PCAOB determines that a difference is necessary, it should publicly explain the following:

- The specific investor-protection concern being addressed.
- Why existing international requirements are insufficient.
- The expected incremental audit-quality benefit.
- The incremental implementation and compliance cost.

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

We support using inspection, enforcement, consultation, and stakeholder information to identify emerging risks. However, risks also arise due to the global business environment independent of the standard-setting eco system. We believe that this objective should be broadened to incorporate these risks or a new objective be added to incorporate these broader risks, including addressing the integration of technology into the audit process.

Goal 2: Modernize the Inspections and Registration Programs

We support modernizing inspections to improve effectiveness, timeliness, transparency, and contribution to audit quality. The final plan should more clearly state that inspections are intended to identify risk, promote remediation, and provide useful information to stakeholders, not merely to identify noncompliance.

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

We support a greater focus on systems of quality control, supplemented by engagement reviews. The final plan should clarify that the quality control-focused approach will be scalable and risk-based. The final plan should also address how the PCAOB will use firms' internal monitoring and inspection information. Firms should be encouraged to identify and correct their own deficiencies. The inspection process should not create a disincentive for robust internal monitoring by treating every internally identified issue as evidence against the firm without considering the effectiveness and timeliness of corrective action.

Objective 2.2: Improve Inspection Report Clarity and Timeliness

We support this objective and expect to have additional comments once details are exposed.

Objective 2.3: Revise Evaluation and Reporting of Remediation Determinations

We support this objective and expect to have additional comments once details are exposed.

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

We support establishing a permanent inspection program for auditors of carrying broker-dealers, where the nature of the broker-dealer's activities and the associated risks to investors warrant continued PCAOB oversight. For lower-risk, non-carrying broker-dealer engagements, however, we encourage the PCAOB to consider whether oversight through the AICPA Peer Review Program, together with state accountancy regulation, could provide appropriate assurance over audit quality in a more proportionate and cost-effective manner. This approach would allow the PCAOB to focus its inspection resources on those broker-dealer engagements presenting the greatest risk to investors, consistent with the broader risk-based approach contemplated throughout the strategic plan.

We recognize that this distinction may already be contemplated by Objective 2.4, which states that the permanent program would take into account "the risk profile of broker-dealers and the nature of their audit and attestation engagements" while balancing costs and benefits. We support that language but recommend that the PCAOB clarify its intended application. Specifically, the final strategic plan should make clear that establishing a permanent broker-dealer auditor inspection program does not necessarily mean that all broker-dealer auditors or engagements will be subject to the same PCAOB inspection framework.

Rather, we believe the objective should contemplate a differentiated, risk-based oversight model that considers whether certain lower-risk, non-carrying broker-dealer engagements could be appropriately overseen outside the PCAOB inspection program. Such an approach would align regulatory resources with investor risk, avoid unnecessary duplication among regulatory regimes, and advance the plan's broader objectives of effective investor protection, regulatory efficiency, and responsible stewardship.

Objective 2.5: Assess and Enhance the Firm Registration Process

We support reviewing the registration process. However, we believe that the objective should include an evaluation of both entry into and withdrawal from registration and identify whether regulatory costs, inactive-firm requirements, or administrative processes discourage firms from entering or remaining in the public company audit market.

Historical registration data should also be made publicly available so stakeholders can assess changes in the population and composition of registered firms.

Goal 3: Sharpen Enforcement Focus on Conduct Harmful to Investors

We generally support the direction of Goal 3.

Objective 3.1: Focus Enforcement on Significant Risks

We believe that technical, administrative, or isolated matters that do not create meaningful investor harm should generally be addressed through guidance, inspection findings, remediation, or other proportionate measures rather than public enforcement. The final plan should distinguish among the following:

- Intentional or reckless misconduct.

- Significant audit failures affecting investor protection.
- Repeated or systemic noncompliance.
- Isolated documentation or procedural deficiencies.
- Administrative filing errors.

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

We support clearer principles and enhanced SEC coordination. The final plan should commit to publishing an enforcement framework. See our previous comments in connection with PCAOB's Proposed Strategic Plan, PCAOB No. 2026-001.

The PICPA also recommends a formal post-enforcement review process to identify recurring root causes and determine whether improvements are needed in standards, implementation guidance, inspections, or PCAOB communications.

Goal 4: Deepen Stakeholder Engagement and Communication

We support the emphasis on two-way engagement. Engagement should be broad, balanced, and designed to gather input early enough to influence decisions rather than merely communicate decisions after they have been made.

Objective 4.1: Strengthen Stakeholder Engagement

The final plan should expressly include small and midsize firms, smaller public companies, state CPA societies, academics, technology providers, and professionals with current experience auditing smaller issuers. The PCAOB should consider expanding recurring forums to focus on small-firm inspection and implementation issues, emerging audit technologies, smaller public company audit challenges, inspection reporting and due process, etc. The audit consultation line is a positive development and should be maintained as a resource separate from enforcement. The PCAOB should periodically publish anonymized themes and insights from consultations.

Objective 4.2: Improve Organizational Transparency and Accountability

We support this objective, but recommend greater specificity. The final plan should commit to:

- Making PCAOB meeting materials, staff presentations, transcripts, recordings, and related documents easy to locate.
- Providing transparent information about how stakeholder comments influenced final decisions.
- Publishing historical data on registered firms, inspections, remediation outcomes, enforcement matters, and standard-setting timelines.
- Explaining the bases for significant policy decisions.
- Improving website navigation and search functionality.
- Reporting publicly on strategic-plan performance measures.

Significant policy deliberations should occur through transparent processes consistent with the PCAOB's public-interest mission.

Goal 5: Modernize Oversight Through Technology and Data

We generally agree with Goal 5 and the related objectives.

Goal 6: Strengthen Organizational Effectiveness and Stewardship

We generally support Goal 6 and the PCAOB's focus on strengthening organizational effectiveness, disciplined investment, and responsible stewardship. We believe, however, that the final strategic plan should more clearly establish fiscal discipline and accountability as enduring organizational principles. While we recognize the importance and complexity of the PCAOB's investor-protection mission, the resources devoted to that mission should be appropriately calibrated to the organization's responsibilities and demonstrated needs.

Accordingly, we encourage the PCAOB to consider establishing reasonable parameters or benchmarks for the PCAOB's budget and growth in expenditures. This could include benchmarking the PCAOB's staffing, operating costs, technology investments, and other expenditures against comparable global audit regulators and standard-setting organizations, with appropriate consideration of differences in their respective mandates. The objective would not be to impose an arbitrary spending cap, but rather to establish meaningful reference points against which the PCAOB and stakeholders can evaluate whether resources are being deployed efficiently and whether increases in spending are producing commensurate improvements in audit quality and investor protection. Greater transparency around these comparisons and the outcomes achieved from significant investments would further strengthen accountability.

We also believe that organizational stewardship should be designed to endure beyond the priorities of any particular board composition. While current board members may place significant emphasis on operational efficiency, proportionality, and responsible stewardship, the PCAOB's composition and regulatory priorities can change relatively quickly. The effectiveness and stability of the PCAOB should not depend primarily on the perspectives of its members at a particular point in time. We therefore encourage the PCAOB to consider structural governance mechanisms and objective budgetary disciplines that promote fiscal responsibility, consistent decision-making, and organizational stability across changes in board leadership.

Establishing these guardrails would help ensure that the PCAOB remains appropriately resourced to accomplish its mission while also demonstrating responsible stewardship of the accounting support fee that ultimately funds its operations. Such an approach would reinforce the objectives of Goal 6 by embedding efficiency, accountability, and long-term institutional stability into the PCAOB's governance framework.

Objective 6.2: Strengthen Mission-Critical Culture and Workforce Capabilities

We support the PCAOB's commitment to investing in the talent and capabilities necessary to fulfill its mission. As part of that investment, we encourage the PCAOB to ensure that inspector and staff training includes a practical understanding of firms and issuers across a range of sizes, structures, and levels of complexity. Technical proficiency in PCAOB standards is essential, but effective oversight also requires an appreciation of how those standards are applied in different practice environments.

In particular, inspection teams assigned to smaller firms should include professionals with recent, relevant experience auditing smaller public companies or working in smaller-firm environments. This perspective can help inspectors appropriately evaluate audit approaches that may differ from those used by larger firms while still achieving high-quality outcomes. Incorporating current, diverse practice experience into inspection teams would promote more balanced and consistent judgments, strengthen constructive engagement with firms, and help ensure that the inspection process appropriately reflects the scalability of PCAOB standards.