



Tel: 312-856-9100
Fax: 312-856-1379
www.bdo.com

330 North Wabash, Suite 3200
Chicago, IL 60611

September 10, 2018

Via E-mail: comments@pcaobus.org

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

Re: PCAOB Draft Strategic Plan 2018-2022

Dear Office of the Secretary:

BDO USA, LLP appreciates the opportunity to comment on the Public Company Accounting Oversight Board's (the 'PCAOB' or the 'Board') Draft Strategic Plan 2018-2022 ('Draft Strategic Plan') and provide our perspective and expertise in support of the PCAOB's mission to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports.

We generally agree that the three key factors identified in the Draft Strategic Plan have the potential to impact the Board's ability to succeed over the next five years in achieving their stated mission. Focusing on the need for further improvements in audit quality, understanding and harnessing the possibilities of technological innovations in the audit, and enhancing and increasing the dialogue between investors, audit committees, auditors and other stakeholders are essential for success in our current rapidly changing economic and technological environment. Our comments on the five strategic goals described in the Draft Strategic Plan are set out below.

GOAL ONE

Drive improvement in the quality of audit services through a combination of prevention, detection, deterrence, and remediation

We agree that the PCAOB's success in achieving this goal is most effective when the oversight process promotes continuous improvement in audit quality, and that an important focus for the accomplishment of this goal is the prevention of audit deficiencies from occurring in the first place. As laid out in the objectives underlying this goal, inspection activities, standard setting, enforcement, and indicators of audit quality all play an important role.

In particular, as it relates to inspections, we believe that providing more timely inspection reports that provide additional context for readers about the inspection process would have a significant impact on transparency to the process and contribute to improvements in audit quality. Additionally, we support a greater focus on continued research and analysis into the factors that correlate with the quality of audit services, referred to as audit quality indicators (AQI). As a firm, we support the formalization of AQIs that would be reported on by firms annually, and we would be pleased to work collaboratively with the PCAOB in this effort.



GOAL TWO

Anticipate and respond to the changing environment, including emerging technologies and related risks and opportunities

There can be no doubt that innovations in data analytics and technology are disrupting the audit process and will drive efficiencies and improve the effectiveness of financial reporting and the audit process. As technologies emerge, it will be important for the PCAOB to be involved in the early stages to ensure that existing auditing standards accommodate and promote the use of innovative audit techniques. Such early involvement will help ensure that firms can move quickly and efficiently in the rollout of new techniques and methodologies that comply with PCAOB auditing standards, rules, and guidance. The International Auditing and Assurance Standards Board and the U.S. Auditing Standards Board are currently working together to address these issues, and we encourage the PCAOB to engage in discussions with these standard setters.

Furthermore, with regard to this goal, we have invested substantial time and effort in considering the use of data and technology in audits and are available to share the results of our work to date, and our future efforts, with the Board as the Board continues to address this goal.

GOAL THREE

Enhance transparency and accessibility through proactive stakeholder engagement

We are supportive of continuous and interactive engagement with investors, auditors, other standard setters, and other stakeholders, as we believe such communication will benefit all parties in the financial reporting system. In particular, we encourage the PCAOB to expand engagement with other standard setters - both internationally and in the U.S. Through such proactive engagement, we believe audit quality for the financial reporting system as a whole improves. We look forward to the opportunity to provide our perspective to the Board as this goal is further developed and addressed.

GOAL FOUR

Pursue operational excellence through efficient and effective use of our resources, information, and technology

GOAL FIVE

Develop, empower, and reward our people to achieve our shared goals

While these two goals are operational in nature, we support the Board's focus on these matters, as they are foundational to the achievement of the Board's mission.

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We appreciate your consideration of our comments, and would be pleased to discuss these with you at your convenience. Please direct any questions to Christopher D. Tower, National Assurance Managing Partner - Audit Quality and Professional Practice at 714-668-7320



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(ctower@bdo.com) or Phillip Austin, National Assurance Managing Partner - Auditing, at 312-730-1273 (paustin@bdo.com).

Very truly yours,

/s/ BDO USA, LLP

BDO USA, LLP