



AFL-CIO

AMERICA'S UNIONS

September 10, 2018

**American Federation
of Labor and
Congress of Industrial
Organizations**

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Washington, DC 20006
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aflcio.org

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Sent by email to comments@pcaobus.org

Phoebe W. Brown
Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006

Re: No. 2018-001, PCAOB Draft Strategic Plan 2018-2022

Dear Ms. Brown:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO"), I am writing to provide our comments to the Public Company Accounting Oversight Board (the "PCAOB") on its Draft Strategic Plan 2018 - 2022. We appreciate the PCAOB's request for feedback from stakeholders on the Draft Strategic Plan as you move forward in its development and execution.

The AFL-CIO is a federation of 55 national and international labor unions that represent 12.5 million working men and women. Union-sponsored and Taft-Hartley pension and employee benefit plans hold approximately \$667 billion in assets. Union members also participate directly in the capital markets as individual investors, as well as participants in single-employer and public plans.

The AFL-CIO strongly supports the mission of the PCAOB to oversee the audits of public companies in order to protect the interests of investors which include the retirement savings of working people. We agree that audit quality has improved substantially since the formation of the PCAOB by the Sarbanes-Oxley Act of 2002. We urge the PCAOB to maintain its rigorous approach to its auditor oversight activities.

We strongly support the PCAOB's commitment to transparency as a strategic goal. In particular, we urge the PCAOB to continue to follow a public notice and comment process for its standard setting. We also believe that all communications by audit firms with PCAOB members and staff should be publicly disclosed by the PCAOB unless required to be confidential as part of an PCAOB inspection or enforcement action.

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Finally, investors have observed a concerning amount of staff turnover at the PCAOB in the past year. Recruiting and retaining dedicated public servants with public company auditing experience is critical to the effective functioning of the PCAOB. We urge the PCAOB to implement a process to ensure that the individuals hired to replace those who have recently departed are independent and exhibit the qualifications and commitment to public service critical for the PCAOB to function effectively.

In conclusion, we urge the PCAOB to continue moving forward with its standard setting agenda and its oversight activities. We greatly appreciate the opportunity to comment on the PCAOB's Draft Strategic Plan and the PCAOB's ongoing efforts to seek feedback from the investor community. If I can provide any additional information regarding our views, please contact me at (202) 637-5152 or brees@afcio.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Rees', with a stylized flourish at the end.

Brandon J. Rees
Deputy Director,
Corporations and Capital Markets