August 14, 2026

By Electronic Mail
The Honorable Paul S. Atkins
The Honorable Hester M. Peirce
The Honorable Mark T. Uyeda
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chairman Atkins and Commissioners Peirce and Uyeda:

I am pleased to transmit to you a summary of the Public Company Accounting Oversight Board (PCAOB or "Board") Office of Internal Oversight and Performance Assurance's (IOPA) Review Report on the PCAOB's Office of Facilities and Operations ("Facilities"), which is embedded in the organization's Office of the Chief Operating Officer. The Board formed IOPA in 2004 to promote the confidence of Congress, the Securities and Exchange Commission, and the public in the integrity of PCAOB programs and operations. IOPA conducted this review ("Review") in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*.

Consistent with IOPA's Charter and Internal Audit Plan, the purpose of IOPA's Review was to evaluate the efficiency, effectiveness, and integrity of Facilities' operations and provision of real estate management; facilities operations; safety, security, and emergency services; and related administrative support for the PCAOB, with particular emphasis on Facilities' ability to support the 2026 Return to Office (RTO) Plan, including office space sufficiency, in-office operational readiness, physical security, and employee safety.

As the attached summary report sets forth, IOPA's Review found that the reviewed processes and controls efficiently and effectively supported Facilities' operations.

Additionally, IOPA identified three targeted opportunities to further strengthen Facilities' support of the PCAOB. *First*, IOPA identified opportunities to strengthen Facilities' external vendor governance processes to enhance accountability, cost transparency, and alignment with contractual requirements, including by improving: (1) alignment between contractual requirements and delivered work products or services; and (2) vendor oversight practices (e.g., enhancing contract management practices to ensure timely contract renewals; for rate escalations beyond contractually-permitted automatic rate increases: documenting vendor explanations, attaching vendor's evidentiary support, and Facilities' evaluation of the increased rate). IOPA therefore recommended that Facilities evaluate and enhance its vendor oversight processes and controls to promote the efficiency, effectiveness, and accountability of external vendors, including by: (1) ensuring that vendors have delivered to the PCAOB all required work products and services or adjusting contract terms and related service fee payments to reflect actual work products and services; and (2) strengthening Facilities' contract management and invoice oversight processes, including by: (a) ensuring contracts are renewed on a timely basis; and (b) documenting vendor explanations, obtaining and attaching to the requisition/purchase order evidentiary support for the rate increase, and Facilities' evaluation of rate escalations beyond contractually allowed automatic rate increases.

*Second*, IOPA identified opportunities for Facilities to enhance Physical Security Program documentation and formalize certain operational processes and controls, to improve consistency, clarify standards, and align execution with management expectations. IOPA recommended the Facilities team enhance the PCAOB's Physical Security Program by updating documentation and formalizing certain operational processes, including: (1) reviewing and enhancing the overarching Physical Security Program document to add further clarity around standards of performance; and (2) enhancing operational processes and controls by adding structure and documentation to the Physical Security Program.

*Third*, regarding physical and technical security office assessments undertaken by the PCAOB, IOPA's Review found that Facilities: (1) lacked a comprehensive tracking process sufficient to adequately follow and prioritize numerous items that had been recommended and that Facilities had intended to implement following the assessment; and (2) had an opportunity to re-evaluate the potential value of recommendations made during the most recent external assessment that were initially targeted for adoption but were paused during the PCAOB's Mandatory Telework Period and not subsequently resumed. IOPA thus recommended that Facilities: (1) strengthen its project management processes by incorporating a comprehensive tracking process sufficient to adequately follow and prioritize items that Facilities intends to implement following physical and technical security assessments of the PCAOB's office locations; and (2) review unaddressed recommendations from the 2022 Security Assessment and identify any opportunities to re-prioritize adoption efforts.

The Board has reviewed IOPA's recommendations and Facilities' management responses thereto and has approved the transmittal of the summary report to you.

The PCAOB intends to publish the attached summary on its website on or about August 20, 2026. Please feel free to contact Michael Weigand, Director of IOPA, at (202) 591-4659 or me if you have any questions or would like any additional information about the Review.

Sincerely,

Demetrios Logothetis

Demetrios (Jim) Logothetis
Chairman

Enclosure: IOPA's Summary Public Review Report on the PCAOB's Office of Facilities and Operations (July 2026)

PCAOB
PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

# Office of Internal Oversight and Performance Assurance

# Office of Facilities and Operations Review: Summary Report

July 2026

# CONTENTS

# 1. Executive Summary

As detailed herein, the Public Company Accounting Oversight Board's (PCAOB or "Board") Office of Internal Oversight and Performance Assurance (IOPA) conducted a review of the organization's Office of Facilities and Operations' ("Facilities") key policies and practices from January through April 2026 ("Review").[1]

The Sarbanes-Oxley Act of 2002, as amended (SOX), established the PCAOB as a nonprofit corporation subject to the District of Columbia Nonprofit Corporation Act[2] with authority to: (1) conduct its operations and maintain offices in any state, the District of Columbia, or any other territory, or possession of the United States;[3] and (2) "lease, purchase, accept gifts or donations of or otherwise acquire, improve, use, sell, exchange, or convey, all of or an interest in any property, wherever situated."[4] Embedded in the organization's Office of the Chief Operating Officer (OCOO), Facilities provides real estate management; facility operations; administrative office and reception desk support; and safety, security, and emergency services.

## 1.1 Program and Review Background

### Program Background

Collectively, five highly experienced and credentialed Facilities team members,[5] with support from 16 full-time contractors, provide daily in-office support across ten physical PCAOB offices, as illustrated in Figure 1.

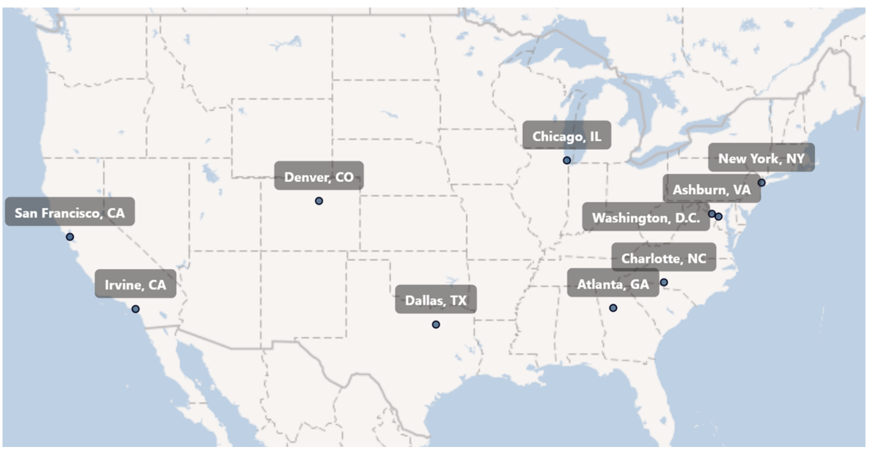


**Figure 1.** Current geographic distribution of the PCAOB's 10 physical offices. As of November 1, 2026, the PCAOB will not renew its Charlotte, NC office lease, reducing the organization's physical office footprint to nine locations.

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[1] These dates represent the period of fieldwork for this Review.

[2] SOX Section 101(b).

[3] *Id.* at Section 101((f)(2).

[4] *Id.* at Section 101(f)(3).

[5] Facilities' staff hold the following professional certifications: Professional Engineer, Physical Security Certification, and Facilities Management Professional Certification.

As detailed below, Facilities' responsibilities are generally classified as either "Facility Operations" or "Safety, Security, and Emergency Services."

### Facility Operations

Facility Operations includes a broad range of responsibilities associated with maintaining PCAOB facilities and providing in-office support services, including:

- Lease and Space Management: Facilities works with a commercial real estate broker to evaluate office locations, manage space requirements, and negotiate or re-negotiate leases with landlords. Facilities also manages space and seating assignments within PCAOB offices.
- Annual Facilities Inspections: At least annually, Facilities conducts in-person inspections of each PCAOB office to assess conditions and arrange maintenance as needed.
- On-site Support Services: Facilities leverages contractors to provide daily support services for PCAOB offices, including receptionist coverage, conference room setup, printing and copying services, mail and package handling, and office and kitchen supply maintenance.

### Safety, Security, and Emergency Services

Safety, Security, and Emergency Services focuses on the protection of the PCAOB's personnel and assets, including:

- Security Systems: Facilities ensures PCAOB office spaces are equipped with advanced security systems to prevent unauthorized access to PCAOB offices, including via: enterprise-wide access control systems, video surveillance systems (VSS), video intercom systems, and visitor management systems. PCAOB offices are also equipped with at least one duress alarm in the event of an intruder or other emergency.[6]
- Critical Asset Monitoring: Facilities monitors Intermediate Distribution Frame (IDF) rooms,[7] secure file rooms, and server rooms across PCAOB offices, including through environmental monitoring and video surveillance such as temperature sensors,[8] flood sensors, and cameras to protect critical information assets and infrastructure.
- Security Officers: Facilities engages contractors to provide security services at the Washington, DC office,[9] including daily perimeter inspections, VSS monitoring, security support for Board meetings and other PCAOB-sponsored events, and incident response activities.
- Emergency Preparedness: Facilities provides staff with a range of emergency preparedness resources, including emergency equipment,[10] mandatory safety and security awareness

[6] Duress alarms are directly connected to 911 and enable staff to discreetly contact local authorities in case of an emergency.

[7] IDF rooms are secure telecommunications spaces that house critical Information Technology (IT) network equipment such as switches, patch panels, and cabling used to support connectivity across PCAOB offices.

[8] IT equipment housed in IDF rooms and server rooms operates continuously and generates heat that can damage equipment if not properly controlled. To mitigate this risk, the PCAOB maintains dedicated air-conditioning units in these rooms and uses temperature sensors to detect potential cooling system failures.

[9] For all PCAOB offices outside of Washington, DC, security officers are provided and managed by commercial landlords pursuant to lease agreements.

[10] Each PCAOB office is equipped with at least one Automated External Defibrillator, first-aid kit, fire extinguisher, and shelter-in-place kit.

training,[11] Emergency Response Guides (ERGs),[12] and an enterprise-wide emergency notification system (onAlert) to help staff effectively respond to potential security incidents.

- Ergonomic Assessments: Facilities offers free ergonomic assessments to identify necessary adjustments to PCAOB staff workstations and works with staff to obtain appropriate ergonomic equipment to realize associated benefits (e.g., help prevent injury, improve comfort, accommodate staff with injuries or disabilities).

Effective April 1, 2020, Facilities generated a foundational guidance document ("Guidance") outlining the PCAOB's Physical Security Program ("Physical Security Program"), which since has been revised, most recently in October 2025.

### Review Background

In response to the COVID-19 pandemic, the PCAOB implemented a Mandatory Telework Period (MTP) and discontinued its use of co-working satellite locations.[13]

In November 2022, the PCAOB established a telework-centric operating model through its Workplace 2.0 Policy, fundamentally reshaping how the organization utilizes space and delivers facilities-related services.[14]

As part of its 2025 Risk Assessment, IOPA noted an anticipated return to office (RTO) for PCAOB staff in 2026 and thus identified this period as an opportune time to evaluate the effectiveness and efficiency of Facilities' key processes and controls.

## 1.2 Review Objective and Scope

### Objective

Consistent with IOPA's Charter and 2026 Audit Plan, the objective of IOPA's Review was to evaluate the efficiency, effectiveness, and integrity of Facilities' operations and provision of real estate management; facilities operations; safety, security, and emergency services; and related administrative support for the PCAOB.

IOPA's Review included particular emphasis on Facilities' ability to support the organization's anticipated and actual 2026 RTO Plan, including via office space sufficiency, in-office operational readiness, physical security, and employee safety.

[11] The PCAOB's Safety and Security Annual Awareness Course and ALICE Active Shooter Training are automatically assigned to staff upon hire and on an annual basis thereafter.

[12] ERGs are customized for each PCAOB office location and provide a general framework to prepare for and respond to a broad range of incidents and emergency situations. They are available to all staff.

[13] Satellite locations were co-working spaces rented on an annual basis from a third-party rather than offices subject to long-term PCAOB lease commitments. The PCAOB discontinued its Boston, Houston, Los Angeles, Fort Lauderdale, and Tampa satellite locations in 2020.

[14] During 2024 lease transitions, the PCAOB reduced the size of several offices to better align its physical footprint with the Workplace 2.0 Policy framework.

### Scope

IOPA's scope included assessing key processes and controls, and associated policies, guidance, and operating procedures in place as of the time of the Review, including as to the 2026 RTO Plan, related to:

(1) the PCAOB's facilities leasing strategy (e.g., evaluating sufficiency of office space);
(2) safeguarding the organization's people, assets, operations, and information, with an emphasis on physical security and employee safety; and
(3) the use and management of contractors supporting certain Facilities functions (e.g. security, regional office staffing, etc.).

IOPA's fieldwork included:

- Conducting walkthroughs with key stakeholders to obtain an overall understanding of processes, staff, and systems involved in key program operations;
- Reviewing relevant analyses, policies, external assessment reports, and vendor contract Statements of Work (SOWs) to deepen IOPA's understanding of specific processes and controls;
- Inspecting monthly reports and recalculating invoice amounts to confirm vendors' compliance with SOW terms;
- Physically observing security equipment and systems in the DC office;
- Testing the effectiveness of physical security controls by performing data analytics on access control system data from all PCAOB offices;
- Performing analytics on staff location data to evaluate office space sufficiency;
- Analyzing reports related to Facilities' role in the 2026 RTO Plan development; and
- Assessing independently sourced expense data to identify trends and anomalies in Facilities' travel and other business expense spending.

The scope of IOPA's Review excluded evaluation of conference room technology functionality, which is administered by the PCAOB's Office of Technology and outside of Facilities' responsibilities.

IOPA conducted this Review in conformance with the Institute of Internal Auditor's *Global Internal Audit Standards.*

## 1.3 Review Opinion

IOPA's Review found that the reviewed processes and controls efficiently and effectively supported Facilities' operations and provision of real estate management; facilities operations; safety, security, and emergency services; and related administrative support for the PCAOB.

Facilities' functions have been, and remain, critical to supporting the PCAOB's work, particularly as to the Board's development and implementation of the 2026 RTO Plan. For example, Facilities provided essential office space and workstation information to support the 2026 RTO Plan. Additionally, Facilities' strategic oversight of contractors and systems that enable in-office operations, including advanced security systems and emergency protocols, has continued to protect PCAOB staff and infrastructure with the implementation of the 2026 RTO Plan. Furthermore, Facilities' engagement with independent third-party contractors that conduct periodic physical security assessments has demonstrated a commitment to continuous improvement and alignment with industry best practices.[15] Overall, Facilities' RTO preparedness activities assessed during Review fieldwork were generally adequate and effective, with sufficient and appropriate governance, planning, and coordination mechanisms established to support operational readiness for the 2026 RTO Plan.

In IOPA's view, while Facilities' overall control environment is effective, certain targeted opportunities exist to further strengthen Facilities' support of the PCAOB. These observations are summarized in Section 1.3.1 below.

[15] An external vendor completed an assessment in 2016, and an additional vendor concluded an assessment in 2022. Facilities plans to procure another assessment in 2028 after finalizing and implementing decisions for upcoming lease expirations.

### 1.3.1 Summary of Observations

<table>
<tr><th>Title</th><th>Observation</th><th>Recommendation</th><th>Responsible Party / Target Date[16]</th></tr>
<tr><td>1. Enhance Governance and Oversight of External Vendors</td><td>IOPA identified opportunities to strengthen external vendor governance processes to enhance accountability, cost transparency, and alignment with contractual requirements, including by improving:<br>1. Alignment between contractual requirements and delivered work products or services;<br>2. Vendor oversight practices (e.g., enhancing contract management practices to ensure timely contract renewals; for rate escalations beyond contractually-permitted automatic rate increases: documenting vendor explanations, attaching vendor’s evidentiary support, and Facilities’ evaluation of the increased rate).</td><td>IOPA recommends that Facilities evaluate and enhance its vendor oversight processes and controls to promote the efficiency, effectiveness, and accountability of external vendors, including by:<br>1. Ensuring that vendors have delivered to the PCAOB all required work products and services or adjusting contract terms and related service fee payments to reflect actual work products and services;<br>2. Strengthening Facilities’ contract management and invoice oversight processes, including by:<br>a) Ensuring contracts are renewed on a timely basis; and<br>b) Documenting vendor explanations, obtaining and attaching to the requisition/purchase order evidentiary support for the rate increase, and Facilities’ evaluation of rate escalations beyond contractually allowed automatic rate increases.</td><td>Facilities Assistant Director, Facilities, Operations, and Security / Q1 2027</td></tr>
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[16] The identified target date is intended to represent the anticipated conclusion of all remedial components, although it may include earlier target dates for certain remedial components.

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| **2.** ***Strengthen Documentation and Processes Surrounding Physical Security Program*** | IOPA identified opportunities for Facilities to enhance Physical Security Program documentation and formalize certain operational processes and controls, to improve consistency, clarify standards, and align execution with management expectations. | IOPA recommends that the Facilities team enhance the PCAOB's Physical Security Program by updating documentation and formalizing certain operational processes, including:<br>1. Reviewing and enhancing the overarching Physical Security Program document to add further clarity around standards of performance; and<br>2. Enhancing operational processes and controls by adding structure and documentation to the Physical Security Program. | Facilities Assistant Director, Facilities, Operations, and Security / **Q4 2026** |
| **3.** ***Strengthen Tracking of Office Security Assessment Recommendations*** | As a matter of routine practice and consistent with leading industry standards, the PCAOB undertakes physical and technical security assessments of its office locations. IOPA's Review found that Facilities lacked a comprehensive tracking process sufficient to adequately follow and prioritize numerous items that had been recommended and that Facilities had intended to implement following the assessment.<br><br>IOPA also noted an opportunity for Facilities to re-evaluate the potential value of recommendations made during the most recent external assessment that were initially targeted for adoption but were paused during the MTP and not subsequently resumed. | IOPA recommends that Facilities strengthen its project management processes by incorporating a comprehensive tracking process sufficient to adequately follow and prioritize items that Facilities intends to implement following physical and technical security assessments of the PCAOB's office locations.<br><br>IOPA further recommends that Facilities review unaddressed recommendations from the 2022 Security Assessment – which Facilities' management had previously considered sufficiently beneficial to warrant addressing – and identify any opportunities to re-prioritize adoption efforts. | Facilities Assistant Director, Facilities, Operations, and Security / **Q1 2027** |

### 1.3.2 Risk Category Distribution

IOPA found that all opportunities identified during the Review were operational in nature.


### 1.3.3 Leading Practices

During the Review, IOPA found that Facilities' processes and controls include many leading practices, including:

- Utilizing a cloud-based security workforce management software platform, configured by Facilities to meet the PCAOB's specialized needs, to monitor security officer contractors;
- Leveraging an electronic key management system to track and monitor physical keys;
- Installing cameras to gain visibility into physical office spaces, including integration of recordings into a retention system; and
- Procuring independent assessments from external consultants specializing in physical and technical security assessments.

### 1.3.4 Management Response Summary

Facilities provided responses indicating a commitment to actions that are responsive to IOPA's recommendations.

IOPA thanks all PCAOB personnel who supported our Review, both at the senior management and staff operating level.