Re: PCAOB Release No. 2026 005—Request for Public Comment on PCAOB Standard Setting

Priorities for Fraud Detection, Audit Analytics, and Mid-Tier Firm Capability

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To the Public Company Accounting Oversight Board:

I write in response to the Board's June 23, 2026 Request for Public Comment on the Standard-Setting Agenda. I am a Certified Public Accountant licensed in Oklahoma and an Association of Chartered Certified Accountants member with more than seven years of external audit experience across public, private, non-profit, and governmental clients ranging from $50 million to over $1.2 billion in annual revenue. The comments below draw on that engagement fieldwork and identify three priorities I believe would deliver the greatest audit-quality improvement per dollar of preparer and firm implementation cost.

First, I recommend that the Board place fraud-detection standard modernization at the top of its agenda. The current AS 2401 framework asks the auditor to plan and perform the audit with an attitude of professional skepticism responsive to identified fraud risks, but the standard leaves substantial room for engagement teams to treat fraud risk assessment as a paperwork exercise that does not shape subsequent test work. In my engagements, fraud risks that materialize into misstatements almost always trace back to entity-level controls the auditor identified at planning but did not test at sufficient depth. Sharper drafting on the documented linkage between identified entity-level fraud risks, planned analytical procedures, and evidence obtained would meaningfully shift auditor behavior across firms of every size.

Second, I encourage the Board to prioritize integrating data-analytics expectations into the auditing standards themselves rather than treating analytics as an optional enhancement. Contemporary tools including data visualization platforms, SQL, advanced spreadsheet applications, and audit management platforms can enable auditors to analyze full transaction populations and identify items requiring further investigation. Standards that treat full-population analytical procedures as the ordinary and expected baseline for testing high-risk revenue, journal-entry, and estimate accounts would raise the floor of audit quality without imposing new tooling requirements, because the underlying capability is already commercially available.

Third, I ask the Board to consider mid-tier and smaller registered firms explicitly in every standard-setting decision. Small and mid-tier firms audit the majority of United States private companies and a substantial share of registered issuers, and this segment operates without the specialized fraud teams and analytical infrastructure available at the largest firms. A standard-setting agenda that publishes practical implementation examples and firm-size-appropriate guidance alongside every final rule would materially accelerate adoption in the segment where audit quality improvements deliver the greatest cumulative benefit to United States capital markets.

On the Board's general approach to standard setting, I recommend continuing to solicit practitioner input from firms that fall outside the largest cohort. Standard drafting benefits substantially from perspectives grounded in engagements where analytical infrastructure is thin and where staff bandwidth is constrained. That perspective is where the practical burden of new requirements is most visible.

On the Board's related question about the potential impact of the SEC's semiannual reporting proposal on the Board's suite of standards, I offer the observation that semiannual reporting would shift the pattern of interim review work and that any implementation guidance the Board issues should recognize the compressed audit timelines that mid-tier firms will experience if the SEC proposal is adopted.

I appreciate the opportunity to comment on the Board's standard-setting agenda and I offer to make myself available should the staff wish to discuss any of the points above. Strengthening fraud detection, integrating audit analytics, and ensuring standards work in practice across the whole profession are essential to protecting United States capital markets, public-sector accountability, and investor trust.

Respectfully submitted,

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