August 5, 2026

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

RE: PCAOB request for public comment on PCAOB standard setting

Madam Secretary:

We appreciate the opportunity to comment on potential enhancements to the PCAOB's approach to standard setting and the board's future priorities. This letter builds on the recommendations in our **response** to the PCAOB's May 2026 consultation and considers feedback from different stakeholder groups to that consultation. It also notes where our positions align with the board's **draft 2026–2030 strategic plan goals and objectives**.

Efforts to enhance the effectiveness of the standard setting process will promote the PCAOB's ability to achieve its mission for the foreseeable future.

We support the board establishing a framework for high-quality standard setting. Such a framework will help it advance and maintain high-quality auditing standards and serve as a transparent and consistent way to communicate with stakeholders to build greater understanding and consensus. Any framework guiding PCAOB standard setting should itself go through public consultation and have a level of authority.[1]

The PCAOB's existing **Staff Guidance on Economic Analysis in PCAOB Standard-Setting** (the economic analysis guidance) provides a sound foundation on which the board should build. Many of our recommendations align with specific elements in that guidance. Economic analysis can bring the greatest value if begun early in the process, since it can play a crucial role in defining critical policy questions and in developing and evaluating different approaches to addressing identified problems.

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[1] The board can consider how it and the SEC would formally endorse the framework, including whether it should be included in appropriate PCAOB rules.

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Other US and international accounting and auditing standard setters have established due processes and working procedures,[2] which importantly remain intact through changes in leadership and board composition. These processes and procedures provide a consistent way to articulate to stakeholders the key judgments made in setting agenda priorities and the nature and scope of particular projects. A formal framework could support both the PCAOB and SEC's determination of whether PCAOB final standards are consistent with the Sarbanes-Oxley Act of 2002 (SOX) and are necessary or appropriate in the public interest or for the protection of investors.

The objective of PCAOB standard setting

We agree in principle with the PCAOB's proposed objective of its standard setting as "enhancing audit quality and the reliability of audit reports by establishing clear, enforceable, and risk-focused elements for auditor performance, while also setting out core qualitative characteristics of effective standards (e.g., clarity, operability, scalability, and inspectability)." We support the specific emphasis on auditor performance, as this directly affects audit quality. While enforceability is relevant given the PCAOB's statutory mandate, it is important for the standards to remain principles-based so that they continue to be fit for purpose as the environment in which audits are performed continues to evolve.

Research and outreach to identify topics and projects to be prioritized

We fully support the board's goal of ensuring that its standards meaningfully improve audit quality. The board's ongoing efforts to consult on its strategic priorities and related agenda are positive steps forward to inform the need for any future standard setting activities. These efforts will also facilitate the commencement of effective economic analysis considering the economic impacts (i.e., benefits, costs, unintended consequences) and competitive effects at all stages of a project—including when setting its scope.

The scope of any standard setting project could reasonably range from (1) narrow or targeted amendments to address certain key issues, to (2) interpretative guidance on a pertinent practice issue or to clarify how a standard is intended to be applied in a specific situation, to (3) more fulsome updates to one or more existing standards. The ongoing use of a research agenda will assist the board in evaluating whether standard setting is necessary and in developing the discussion in any proposing release about how it has considered reasonable alternatives (e.g., in relation to data and technology). Specific and ongoing outreach with firms of all sizes to understand where they have made significant investments in methodology to address emerging issues or other matters related to quality can also help identify where changes to standards or guidance may be appropriate.

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[2] Certain practices within the FASB **Rules of Procedure**, the AICPA's Auditing Standards Board (ASB) **Operating Policies**, and the International Auditing and Assurance Standards Board (IAASB) **Framework for Activities** are likely to be relevant for the PCAOB to consider in establishing its approach to standard setting.

Development stage

Greater transparency about the scope and priority of individual projects would support the board's intent to clarify expectations and its bases for decisions; this could be achieved at the development stage using the following areas of focus:

- **Articulation of the significant issues to be addressed and the priority of individual projects**: With input from its stakeholders, the board and staff should articulate the need or benefit in pursuing standard setting or other actions on a particular topic, how the topic maintains or enhances audit quality, and the urgency for the issue to be addressed.
- **Outreach and engagement needed for each project**: Timely and frequent stakeholder engagement is necessary within the standard setting process. For each specific project, the board and staff also should consider what input and expertise, including from firms and auditors (e.g., to understand practical challenges and scalability considerations), is needed to move a project forward. More consistency in discussions with the board's advisory groups throughout a project, as well as early consideration of the need for requests for comment, concept releases, surveys, and roundtables, would be welcome. In some areas (e.g., AI and technology), forming a specific multi-stakeholder task force or expert working group may be a way to bring expertise to the discussions and complement existing staff resources.
- **Transparency about potential inputs that could be leveraged in a project**: We support the PCAOB's intent to foster alignment with International Standards on Auditing (ISAs) and recommend the board adopt an approach of treating the work of the International Auditing and Assurance Standards Board (IAASB) as a core input to work on new topics. The board should also consider the work of the AICPA (e.g., the Auditing Standards Board (ASB) and the Assurance Services Executive Committee (ASEC)) and other auditing standard setters as well as global regulators and policymakers.
- **Consideration of complementary actions and interdependencies**: Often, there are implications for preparers and audit committees as a result of PCAOB actions or a need for a more holistic approach to resolving issues affecting the financial reporting ecosystem. An overall understanding of the potential impact on issuer audits is needed to consider whether the benefits outweigh the costs. PCAOB actions are most effective in supporting audit quality and protecting investors when they consider the respective responsibilities of preparers, audit committees, and auditors, resulting in actions that appropriately complement other rules, regulations, and policies across the financial reporting ecosystem. Accordingly, the board may find it necessary to work with the SEC, FASB, and others to achieve its intended outcomes in a reasonable manner.

Other process-related considerations

- **Technical review process**: We support the recommendation made by a board member at the May 2026 Standards and Emerging Issues Advisory Group (SEIAG) meeting for a small stakeholder working group to work with standard setting staff in the Office of the Chief Auditor to review and discuss draft text to advise whether the draft standards: (1) are workable; (2) would improve audit quality and thereby protect investors; or (3) require revisions either to be workable or to improve audit quality. Similar to the Inspections Modernization Task Force, a working group would not be intended to replace or undermine broader public consultation but rather would potentially enhance the efficiency of the standard setting process. Appropriate transparency about these efforts would help to assuage concerns about undue influence. This type of involvement may be particularly relevant when the staff is finalizing text in proposed standards as a result of feedback received.

- **Comment periods on public consultations and effective dates**: We appreciate the PCAOB recognizing stakeholder concerns about the accelerated pace of standard setting. Generally, a minimum comment period of 60 days on any standard setting proposal is desirable, with longer comment periods needed for more complex topics, completely new standards, or matters that have not been previously discussed in public meetings to enable fulsome consideration of draft text. When standards are finalized, having sufficient time for implementation (including for resolution of questions from firms and issuance of timely additional guidance as necessary) is essential to achieving the board's objectives. Ordinarily, a minimum period of 12–18 months after SEC approval would be necessary. But factors such as nature and extent of the changes, whether multiple new standards are proposed close in time, and the time of year when the standard is approved are relevant.[3]

The use of AI by companies and auditors should be the board's foremost priority.

We strongly support the PCAOB's stated intent to address the use of AI, in particular Generative AI (GenAI), and other emerging technologies in financial reporting and the audit process. In the short term, we recommend the PCAOB issue guidance to raise awareness and provide clarity in the application of the PCAOB's professional standards given the broad, varied, and rapidly evolving use of advanced technology, including AI, impacting the audit. Over the longer term, the board may find it appropriate to propose changes to its auditing and quality control standards or explore other mechanisms to integrate guidance explaining how those standards are expected to be applied as technology advances. We recommend the PCAOB form an AI task force, seek deeper engagement with firms of all sizes, and coordinate with its inspections personnel to inform its longer-term efforts.

Timely guidance to promote awareness and consistency

In fulfilling existing responsibilities under the auditing standards, auditors consider factors that may affect the nature, timing, and extent of the auditor's procedures. Among those factors are whether and how management is using AI in financial reporting, the type of AI being used

[3] Effective dates are best on a calendar-year basis (e.g., for audits of financial statements for periods beginning on or after December 15, 20XX) to align with firms' methodology and training cycles.

across a broad range of capabilities and sources, the nature of human involvement, and whether and how such use affects internal control over financial reporting (ICFR). SEC officials have publicly stated that the SEC may pursue communications in relation to management's responsibilities and accountabilities under existing requirements (e.g., books and records, internal control, management certifications) when implementing AI. The PCAOB should work with the SEC to leverage these actions, consider other relevant publications (e.g., COSO and Financial Executives International), and evaluate how best to provide guidance for auditors in relation to risk assessment and the effect on both financial statement audits and integrated audits.

In addition, as the nature and extent of auditors' use of AI continues to grow, it is becoming more important for the PCAOB to bring attention to certain matters and make clear expectations that promote consistency across the profession and support audit quality. As a firm, we have taken actions to promote responsible use of AI in performing audit work. While we do not expect the board to be able to answer all the questions that will arise as practice is evolving, guidance in the relatively near term could be informed by previous discussions at the board's advisory groups, outreach undertaken to date with firms, and observations from the board's inspection program (including related to changes to firms' methodologies).

In particular, the accelerating adoption of AI-enabled technologies in the audit highlights the need for guidance addressing the potential risks and appropriate governance, including, for example:

- Tool development, deployment, and monitoring - considering the unique and broad concepts related to GenAI such as data bias, explainability, and automation bias and the engagement team's or audit firm's responsibility to practically address those concepts when GenAI is used in the audit (e.g., assessing model training, traceability, reconstructability, as well as reliability of client data and other inputs)

- The use of broadly available GenAI technologies and tools (e.g., ChatGPT) to perform audit work

Further, the significantly varied and continuously evolving use of GenAI in the audit has created a need for an audit firm to address matters including:

- Providing appropriate direction and responsibilities related to the use of GenAI in the performance of audit procedures, including promoting discussion among the engagement team, assessing relevance and reliability of information source(s), and aligning prompts to the audit procedures to be performed and inputs used

- Assessing relevance and reliability of audit evidence, including sufficient human involvement and exercising professional skepticism, even if the output from GenAI appears plausible

- Communicating with audit committees and management to understand how GenAI and other technologies made available by the audit firm may be used in conducting the audit

- Evaluating whether AI-enabled and agentic workflows have adequate human oversight and opportunity to intervene

Importantly, any such guidance should allow for the application of judgment by the auditor or audit firm, as it is unlikely that prescriptive guidelines would stand the test of time. Rather, the guidance should serve as a foundation upon which the PCAOB may build as the technology and its application continues to evolve.

Research and outreach to inform future efforts

While it is difficult to predict what GenAI will be capable of in the future, particularly with rapid advancements like agentic AI, automated monitoring, and recursive self-correction, it is important for the PCAOB to undertake robust dialogue with its stakeholders to explore how best to continue to address the fundamental responsibilities and accountability of auditors.

The concepts in AS 1000[4] are foundational to our view that, regardless of how extensively an auditor may use AI in an audit now and in the future, similar to management's responsibilities and accountability, appropriate human involvement will likely always be necessary. Even in highly automated environments, humans must remain responsible for matters such as judgments underpinning the auditor's risk assessment and response, the sufficiency and appropriateness of the evidence obtained, the evaluation of any exceptions identified, the treatment of contradictory information, and the final conclusion reflected in the auditor's report. Concepts such as professional skepticism and professional judgment will remain relevant, and potentially become increasingly so, as the use of AI in an audit increases.

We do not believe it will be appropriate or feasible for the PCAOB to provide a level of specificity as to the nature, extent, and intensity of human involvement that will be necessary given the variety of ways AI is being used today and may be used in the future. Yet, evaluating language in the current standards and grounding in their principles would provide a framework to help promote greater consistency and quality as the AI journey continues and firms develop, experiment, learn, and advance appropriate approaches.

For example, many of the PCAOB's standards include requirements and phrases that suggest the need for execution by a human professional—though these range from phrases that suggest human participation (e.g., "discuss" and "observe") and human interaction (e.g., "communicate"), to human supervision (e.g., aspects of review and oversight), human judgment (e.g., "determine," "conclude," "evaluate," and "assess"), and human accountability ("approve"), with some seemingly only able to be ultimately performed by a human, even if those efforts are informed or assisted by technology (e.g., "exercise professional skepticism,"

[4] AS 1000, *General Responsibilities of the Auditor in Conducting an Audit*.

"be responsible for," and "express an opinion"). Considering whether simply discussing the relevance of these concepts in guidance or whether, over time, the standards need to be amended or interpreted as the auditor's use of technology continues to evolve will be a critical component of the board's longer-term efforts.

Similarly, further guidance to expand on the foundations related to technological resources in QC 1000[5] may be helpful. As the IAASB is undertaking a similar initiative, it may be possible for the PCAOB to leverage the materials generated by that initiative. Finally, as the use of GenAI increases, further clarity may be needed about expectations for complying with the requirements in AS 1215, in particular the expectations related to the nature and extent of audit documentation.[6] The use of AI in the audit is one of the most important areas for the board to consider in the coming years and we would welcome the opportunity for further engagement as the board's work on AI progresses.

Work on other topics related to auditor performance should be considered in a measured way.

Digital assets and other blockchain technologies

As noted in our previous **comment letter**, the use and holding of digital assets and other blockchain technology solutions is increasing across the broader marketplace. While not as widespread as the use of AI, the topic is highly relevant to a subset of public companies and involves unique risks. Accordingly, timely action is appropriate to promote consistent application, accountability, and execution by auditors when auditing digital assets (e.g., in relation to the nature and extent of evidence over safeguarding of assets, sole ownership, and custodial agreements). Transparency about the auditor's responsibilities would support the public interest and help avoid both expectations and performance gaps. We recommend the PCAOB develop an authoritative interpretation to illustrate how key requirements of certain foundational PCAOB standards are expected to be applied to digital assets.[7]

We recommend that the PCAOB leverage ASEC's *Digital Assets Practice Aid*[8] to make progress in this area in the near term. The PCAOB should consider relevant outreach by the PCAOB and insights from inspection activities. The PCAOB could also convene firm subject matter experts to understand how their methodologies have evolved and areas where regulatory clarity would be beneficial as well as engage with companies operating in the digital assets ecosystem, the SEC, and FASB.

These efforts can help to identify and build consensus on which topics warrant an authoritative

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[5] QC 1000, *A Firm's System of Quality Control*.
[6] See, for example, paragraph .06A of AS 1215, *Audit Documentation*, related to the concept of an experienced auditor.
[7] For example, AS 1105, *Audit Evidence*, and AS 2110, *Identifying and Assessing Risks of Material Misstatement*.
[8] ASEC's **Digital Assets Practice Aid** is a nonauthoritative resource that sets out guidance on pertinent accounting and auditing issues and is periodically updated to reflect FASB Accounting Standards Updates (ASU), other regulatory developments, and practical questions from auditors.

response, as well as whether other guidance may be helpful to inform auditor judgments tailored for the specific facts and circumstances of an audit. Public consultation on the topic (including any draft interpretation) would also promote transparency about the board's process and be an effective way to gather deeper input from a wider group of stakeholders.

Going concern

Financial reporting standards[9] were updated in 2014 to (1) require management to evaluate whether there is substantial doubt about the company's ability to continue as a going concern over a defined time frame that differs from what is included in PCAOB standards, (2) define the concept of "substantial doubt" with a specific probability threshold, and (3) clarify what management is expected to disclose, including when substantial doubt has been mitigated by management's plans. The GAAP requirements were intended to reduce diversity in the timing and content of footnote disclosures. AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*, however, has not been updated since initially adopted as an interim auditing standard, though the PCAOB staff issued **guidance** in 2014 related to FASB developments. We recommend the board pursue narrow amendments to AS 2415 to enhance its interoperability with financial reporting standards and Section 10A of the Securities Exchange Act of 1934 (Section 10A) requirements for auditors for their own separately required evaluations. In particular, the board's efforts should focus on aligning the definition and period of evaluation of "substantial doubt" between auditing and financial reporting standards in a manner that is consistent with Section 10A. The FASB's standard was developed with that objective in mind.

There may also be opportunities to provide clarity about the audit work on going concern disclosures and obtaining evidence about significant management judgments. The ASB's work to align its equivalent standard with the updated financial reporting requirements could be leveraged. Engagement with firms to understand how their methodologies relating to going concern have evolved in response to FASB and ASB standard setting, including how they have promoted scalability where necessary, would be beneficial.

Noncompliance with laws and regulations (NOCLAR)

We agree the board should consider undertaking further research and engagement on NOCLAR, including to obtain preliminary views on economic considerations, before moving forward with a draft standard setting proposal.

If the PCAOB ultimately decides to pursue standard setting, any potential changes to the auditor's responsibilities should not expand the scope of a financial statement audit. The auditor's focus should be on considering how risks of noncompliance may affect risks of material misstatement and whether effects are appropriately recognized and disclosed in the

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[9] ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*.

financial statements. AS 2405[10] should continue to be grounded in the auditor's expected competencies in an audit (i.e., what can reasonably be expected of auditors given that they are not trained as lawyers or compliance monitors).

The PCAOB should consider the feasibility of the recommendations on the 2023 NOCLAR proposal, specifically those following the March 2024 roundtable, which were significantly different from, and more modest than, the proposal. This would include suggestions related to enhanced focus on the auditor's consideration of how identified or suspected noncompliance affects the audit (e.g., evaluation of management's risk assessment and overall control environment, tone at the top, effect on other aspects of the audit).

Fraud

In its request for public comment, the board listed fraud as an area for potential standard setting. The current PCAOB requirements in relation to risk assessment in AS 2110, together with the further specificity in AS 2401[11] and obligations for auditors in Section 10A, serve as an appropriate basis for the auditor's procedures with respect to fraud, resulting in an effective approach to this important topic. As a result, a standard setting project on fraud does not appear necessary at this time.

Notwithstanding this view, we would not oppose staff analyzing recent work of both the IAASB and the ASB and engaging directly with those boards and staff to evaluate whether there are any incremental areas not addressed in PCAOB standards or SEC requirements or matters arising from developments in the use of technology within the current structure. Further discussion with the board's advisory groups—including briefings on factors driving the IAASB and ASB updates and the staff's research—could inform the board's future consideration of whether to commence a narrow standard setting project or consider if guidance to reinforce existing requirements may enhance audit quality.

Service organizations

The use of service organizations continues to grow, as does those organizations' use of AI. This emerging development warrants PCAOB consideration of how auditors evaluate service auditor's reports in both a financial statement audit and an audit of ICFR. We recommend the board undertake further research and outreach on this topic to form a view as to whether the requirements in AS 2601[12] should be revised. Wider stakeholder discussion about the nature, scope, and oversight of those attestation engagements (i.e., SOC reports) would also be relevant given their use by public companies and their auditors. SOC reports are generally issued in accordance with AICPA standards and may be issued by firms not otherwise subject to PCAOB inspection or oversight (who may or may not also perform financial statement audits

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[10] AS 2405, *Illegal Acts by Clients.*
[11] AS 2401, *Consideration of Fraud in a Financial Statement Audit.*
[12] AS 2601, *Consideration of an Entity's Use of a Service Organization.*

or audits of ICFR). Accordingly, we encourage the board to liaise with the AICPA and its Peer Review Board to understand (1) quality risks with such reports and plans for how they will be addressed (including any planned updates to standards or guidance), and (2) any relevant feedback from users of SOC reports about their utility.

We offer suggestions regarding the impact on PCAOB standards of the SEC's proposal related to semiannual reporting.

Auditor involvement in interim financial reporting enhances the reliability and consistency of financial information provided to investors and supports confidence in the overall reporting framework. As noted in our **response** to the SEC's proposal*, Semiannual Reporting*, one practical implication relates to the potential emergence of differing forms of quarterly reporting and varying levels of auditor involvement.[13] We have observed that certain stakeholders, including audit committees, have inquired whether the auditor would be able to perform and report on review procedures on interim financial information that is in a form other than a complete set of financial statements including footnote disclosures. If the SEC's proposal is to move forward, we recommend the SEC work with the PCAOB, and possibly the FASB, to establish a path forward on how auditors can be voluntarily engaged to conduct a review on interim financial information that is less than a complete set of financial statements.

It is an opportune time to revisit the PCAOB interim ethics and independence standards in coordination with the SEC.

In accordance with QC 1000, auditors conducting PCAOB engagements are required to comply with applicable professional and legal requirements, which include not only PCAOB ethics and independence rules, but also SEC independence requirements, the AICPA Code of Professional Conduct, and other statutory requirements related to independence and ethics. Application of at least three sets of standards that overlap or provide greater specificity about the same matters creates unnecessary complexity and potential confusion. We therefore agree with the board's intent to consider whether to retain or rescind the interim ethics and independence standards in their current form. Transparent analysis of the various requirements would support stakeholder engagement and help the board identify where it may be possible to simplify the auditor independence requirements without compromising them. In addition, we suggest evaluating whether there are opportunities to rationalize required audit committee communications related to independence, and more broadly, to focus on those matters that truly merit the involvement or attention of the audit committee. We also recommend the PCAOB and SEC jointly consider other matters such as whether:

- Rules issued by the PCAOB need to be updated to align with or otherwise complement SEC requirements and ongoing developments, and how to avoid creating further

[13] Under AS 4105, *Reviews of Interim Financial Information*, a review engagement applies to a complete set of interim financial statements prepared in accordance with the applicable financial reporting framework (e.g., US GAAP), including the related footnote disclosures. At a minimum, narrow amendments to AS 4105 will be needed to refer to any revised SEC requirements.

divergence in the future given how PCAOB standards incorporate SEC definitions and other references

- There are opportunities for the SEC, PCAOB, and AICPA Professional Ethics Executive Committee to work collaboratively to address emerging issues that may impact independence

Further PCAOB efforts on topics that do not directly relate to auditor performance are not warranted at this time.

Critical audit matters (CAMs)

The PCAOB undertook significant stakeholder outreach during the extensive process to develop the CAM requirements. Subsequent PCAOB outreach, including to investors who conduct fundamental or governance analysis of companies, continued to explore how CAMs were used. The results of the PCAOB's stakeholder outreach in the December 2022 **Staff White Paper** are generally consistent with the PCAOB's intent in requiring CAMs and discussion of economic considerations in the adopting release. The nature and scope of the PCAOB requirements—and the outcomes in applying them—achieve the Board's stated purpose. Feedback from inspections also does not suggest changes to the requirements are warranted, as we are not aware of any auditor's reports that have needed to be amended to include new CAMs or redrafted CAMs as a result of inspections (i.e., there is no evidence auditors are regularly inappropriately applying the requirements or underreporting CAMs).

While a few investor groups called for a broader scope and more content within CAMs during the proposal process (and continue to do so), the PCAOB's decisions in finalizing the standard adequately considered this feedback and were also informed by an economic analysis of the board's own proposal as well as an evaluation of the IAASB's standard addressing key audit matters (which intentionally takes a different approach in some regards). For example, the current approach of linking CAMs to the audit and matters that are disclosed in the financial statements and allowing for auditor judgment in describing how the CAM was addressed in the audit provides necessary safeguards to the risk that auditors might provide original information about the company or that the discussion of a CAM could be read as a piecemeal opinion on a particular matter or undermine the concept of reasonable assurance on the financial statements as a whole. Changes proposed by certain investor groups with the intent of increasing the number of matters identified and reported as CAMs (e.g., deleting the reference to a matter requiring "especially" challenging, subjective, or complex auditor judgment) may undermine the relative importance of a CAM, resulting in a proliferation of less useful information. Accordingly, we would not support the board moving ahead on amendments to standards addressing CAMs.

Firm and engagement metrics

While we understand that transparency regarding the quality of our audits and our system of quality management is valued by stakeholders,[14] we remain of the view expressed in our **response** to the board's initial proposal on firm and engagement metrics that it is, and should be, the role of the audit committee, not the investor, to directly oversee the auditor. The existing balance between required audit committee communications and public disclosure is therefore appropriate in this context. Accordingly, we do not believe it is relevant to the PCAOB's investor protection mission to compel auditors to publicly report specific firm- or engagement-level metrics, including on Form AP. We raised significant concerns to both the PCAOB and the **SEC** about the underlying economic analysis, specifically that it overstates the expected benefits, particularly the usefulness of the information in decision making by investors, audit committees, and other stakeholders, and understates the cost to gather and prepare the metrics as required.

If any further activity is undertaken in this area, it should be research-focused on understanding what audit committees consider relevant to evaluating audit quality and if there are any areas where they routinely request information beyond what is required to be provided under the PCAOB's standards. For example, engaging in a dialogue with audit committees about how they use firms' audit quality/transparency reports and PCAOB inspections reports as well as what other information might be relevant could inform the board's consideration of whether enhancements to AS 1301[15] are necessary to provide more transparency. This would have greater benefits to audit quality than the board attempting to develop a regulatory response to a very nuanced topic.

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In closing, we support the board's continued transparent and inclusive approach and believe that ongoing stakeholder engagement is essential as the board moves forward in commencing priority projects. This investment in multi-stakeholder engagement will support the board's achievement of its strategic objectives and highlight its continued relevance and important role in overseeing public company auditors.

We would be pleased to discuss our observations and recommendations with the board or its staff. Please contact Brian Croteau (**brian.t.croteau@pwc.com**) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

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[14] In the US, we publicly issue a voluntary annual Audit Quality Report, which includes data used to manage our audit practice (referred to as transparency data points). In addition, we issue an annual Transparency Report to comply with Article 45 (5)(e) of the European Union's Directive on Statutory Audit 2006/43/EC.
[15] AS 1301, *Communications with Audit Committees*.