The Honourable James Logothetis, Chairman
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006

4 September 2026

Dear Chairman Logothetis,

Subject: Request for Public Comments on Draft 2026-2030 Strategic Plan Goals and Objectives, PCAOB Release No. 2026-006

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Notice and Request for Comment on the final Draft of the 2026-2030 Strategic Plan Goals and Objectives. ICGN commented on the initial request for comment on the proposed Strategic Plan.[1]

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

Overall Observations

- We support the three reinforcing priorities to Advance Audit Quality and Investor Protection, Clarify Expectations and Our Bases for Decisions Leading to Understandable Outcomes, and Transform How Oversight is Delivered.
- We are pleased to see that the proposed Strategic Plan emphasises "investor protection" in Objectives 1 and 2 eight times as central objectives.
- We generally support the emphasis on modernisation and continuous improvement in the plan, which will position the PCAOB as a forward-looking, improvement focused regulator. In order for this to be impactful, the Board and the PCAOB must remain clear and consistent about the fundamental purpose of the organisation, to maintain robust investor protections.
- We reinforce our position that the Board should appropriately resource and prioritise investor outreach and ensure that the Board is appropriately considering investor input in your decisions, in this regard:

[1] ICGN Comment Letter, Request for Public Comment Draft 2026-2030 Strategic Plan Goals and Objectives, 13 May 2026.

- We strongly oppose the decision to close the Office of the Investor Advocate.

- We believe that a dedicated and appropriately resourced investor advocacy function is important to ensuring that investor perspectives are consistently represented within the PCAOB and reflected in its work.

- We appreciate Chairman Logothetis' commitment to increased direct engagement between Board members and investors, as well as the Board's intention to maintain the Investor Advisory Group. However, these measures do not fully replace the role of a dedicated investor advocacy function. Closing the Office risks removing a clear and consistent channel for investor input and weakening the institutional voice for investor protection within the PCAOB. In our view, this sits uneasily with the strong emphasis on investor protection set out in the Strategic Plan.

Goal 1: Modernise Standard Setting and Implementation

Objective 1.1: Establish a Framework for High-Quality Standard Setting

- We support the development of a clear standard-setting framework as we mentioned in our comment letter on the recent standard setting and research agenda proposal and the effective implementation of new standards. We said, "The potential advantage of establishing such a framework is to reinforce that the primary focus of standard setting should be on the needs of investors and the public interest.[2] The standards should:
    - Focus on investor protection, by driving audit quality and strong audit outcomes, including independence, clarity, reliability, and transparency.
    - Assist the Board to select the appropriate action, which may include research, staff guidance, standard setting, inspections, or enforcement.
    - Consider evidence from inspections, enforcement matters, restatements, academic research, and post-implementation reviews.
    - Consider the materiality of issues and any impacts on audit quality.[3]
- We strongly support the use of post-implementation reviews as an important feedback mechanism that should be embedded within the overall standard-setting framework.

- We believe that any guidance issued should facilitate consistent implementation without being considered de facto new standards. Without careful drafting and clarity through clear communication, guidance can be interpreted as a rule. It is important that the PCAOB seeks to address the unintended consequence of the audit firm's "overinterpreting" guidance, and using it as a checklist, etc. This overinterpretation can be unhelpful as it can be used an argument by some actors that regulations are

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[2] ICGN Comment Letter, Request for Public Comment on PCAOB Standard Setting, Public Company Accounting Oversight Board | ICGN, 7 August 2026.

[3] *See, e.g.,* Letter from the Members of the IAG to Office of the Secretary, PCAOB, Reference: PCAOB Rulemaking Docket Matter No. 057, Supplemental Request for Comment: Proposed Amendments to QC 1000, A Firm's System of Quality Control, And Related Rule and Forms at 7 (commenting that the PCAOB economic analysis failed to consider "[t]he potential economic impacts of the proposed amendments on . . . investor confidence; and [on] . . . the costs to investors and the public of audit failures that could result from a more flexible system of quality control because of the proposed amendments.").

burdensome, or driving “tick the box” approaches, even when the guidance in question is clearly not intended to be a rule or regulation. If issuing guidance, it would be helpful for the PCAOB to reinforce that guidance is not a rule and explain how firms should use this guidance.

Objective 1.2: Support Effective Implementation and Post-Implementation Evaluation

- When deciding whether to implement standards, the costs and benefits should be assessed from the investor perspective too. In particular, the assessment should consider the cost to investors of *not* having the information audited according to any such new standard. As we mentioned in our earlier letter, investors are willing to bear reasonable costs related to expenses for high-quality audits. We believe it is also important to consider the real costs to investors if audits fail, or if audited financial information is not reliable.[4]

Objective 1.3: Alignment with International Standards

- We strongly support alignment with international standards wherever possible and the use of international baselines when appropriate.
- We recognise that the PCAOB will need to consider retaining some degree of flexibility where necessary to address specific U.S. legal requirements or unique characteristics of the U.S, audit market.
- In our previous letter we indicated that we would not support seeking to align to international standards if the driver for doing so is solely to weaken the standards. Quality and investor protection must remain the core responsibilities and considerations of the PCAOB.[5]

Objective 1.4: Advance Responsive, Risk-Based Standard-Setting Priorities

- We support a thoughtful risk-based approach by the PCAOB to standard-setting priorities.
- We believe that the PCAOB should make greater use of insights from inspections and other oversight activities to identify the areas most likely to affect audit quality. There are a myriad of examples that investors know are ripe for the PCAOB to consider. The reviews of Critical Audit Matters (CAMs) is one example where the PCAOB could have insights into emerging issues and audit risks.
- Standard-setting efforts should focus on areas where improvements are most likely to reduce audit failures and improve audit quality outcomes.

Goal 2: Modernise the Inspections and Registration Programs

Objective 2.1: Focus Inspections on Firms’ Systems of Quality Control

- We support the objective of modernising inspections while maintaining a strong and robust regulatory approach. As we mentioned in our letter on quality control

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[4] ICGN Comment Letter, Request for Public Comment on PCAOB Standard Setting, Public Company Accounting Oversight Board | ICGN, 7 August 2026.
[5] ICGN Comment Letter, Request for Public Comment on PCAOB Standard Setting, Public Company Accounting Oversight Board | ICGN, 7 August 2026.

systems,[6] audit quality is essential for investors. Audit failures hit investors and beneficiaries hard, compounding losses, and impacting investments for years.

- Modernisation efforts should be presented as improving effectiveness, not lowering expectations or reducing regulatory rigour.
- We have concerns with the use of the word, "focused" for the description of the approach to inspection activity in the narrative. It appears that the current drafting places too much emphasis on firm-wide systems of quality control. The "focused" approach implies that this is the main part of the activity.
- We believe that the PCAOB should seek to maintain an appropriate balance between firm-wide quality control inspections and detailed engagement file inspections. We would not support a very large decrease in the number of file inspections, as these are important tests of actual audits. However, we understand that there are potential benefits to incorporating a firmwide controls element into the inspection process, as for larger firms in particular the sample of files reviewed is small compared to the overall number of audits performed.
- Given the very recent implementation of QC 1000, the Board should avoid shifting inspection emphasis too heavily towards quality management systems before sufficient experience has been gained, the systems have fully matured and the results of inspections and registration programs have been analysed.
- The PCAOB will likely need to flex its approach to the numbers of firmwide controls vs files reviewed, either on an absolute or percentage basis, depending on the size, complexity, and other factors relevant to different cohorts of firms. A one-size-fits-all model is unlikely to be appropriate across firms of very different sizes and complexity. Much of the streamlining that is suggested in the amendment appears to be sensible from an investor viewpoint and offers a proportionate approach for smaller firms. However, if this goes too far it could weaken key elements of oversight and risk undermining the overall strength of audit regulation. For investors, the value of a high-quality audit, appropriately supported by a strong and robust regulator, is much more than the cost to produce one. [7]

Objective 2.2: Improve Inspection Report Clarity and Timeliness

- We strongly support improving the clarity, usefulness, and timeliness of inspection reports.
- We caution the PCAOB to remember that the regulation is the key product, so ensuring that the inspections process is robust and effective must come first. In addition, inspection reporting is helpful. We should seek to maximise its value to investors and the market.
- We would ask the PCAOB to consider expanding reporting beyond individual inspection reports to include:
    - Thematic findings;
    - Industry-wide observations;

[6] ICGN Comment Letter, 33. ICGN Response to PCAOB on QC 1000 .pdf, 9 July 2026.
[7] See our ICGN Comment Letter, Request for Public Comment on PCAOB Standard Setting, Public Company Accounting Oversight Board | ICGN, 7 August 2026.

  - Emerging audit quality risks; and
  - Meaningful audit quality indicators – linked to outcomes not just inputs.
- The PCAOB could draw on reporting approaches used by other regulators, including the UK FRC as we mentioned in our previous letter.[8]
- Greater differentiation of inspection findings would improve their usefulness by distinguishing between:
  - Documentation deficiencies;
  - Process weaknesses; and
  - Fundamental audit quality concerns.
- More transparent communication around the severity of findings would provide investors and firms with more meaningful information.

Objective 2.3: Revise Evaluation and Reporting of Remediation Determinations

- We support the objective for the PCAOB to evaluate and report on inspection-identified deficiencies in firms' quality control systems and firm remediation activities.
- Greater transparency around remediation expectations would be beneficial for investors and firms, leading to more timely monitoring and assessment of remediation actions.
- The PCAOB should provide a clearer framework explaining how it assesses whether remediation has been satisfactorily achieved, while retaining the need for case-by-case nuance and application of appropriate judgement by the Board. In many cases, we would expect that a generally applicable framework of expectations could be laid out, which would help firms to efficiently remediate issues.
- The expectations for remediation should remain appropriately high to identify, correct, and prevent reoccurrences when deficiencies are discovered.

Objectives 2.4: Establish a Permanent Broker-Dealer Auditor Inspection Program

- Whilst we have no substantive comments, we appreciate efforts to provide greater investor protection.

Objective 2.5: Assess and Enhance the Firm Registration Process

- Whilst we have no substantive comments, we appreciate the intention to assess the firm registration process and promote transparency, develop more of a risk focus and enhance audit quality.

Goal 3: Sharpen Enforcement Focus on Conduct Harmful to Investors

Objective 3.1: Focus Enforcement on Significant Risks to Investors and Market Integrity

- We support the focus on identifying conduct that is harmful to investors and risks due to significant violations and audit integrity.

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[8] ICGN Comment Letter, 18. ICGN PCAOB Letter on Strategic Priorities.pdf, 13 May 2026.

- This objective is well aligned with the overall mission of the PCAOB to provide investor protections and support the integrity of the U.S. capital markets.
- In light of the announced closure of the office of the investor advocate, it will be important that the Board clearly explains how it intends to achieve this goal, what routes it will use to receive and evaluate investor input, and how it will ensure that investor protection remains at the centre of its thinking. Transparency on the mechanisms, inputs received and how they link to decision making will be important to maintain confidence in this process.

Objective 3.2: Clarify Enforcement Principles and Priorities and Strengthen SEC Coordination

- As we mentioned in the first letter to the PCAOB on its strategic priorities, as a global investor-led organisation representing long-term institutional investors, we strongly support the PCAOB's continued focus on investor protection, audit quality, and independent oversight.[9]
- Investors place significant value on the PCAOB's role in helping to underpin confidence in US capital markets. There is a direct connection between high quality audits, reliable reporting, market confidence, and the efficient allocation of long-term capital.
- We support coordination with the U.S. Securities and Exchange Commission (SEC), which has its own separate mission of investor protection. Whilst the SEC has oversight over the PCAOB, we believe that the independence of the PCAOB is paramount for strong audit quality and investor protection.

Goal 4: Deepen Stakeholder Engagement and Communication

Objective 4.1: Strengthen Stakeholder Engagement to Inform Oversight Priorities and Communications

- We strongly support enhanced stakeholder engagement with investors and investor groups that can provide the PCAOB with perspectives to inform standard setting, outreach, and educational activities. ICGN stands ready to support the board in facilitating engagement opportunities for investors however we can be helpful.
- The PCAOB should continue to improve both how it communicates and how it seeks external input. Developing relationships with investors is essential to the success of communication strategies. Investors are keen to provide feedback and comments on their experiences dealing with audit quality and audit-related issues.
- Our main concern is that the Objective places a significant number of stakeholders together into one group, which risks confusing the priorities of the regulator and may also make it harder to clearly understand the views of each stakeholder group, when they may have differing opinions.
- We would ask the PCAOB to consider separating formal engagement priorities and monitoring into clear channels:
    - First, Investors, as the PCAOB's primary constituency and the intended beneficiaries of its work; and

[9] ICGN Comment Letter, 18. ICGN PCAOB Letter on Strategic Priorities.pdf, 13 May 2026.

- Other stakeholders, including audit committees, other standard setters and regulators, academics, etc.

- Audit firms should be recognised as the regulated community, rather than a stakeholder akin to investors, audit committees, or academics, etc. Whilst engagement with the regulated community is important, the applicable engagement strategy should preserve the appropriate regulatory relationship and avoid creating the impression that firms are simply another stakeholder group.

- It would be helpful for the PCAOB to publish summaries of outreach activities, key performance indicators, or other measures of success, and to give its view on how such outreach has impacted organizational activities.

Objective 4.2: Improve Organizational Transparency and Accountability

- We strongly support greater organisational transparency and accountability within the PCAOB.

- Public implementation plans, timelines, roadmaps, and regular progress reporting would strengthen accountability and build investor and stakeholder confidence.

Goal 5: Modernise Oversight Through Technology and Data

Objective 5.1: Enable Data-Driven, Risk-Based Oversight Capabilities

- We strongly support this goal and its objectives. Investors recognise that the effective use of technology can lead to more effective and timely discovery of audit issues and concerns.

Objective 5.2: Develop Internal Technology, Data and AI Capabilities

- The PCAOB should continue to invest significantly in technology, data analytics, and AI capabilities to ensure it keeps pace with developments across the audit profession.

- As firms increasingly use AI and advanced technologies in audit, the PCAOB's inspection methodologies and supervisory approaches will need to evolve accordingly.

- Developing internal technical expertise should be a priority. We cannot overemphasise that the PCAOB must create and grow their own expertise in this area. The PCAOB should not need to rely on the expertise of the firms it oversees, given the threat it would pose to regulatory independence and conflicts of interest, both perceived and real.[10]

- The PCAOB should avoid becoming reliant on the regulated community for technical expertise. Maintaining independent capability is essential to preserving effective regulatory oversight and avoiding undue reliance on firms' own interpretations of emerging technologies.

Goal 6: Strengthen Organisational Effectiveness and Stewardship

Objective 6.1: Advance Organisational Effectiveness Through Discipled Investment

- We support this goal and its objectives.

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[10] ICGN Comment Letter, 18. ICGN PCAOB Letter on Strategic Priorities.pdf, 13 May 2026.

- The proposed organisational priorities appear appropriate and are an important enabler of the wider strategic plan. The investment in enterprise governance, technology, data, and operational capabilities.

Objective 6.2: Strengthen Mission-Critical Organizational Culture and Workforce Capabilities

- We commented previously that the PCAOB should have the requisite budget to include hiring and retaining senior, experienced technical experts who are able to effectively hold those they inspect to account, while also building new forms of expertise relevant to emerging risks and technologies, including the growing impact of Artificial Intelligence on the audit profession. Adequate and stable funding will be critical to ensuring that the PCAOB can maintain its effectiveness, independence, technical credibility, and strong focus on audit quality into the future.[11]
- We believe that the Office of the Investor Advocate should continue to exist and be properly funded.

Measuring Strategic Plan Progress

- We would ask the PCAOB to consider strengthening the section on Measuring Progress by including more specific and measurable performance indicators.
- While the objectives are appropriately high level, the strategy would benefit from identifying key performance indicators or success measures for each strategic goal.
- The PCAOB should explain how it intends to assess progress over the life of the strategy and report publicly against those measures.
- Regular public reporting against these goals and objectives would improve transparency, accountability, and investor confidence in the delivery of the strategic plan.

Thank you again for the opportunity to share our perspective on the proposed Amendments and Changes. If you would like to follow up with questions or comments, please contact me or our Senior Advisor- Americas, Carol Nolan Drake (carol.nolandrake@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN

[11] ICGN Comment Letter, 18. ICGN PCAOB Letter on Strategic Priorities.pdf, 13 May 2026.