



June 07, 2024

Ms. Phoebe W. Brown
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Proposal on *Firm and Engagement Metrics* (PCAOB Release No. 2024-002, April 9, 2024; PCAOB Rulemaking Docket Matter No. 041)

Dear Ms. Brown:

The U.S. Chamber of Commerce (“Chamber”) Center for Capital Markets Competitiveness appreciates the opportunity to comment on the Public Company Accounting Oversight Board (“PCAOB” or “Board”) proposed rules on *Firm and Engagement Metrics* (“Proposal”). The Chamber recommends the PCAOB withdraw the Proposal.

The Proposal mandates annual public disclosure of over fifty quantitative metrics in eleven different categories, at the firm level and for each engagement, by firms that serve as lead auditor for at least one accelerated and/or large accelerated filer.¹ The Proposal also contains detailed instructions that prescribe how all audit firms must define and calculate each metric. The PCAOB estimates that about 210 audit firms would be subject to the proposed firm-level disclosure requirements and approximately 3,500 accelerated and large accelerated filer audits would be subject to the proposed engagement-level disclosures.²

The Board asserts that audit committees need mandated public disclosure of the specified metrics to monitor and select auditors, while investors need them to ratify appointments of auditors and allocate capital. Unfortunately, this assertion is based on conjectures and generalities rather than substantive analyses and solid evidence.

The Chamber has long held that the lodestar for regulatory disclosure requirements should be whether incremental information satisfies the traditional test

¹ Firm-level metrics would be reported to the PCAOB as of September 30th of each year on a new Form FM, *Firm Metrics*, and engagement-level metrics for audits of accelerated and large accelerated filers would be reported on a revised Form AP, *Audit Participants and Metrics*.

² See the Proposal, page 126. Based on registration information on the PCAOB website (at April 21, 2024), 210 firms encompass almost half of the 441 audit firms that currently provide audit reports for at least one issuer.

of materiality set forth by the Supreme Court in the seminal case of *TSC Industries Inc. v. Northway Inc.*³ The proposed disclosures fall woefully short of the required materiality threshold. Instead, the proposed disclosures would overload audit committees and investors with a large set of complex data not sought, not needed, not meaningful, and not obviously usable by them. The proposed disclosures would only add noise to the public company market for audit services.

Reinforcing this point, the proposed metrics are *not* audit quality indicators (“AQI’s”), either individually or collectively. Unlike the antecedents of the Proposal – namely the recommendation of the Advisory Committee on the Auditing Profession (“ACAP”)⁴ and the PCAOB’s Concept Release on AQI’s⁵ – the Proposal emphasizes that the required metrics are neither intended to be indicators of audit quality nor represent a comprehensive set of measures of audit quality.⁶

Essentially, the Board has taken a commonsense idea about AQI’s and pushed it to a problematic extreme. The Proposal would create a bed of prescriptive, one-size-fits-all, granular metrics and mandates public disclosures that will benefit data-aggregators, the plaintiffs’ bar, and academics, but not the intended audiences of audit committees and investors.

As indicated, this proposal should be withdrawn.

The current environment with proactive communications and disclosures should be maintained. These communications and disclosures have evolved since the ACAP recommendation and the PCAOB Concept Release. Metrics voluntarily disclosed are not “cast in concrete,” as opposed to a prescriptive PCAOB rule that is not principles based. A voluntary approach allows refinements and innovations to continue. Voluntary communications and disclosures can respond to changes in and the evolution of the audit environment, regulatory oversight, technology and audit processes, and information needs of audit committees and investors.

After providing background, the discussion below elaborates on the Chamber’s concerns and recommendations. In addition to materiality, the discussion includes

³ See the letter to the Securities and Exchange Commission (“SEC”) from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the SEC Concept Release on *Possible Revisions to Audit Committee Disclosures* dated September 8, 2015.

⁴ See the *Final Report of the Department of the Treasury Advisory Committee on the Auditing Profession* (October 6, 2008), pages VIII:14 to VIII:17 that recommended the PCAOB consider the feasibility and usefulness of AQI’s.

⁵ See the Concept Release on *Audit Quality Indicators* and *Notice of Roundtable*, PCAOB Rulemaking Docket Matter No. 041 (July 1, 2015).

⁶ For example, see the Proposal, page 135.

concerns with the PCAOB's remit vis-à-vis the Proposal, economic considerations and consequences, and other matters.

Background

Profession and Firm Activities

A decade ago, the Center for Audit Quality ("CAQ") developed a framework of relevant AQI's, tailored to the context of the engagement, for auditor communications with audit committees.⁷ In developing the framework, the CAQ conducted outreach to investors, audit committees, and other stakeholder groups. After publishing the framework, the CAQ convened a series of roundtable discussions with audit committee members from around the world. Further, in conjunction with CAQ member audit firms and audit committee members, the CAQ conducted a series of pilot tests of the framework and the AQI's.

In 2016, the CAQ provided an update on what had been learned from these activities.⁸ Findings include:

- Determining audit quality is more art than science and it is the conversation between auditors and audit committees that is important;
- Communication is most impactful when audit committees have the flexibility to tailor the discussion around the facts and circumstances of their particular audit;
- AQI's can support or be used to initiate conversations about auditor performance, but by themselves cannot lead to a holistic understanding of audit quality; and
- Mandated public disclosure of engagement-level AQI's could lead to unintended consequences and any disclosures of engagement-level AQI information should be voluntary.⁹

In 2023, the CAQ published an update to the audit quality disclosure framework to continue to facilitate communications between auditors and audit committees and

⁷ See the *CAQ Approach to Audit Quality Indicators* (April 2014). The CAQ initiative commenced following a briefing paper presented at the PCAOB's Standing Advisory Group meeting in May 2013.

⁸ See the CAQ report on *Audit Quality Indicators: The Journey and Path Ahead* (January 2016).

⁹ For example, audit committees could include relevant information in proxy statement disclosures on their oversight and monitoring of the external audit.

help promote an understanding by audit committees, investors, and other stakeholders of AQI's and related audit firm disclosures.¹⁰

Over the last decade, larger U.S. audit firms have voluntarily disclosed relevant firm-level metrics in their annual audit quality and transparency reports, along with other qualitative information related to audit quality.¹¹ In conjunction with reporting various metrics, disclosures in these reports explain the computation of the metrics, include any changes in the computations that might affect their comparability, and discuss context necessary for understanding the metrics.

Unfortunately, the Proposal ignores the significant work of the CAQ on AQI's.¹² Moreover, the Proposal dismisses voluntary audit firm reporting as self-serving, biased, non-comparable, and subject to manipulation. For example, the Proposal claims that "... there is a lack of incentive for firms, acting on their own or collectively, to provide accurate, standardized, and decision-relevant information about their firms and the engagements they perform."¹³

These claims are patently untrue, but are consistent with the PCAOB harboring "an inexplicable hostility" toward the audit firms they oversee.¹⁴ The Proposal waves away more than twenty years of improvements in and communications about audit quality since SOX. Throwing both audit firms and predecessor Boards "under the bus," in an attempt to justify the Proposal, is unreasonable and misguided.

Activities by Audit Regulators in Other Jurisdictions

The Proposal discusses the actions and initiatives of audit regulators in other jurisdictions around the world related to the computation, monitoring, and disclosure of AQI's. However, none of these other initiatives have resulted in public disclosure of engagement-level AQI's or metrics.

The Proposal notes that the activities of regulators in other jurisdictions have revealed "the challenges associated with comparing certain metrics across firms without the benefit of qualitative context."¹⁵ Other challenges identified include costly changes required in audit firm systems and processes to facilitate reporting.¹⁶

¹⁰ See the CAQ report on *Audit Quality Disclosure Framework (Update)* (June 2023).

¹¹ As of early 2023, 14 annually inspected accounting firms issued audit quality reports. See the CAQ *Audit Quality Reports Analysis: A Year in Review* (March 2023), page 4.

¹² The Proposal only references a recent CAQ analysis of audit firm quality reports. See the CAQ *Audit Quality Reports Analysis: A Year in Review* (March 2023).

¹³ For example, see the Proposal, pages 3, 134, and 135.

¹⁴ See the *Remarks for the U.S. Chamber of Commerce Virtual Event* by Board Member Christina Ho (May 28, 2024).

¹⁵ See the Proposal, page 21.

¹⁶ *Ibid.*

The Proposal references the work of Accountancy Europe, including its overview of selected European and global AQI initiatives. Accountancy Europe also published a Position Paper that highlights key considerations based on discussions with members' audit experts and external stakeholders involved in developing AQI initiatives in their respective jurisdictions. Key considerations include:

- The AQI set developed for the first time may not be the perfect combination of metrics.
- There is no silver bullet or a one-size-fits-all set of AQIs. Any indicator will have its own limitations. Such limitations and how to alleviate their impact should be considered while developing AQI's.
- Users' expectations should be managed to make them aware that AQIs do not give definitive results. Narrative reporting accompanying quantitative metrics and discussions on them are key to better understanding the limitations and their implications.
- AQIs cannot be considered proxies for measuring the quality of financial reporting.
- The indicators to be used in monitoring audit quality and the optimal level for each indicator will vary from one audit engagement to another. Depending on the circumstances of an audit engagement, some indicators may become more relevant. Hence, comparing AQIs at the engagement level is unlikely to give meaningful results.¹⁷

Jurisdictions have used different approaches to their AQI initiatives than the PCAOB, such as task forces and working groups. The PCAOB did not use a task force approach to developing the Proposal.

The Proposal notes that CPAB Canada used an exploratory pilot project to solicit feedback on AQI's in which six audit committees, their management, and auditors agreed on certain metrics to monitor within the audit to gain feedback on their usefulness.¹⁸ The Board did not use a pilot project or otherwise field-test the proposed metrics in advance of approving the Proposal for public comment.

¹⁷ See the Accountancy Europe *Key Factors to Develop and Use Audit Quality Indicators: Position Paper* (January 2023).

¹⁸ See the Proposal, page 21.

This background discussion reinforces the Chamber's recommendation for maintaining voluntary communications and disclosures.

Concerns

This section focuses on the Chamber's concerns with the Proposal regarding materiality, the PCAOB's remit and oversight, and economic considerations and consequences. Discussion of the latter includes concerns related to standardization and comparability, undermining audit quality, costly and burdensome disclosure requirements, unintended consequences, and other matters.

Materiality

Materiality is a bedrock of the U.S. capital markets.¹⁹ The materiality standard ensures that investors have the information they need while protecting them from "information overload" and preventing regulators and others from using disclosures to pursue objectives that may be at odds with investor interests.²⁰

In the seminal case of *TSC Industries Inc. v. Northway Inc.*, the Supreme Court held that a fact is material if "there is a substantial likelihood that a reasonable investor would consider it important in deciding how to vote."²¹ Further, the Court held that a fact is material if there is "a substantial likelihood that the ... fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available."²² The Proposal falls far short of meeting these essential criteria for material information.

The Proposal acknowledges that the required metrics are not likely to be "decision-useful"²³ information for *retail* investors.²⁴ A similar acknowledgement should extend to institutional investors. The proposed granular audit metrics do not represent information that meets the "substantial likelihood," "would consider," "important" tests in voting or the "substantial likelihood," "would have been viewed,"

¹⁹ For example, see U.S. Chamber of Commerce Center for Capital Markets Competitiveness, *Essential Information: Modernizing Our Corporate Disclosure System* (Winter 2017).

²⁰ See U.S. Chamber of Commerce Center for Capital Markets Competitiveness "Effective, Material Corporate Disclosure Is the Cornerstone of U.S. Capital Markets" by Evan Williams (October 13, 2022).

²¹ See the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the SEC Concept Release on *Possible Revisions to Audit Committee Disclosures* dated September 8, 2015.

²² See *TSC Industries v. Northway, Inc.*, 426 U.S. 438, 449 (1976). Also, see *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988).

²³ The Proposal abstains from using the term "material" or "materiality." Material only appears in the Proposal regarding certification of Form FM, which would require the audit firm signer to certify that the Form "does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading" (page A1-17).

²⁴ See the Proposal, pages 135 and 168.

“as having significantly altered the total mix” of available information tests for any type of investor.

Audit firm metric disclosures have largely gone unnoticed by the investment community.²⁵ Indeed, even investors on PCAOB advisory committees acknowledge that they have not read any audit firm quality reports and are unaware of the metrics currently disclosed in them.^{26, 27}

Indeed, investors do not invest in the audit firms, but in their clients.

Claims in the Proposal that investors “need” the proposed metric disclosures for “voting” are not based on the realities of corporate governance or any credible evidence. In addition to not being material information, “shareholder ratification of the appointment of the auditor is not statutorily required in the U.S. and in many cases the ratification vote is non-binding;” “it is rare for shareholders to not ratify the audit committee’s selection;”²⁸ rather, “shareholders rely on audit committees to do their job appropriately as they have the expertise and regularly engage with the auditor.”²⁹

Consistent with the Chamber’s comments to the SEC in 2015, “[b]y any measure, audit committees are performing at a higher level now than ever before.”³⁰ There are reasons that companies have developed their boardroom structures for governance, including for audit committees. The Proposal risks distracting audit committees from the essentials of oversight and monitoring of the external audit and, in the process, undermining these structures. Relatedly, it is unreasonable and inappropriate for the PCAOB to expect investors to use the mandated metrics to second-guess or micro-manage audit committees.

Moreover, audit committees of accelerated and large accelerated filers are composed of entirely independent directors. As recognized by Board Member Ho,

²⁵ The Proposal does not focus on passive versus active investors or the large portion of investments allocated to index and exchange-traded funds.

²⁶ For example, see the archived webcast for comments during the November 2, 2023 meeting of the PCAOB Standards and Emerging Issues Advisory Group (“SEIAG”) on the PCAOB website.

²⁷ This evidence is not surprising as academic research finds that, even with the substantial publicity and emphasis on inspection reports by the PCAOB, institutional investors are not aware of them and, if aware, do not find PCAOB inspection reports of value (see the Proposal, page 124).

²⁸ For example, Glass Lewis typically supports voting for auditor ratification “except when we believe the auditor’s independence or audit integrity has been compromised.” See the Glass Lewis *2024 Benchmark Policy Guidelines – United States* (page 49).

²⁹ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

³⁰ See the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the SEC Concept Release on *Possible Revisions to Audit Committee Disclosures* dated September 8, 2015. The SEC has not acted on this Concept Release.

“audit committees have not only bargaining power but also a contractual relationship with their selected audit firm.”³¹

Audit committees do not need mandated public disclosure of metrics after the fact (i.e., after the completion of the audit) to carry out their oversight and monitoring responsibilities. They already have direct access in real time (i.e., well before the completion of the audit) to any necessary metric-type information from the company’s external auditor.

It is also unnecessary for the PCAOB to establish a complex, costly, and burdensome reporting regime for public disclosure of firm and engagement level metrics so that audit committees will have comparable data across audit firms. Audit committees have access to any relevant comparative data when considering changing/rotating audit firms – either from publicly available sources³² or by requesting any relevant (non-public) data from each potential audit firm.

The proposed requirements for audit firms to collect and disclose a large set of specified metrics are not a good fit for purpose for the PCAOB.³³

Relatedly, the Proposal indicates that the Board is considering requiring disclosure of engagement-level metrics in the auditor’s report, in addition to annually filing them with the PCAOB.³⁴ It would be completely inappropriate and unreasonable for the PCAOB to require disclosure of engagement-level metrics in the auditor’s report that is included in a company’s annual SEC 10-K filing. In addition to being immaterial information that does not meet the threshold requirement for SEC filings, the metrics are completely disconnected from the purpose of the auditor’s report, which is to communicate the auditor’s opinion on whether the company’s financial statements comport with generally accepted accounting principles and whether internal control over financial reporting is effective.

Moreover, any disclosures in SEC filings related to engagement-level auditor metrics represent the purview of audit committees and the SEC – not the PCAOB; and any such disclosures should occur in audit committee reports in company proxy

³¹ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

³² Under its rules and standards, the PCAOB already requires registered audit firms to disclose a large amount of firm and engagement level data annually or otherwise (some of which is in accordance with SOX Section 102). Reporting occurs on various forms that are publicly available on the PCAOB website (such as Form 2, Form 3, and Form AP) and critical audit matters (“CAMs”) are included in the auditor’s report. For example, see the Proposal, pages 14 to 18. In addition, the PCAOB publishes inspection reports for annually and triennially inspected audit firms with engagement level data and disclosures.

³³ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

³⁴ See the Proposal, pages 113 and 178.

statements. Extensive engagement-level metric disclosures would also overload and clutter company annual reports (and proxy statements) that are already very lengthy.³⁵

PCAOB Remit and Oversight

Pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”), PCAOB oversees the audits of public companies and SEC-registered broker-dealers to protect investors and further the public interest in the preparation of informative, accurate, and independent audit reports.³⁶ As Chair Williams emphasized, the PCAOB serves this mission “by driving audit quality forward” through its registration, standard-setting, inspection, and enforcement activities.³⁷

The proposed metrics are not grounded in or intended to have a nexus with audit quality. Further, the Proposal recognizes that the specified metrics and/or their calculation are not consistent with those currently used by audit firms in their quality control processes and firms may not find them useful in monitoring quality controls.³⁸ Rather than “driving audit quality forward,” the Proposal risks having the opposite effect and undermining audit quality, as discussed below.

The PCAOB claims that the Proposal would “promote auditor accountability.”³⁹ Over the past few years, accountability has occupied center-stage as an objective of PCAOB rule-making, standard-setting, inspections, and enforcement. In shifting focus to accountability and giving it preeminence, the PCAOB strays from its remit to drive audit quality forward. The Chamber has expressed concerns about this shift,⁴⁰ and our concerns extend to this Proposal. Mandating a one-size-fits-all set of granular metrics; with detailed specifics for the calculation of each metric; and where the required metrics are not consistent with those currently used by firms or useful for monitoring quality controls turns the proposed metric disclosure process into a make-work, compliance exercise that adds yet another basis for PCAOB inspection deficiencies and enforcement actions.

³⁵ Overload would occur even without allowing for the very limited qualitative information on context (i.e., 500 characters or less) the Proposal would permit in annual filings with the PCAOB.

³⁶ See SOX Section 101(a).

³⁷ For example, see the *Message from the Chair* in the PCAOB 2023 Annual Report (page 4).

³⁸ See the Proposal, page 13. This is not to suggest that the PCAOB should mandate firms use the metrics in monitoring quality controls. While the Proposal states that the PCAOB is not mandating their use *at this time*, it would be a huge mistake to consider doing so.

³⁹ For example, see the Proposal, pages 3, 135, and 141.

⁴⁰ For example, see the letters to the PCAOB from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the *Draft 2022-2026 Strategic Plan* dated August 16, 2022; *A Firm’s System of Quality Control and Other Proposed Amendments to PCAOB Standards, Rules and Forms* dated February 1, 2023; *Proposed Auditing Standard – General Responsibilities of the Auditor in Conducting an Audit* dated June 5, 2023; *Amendments to PCAOB Auditing Standards related to a Company’s Noncompliance with Laws and Regulations* dated August 2, 2023; *Proposed Amendments to PCAOB Rule 3502 Governing Contributory Liability* dated November 7, 2023; and *Proposals Regarding False or Misleading Statements Concerning PCAOB Registration* dated April 15, 2024.

The Proposal also raises fundamental questions related to the PCAOB's authority to require the proposed disclosures in audit firm filings with the PCAOB.⁴¹ SOX Section 102(b)(2) specifies the contents of registration applications and updates with the Board, which provides for "such other information as the rules of the Board or the Commission shall specify as necessary or appropriate in the public interest or for the protection of investors."⁴² The Chamber agrees with Board Member Ho that this authority is neither open-ended nor operates "in isolation from the ultimate goal of investors to earn returns on their investments."⁴³ As previously discussed, the Proposal fails in these respects.

Also, the PCAOB is proposing *not* to allow firms to request any confidential treatment regarding the proposed metrics.⁴⁴ The Chamber is concerned that this approach is neither fair nor reasonable. SOX recognizes the role of confidential information in registration, inspections, investigations, and disciplinary proceedings, including the importance of the PCAOB maintaining the confidentiality of proprietary, personal, or other information.⁴⁵ The PCAOB should not use the Proposal to circumvent the spirit or letter of SOX or other applicable laws. Relatedly, the PCAOB should not require audit firms to disclose information that is inconsistent or incompatible with the PCAOB's approach to its disclosures.

Overall, the Proposal creates reputational risk for the PCAOB. Stakeholders in the U.S. public capital markets rely on the PCAOB to responsibly oversee and monitor external audits of accelerated and large accelerated filers "in a measured, cost-effective way to help investors accumulate wealth."⁴⁶ Audit committees and investors cannot use the metrics to 'step into the shoes of the PCAOB' or 'second-guess' PCAOB oversight and monitoring – and they should not be expected to do so.

Economic Considerations and Consequences

Standardization and Comparability

⁴¹ See the Proposal, page 9. Somewhat curiously, rather than more definitive sources, the Proposal references the discussion at the October 2017 Investor Advisory Group ("IAG") meeting. Even so, the IAG discussion assumes that the PCAOB's authority under SOX for mandating AQI's rested on the PCAOB's "responsibility for ensuring audit quality." See the Power Point slides archived on the PCAOB website for the October 24, 2017 IAG meeting.

⁴² See SOX Section 102(b)(2)(H).

⁴³ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

⁴⁴ See the Proposal, page 114.

⁴⁵ For example, see SOX Sections 102(e), 104(f) and 105(b)(5).

⁴⁶ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

The Proposal states that the need by investors and audit committees for *comparable* metrics represents the rationale for mandating a standardized “... set of metrics, derived from specified calculations incorporating consistently defined terms and concepts.”⁴⁷ The PCAOB assumes that this approach will “... generate comparable data with respect to all firms and engagements that are subject to the reporting requirements.”⁴⁸

Unfortunately, this assumption is an illusion. Comparability will not somehow emerge from the proposed “standardized” metrics. Comparability cannot be achieved by mandating a one-size-fits-all, granular approach to defining and computing metrics when the substance of the measures inherently differs among audit firms and engagements. Heterogeneity cannot be converted to homogeneity by regulatory fiat.

Differences between firms and among engagements that create heterogeneity in the underlying data are multitudinous, including industry differences in client portfolios; differences in the nature and geographic reach of client operations; differences in clients’ financial reporting risks such as whether they have engaged in mergers, acquisitions, or divestitures during the period, their financial health, and their prospects; whether the engagement is new or continuing; and the list goes on and on. The Proposal gives a passing nod to these issues, but dismisses them and states “... we believe that the proposed metrics would still provide useful information.”⁴⁹

Nonetheless, heterogeneity in the underlying data means that cross-sectional differences and changes over time in engagement and firm level metrics will lack clarity, be challenging to understand and interpret, and cause confusion. To illustrate, the Proposal emphasizes that “[t]he proposed metrics are not intended to imply that an increase (decrease) in a particular metric, or a group of metrics, necessarily relates to an increase (decrease) in audit quality.”⁵⁰ However it is even more complicated. For example, in comparing a metric between two years (whether at the firm or engagement level) – an increase, decrease, or no change in the metric could be indicative of “good” news, “bad” news, or “no” news depending on the underlying facts and circumstances. Similar ambiguities occur in interpreting differences in metrics in comparisons between and among audit firms.

Relatedly, as previously noted, metrics require discussion of qualitative considerations and context to understand and interpret them. Although providing

⁴⁷ See the Proposal, page 26.

⁴⁸ For example, see the Proposal, pages 3 and 26.

⁴⁹ See the Proposal, page 27.

⁵⁰ See the Proposal, page 136.

context will not solve the fundamental problems with the PCAOB's assumptions regarding standardization and comparability, the Proposal allows optional use of qualitative information in addition to the required quantitative disclosures. However, it restricts the qualitative information to 500 characters per metric,⁵¹ which greatly limits the context that can be provided anyway.

Further, the PCAOB's choices in defining terms and specifying computations for each metric undermine their comparability. For example, various metrics require using issuers rather than accelerated and large accelerated filers – which represent the focus of the Proposal. Based on the PCAOB website, it appears that there are over 20,000 issuers – involving a heterogenous mix of companies listed on American stock exchanges, registered investment companies, certain employee benefit plans, and certain business combinations.⁵²

As another example, the PCAOB picked one of many approaches to defining industries – namely industry codes from the Industrial Classification Benchmark (“ICB”) operated and managed by FTSE Russell. All approaches involve trade-offs and compromises that impact comparability using data classified by industry in cross-sectional and time-series analyses. However, the ICB is not used by the SEC.⁵³ The SEC uses Standard Industrial Classification (“SIC”) codes. Therefore, the PCAOB's proposed classifications do not align with industry classifications used by the SEC in a company's disseminated EDGAR filings and by the Division of Corporation Finance as a basis for assigning review responsibilities for a company's filings.

Other PCAOB definitional choices and specifications likewise contribute to making it more difficult to compare metric disclosures with data made publicly available by others that use different definitions and specifications. For example, Audit Analytics is a commonly used source for restatement data and Audit Analytics publishes annual reports on restatement trends and characteristics. However, Audit Analytics uses the announcement period to categorize restatements by calendar year – not the 12-month period ended September 30th in which the audit report was initially issued, as proposed by the PCAOB.⁵⁴

Undermining Audit Quality

⁵¹ See the Proposal, page 29.

⁵² See the PCAOB *List of Issuers with No Outstanding Past-Due Share of the Issuer Accounting Support Fee*, which does not include issuers too small to meet the criteria for being assessed a support fee but, nonetheless, would be included as issuers under the Proposal.

⁵³ The Proposal notes that the ICB is used by global stock exchanges. See the Proposal, page 63. While the SEC uses SIC codes, others (including the Internal Revenue Service and various state regulators) use the Census Bureau's North American Industry Classification System (“NAICS”).

⁵⁴ See the Proposal, pages 104 to 106.

As previously discussed, the proposed metrics are not intended to be measures of audit quality. However, the Proposal creates another essential problem – namely, it undermines audit quality.

The proposed metrics did not obviously emerge from insights gleaned from more than twenty years of PCAOB oversight, including inspections. Moreover, it is unclear what the PCAOB intends to do with the information and this lack of clarity raises concerns.⁵⁵

The Proposal makes a general statement that “[t]he Board could potentially benefit from having additional tools to use in its inspections program and standard-setting initiatives.”⁵⁶ However, considering the nature of the metrics, using them as “tools” in inspections and standard-setting appears misplaced. For example, it will pressure auditors to focus on the metrics and divert attention away from audit quality.

Similar pressures could arise from activities by individuals and organizations outside the PCAOB. For example, investor advisory firms and organizations like proxy voting advice companies, data aggregators, media sources, academics, and others engage in compiling and analyzing data and drawing conclusions from their analyses; developing benchmarks; and marketing their efforts as part of their business models and activities. Given the nature of the proposed metrics, these types of activities have a high risk for misunderstanding, misapplying, misinterpreting, and misusing the metric disclosures. Nonetheless, they will result in pressures not only on audit firms and auditors, but the PCAOB and audit committees, to respond to the metrics and the process will divert the focus of all parties from audit quality.

In addition to this general concern about misuse of the data and undermining audit quality that applies to all the proposed metrics, specific metrics involve unique considerations that exacerbate their potential for undermining audit quality. For example, larger audit firms currently provide aggregate data on results from internal inspections and context for interpreting these results in their audit quality and/or transparency reports. However, the Proposal would require disclosing PCAOB-defined internal monitoring (inspection) metrics at both the firm and engagement levels.⁵⁷

⁵⁵ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

⁵⁶ See the Proposal, pages 3 and 22.

⁵⁷ The engagement-level metric requirement results in disclosing issuer identities, which is inconsistent with the PCAOB’s own approach to audit firm inspection reports.

The proposed internal inspection metrics do not include any cut-off or threshold for severity. PCAOB inspection deficiencies are publicly disclosed in audit firm inspection reports (i.e., as Part I findings), if they are of such significance that the PCAOB believes the firm at the time it issued its audit report had not obtained sufficient appropriate audit evidence to support its opinion on the financial statements and/or ICFR. The proposed internal inspection metric disclosures have no such threshold.

Further, audit firm internal inspection programs are a timelier approach for improving audit quality. They recognize a range of deficiencies and respond accordingly. For example, “foot faults” may simply require coaching. Academic research finds “... that audit partners believe internal quality reviews are more focused on audit quality and may provide more useful feedback for improving audit quality than PCAOB inspections.”⁵⁸ The proposed disclosure requirements, particularly at the engagement-level, would undermine the efficacy of audit firm internal inspection programs and audit quality. The proposed engagement-level internal inspection disclosures are not fair, reasonable, or necessary.

The internal inspection metric is just one illustration of proposed metric disclosure requirements that raise concerns for undermining audit quality. Two other examples of specific metrics that raise unique concerns for undermining audit quality are: (1) the proposed (very complicated) metric for firm-level disclosures of quality performance ratings and compensation and (2) the proposed engagement-level disclosures of hours spent by senior professional on significant risks, critical accounting policies, and critical accounting estimates relative to total audit hours.

Further, the Proposal states that “... auditors may engage in the practice of over-auditing (i.e., the engagement team undertakes more procedures than they otherwise might have performed and that do not efficiently contribute to forming an opinion on the financial statements”).⁵⁹ In turn, the PCAOB claims that benefits of the Proposal include reducing “over-auditing” and “audit inefficiencies.” For example, the Proposal claims:

In response to improved monitoring [via the disclosed metrics], auditors may improve audit efficiency as well as audit outcomes as they become more responsive to investors’ and audit committees’ audit service needs. This could in turn lead to lower audit fees, improved audit quality, and improved financial reporting quality.⁶⁰ ...

⁵⁸ See the Proposal, page 160.

⁵⁹ See the Proposal, page 128.

⁶⁰ See the Proposal, pages 139 and 140.

Audit firms may find the proposed metrics beneficial as they may be better able to monitor whether they themselves are unintentionally over-auditing, as they would be able to view the personnel allocations on similar engagements for peer-group issuers.⁶¹ ...

The ability of auditors to compare and evaluate planning and risk allocation could provide substantive benefits in that auditors may be over-allocating hours to risk areas (i.e., over auditing) or improperly and inefficiently planning their audits.⁶²

The Chamber is skeptical of these claims and finds them to be extremely problematic. Claiming that beneficial effects of the Proposal include reducing “over auditing” and, thereby, reducing audit fees moves the PCAOB down a very slippery slope. The PCAOB’s remit is audit quality. “Over-auditing” and audit “inefficiencies” should not be a focus for the PCAOB – unless they are caused by PCAOB activities such as audit standard-setting, rulemaking, and/or inspections.⁶³ If so, the PCAOB should focus on the root cause and revise auditing standards, PCAOB rules, or inspection activities – the PCAOB should not use a metric disclosure rule to change auditor performance.

Auditing involves the exercise of judgment, including professional skepticism. Auditors should be free to exercise judgment without concerns that they will be second-guessed, after-the-fact by the PCAOB or others for “over-auditing.” The PCAOB does not seem to appreciate the implications of claiming that the Proposal will reduce “over-auditing.” As a result, the PCAOB fails to recognize the potential for the Proposal to undermine audit quality – in addition to contributing to an expectations gap.

Costly and Burdensome Disclosure Requirements

Although the PCAOB is not a federal agency, a decade ago the PCAOB’s vision statement said:

The PCAOB seeks to be a model regulatory organization. Using innovative and cost-effective tools, the PCAOB aims to improve audit quality, reduce the risks

⁶¹ See the Proposal, page 155.

⁶² See the Proposal, page 159.

⁶³ An example would be Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements*, which was too prescriptive and had to be replaced with Auditing Standard No. 5. Another example would be unnecessary documentation requirements that occur in auditing standards or through the inspection process.

*of auditing failures in the U.S. public securities market and promote public trust in both the financial reporting process and auditing profession.*⁶⁴

The Chamber applauds Board Member Ho for continuing this tradition and considering the Proposal and each proposed metric from this perspective, particularly whether they are consistent with the Paperwork Reduction Act (“PRA”) principles.⁶⁵

This perspective is important because the Proposal appears unconstrained by the application of any federal agency guidelines.⁶⁶ As a result, it involves costly, overly prescriptive, complex, and burdensome requirements that move the Proposal into regulatory overreach.

The Chamber has expressed concerns in commenting on recent PCAOB proposals about the Board’s failure to provide comprehensive cost-benefit analysis and quantify outcomes, in accordance with its own guidelines for conducting economic analyses, including the failure to address a plan for post-implementation review.⁶⁷ We have similar concerns about the adequacy of the economic analysis in this Proposal. Conjectures and generalities are not a substitute for substantive economic analyses and considerations.

The Chamber appreciates that the PCAOB has made some attempt to quantify selected costs. For example, the Proposal provides quantified cost estimates to build a system to produce the proposed metrics based on the use of publicly available reports on the costs of implementing ERP systems. The PCAOB estimates \$363 million to \$506 million as the cost to firms of implementing automated systems to produce the proposed metrics. These estimates are very significant amounts for just one aspect of the costs audit firms will incur to implement the Proposal. Nonetheless, the discussion then dismisses the estimates with a series of caveats – turning the PCAOB’s quantitative estimation exercise into a strawman.⁶⁸

The Proposal also attempts to use quantified cost estimates from post-implementation review of the PCAOB’s standard on disclosing critical audit matters (“CAMs”) to analogize to the costs of filing the proposed metrics with the PCAOB.⁶⁹

⁶⁴ From *Our Vision* on the PCAOB website in 2013.

⁶⁵ See the *Statement on the Firm and Engagement Metrics Proposal – Helpful or Harmful to Investors?* by Board Member Christina Ho (April 9, 2024).

⁶⁶ However, the PRA provisions are among those that apply to the SEC, which must approve PCAOB standards and rules before they can go into effect, in accordance with SOX.

⁶⁷ For example, see the letter to the PCAOB from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on *Amendments to PCAOB Auditing Standards Related to a Company’s Noncompliance with Laws and Regulations* dated March 15, 2024 with an *Evaluation of the NOCLAR Proposal’s Economic Analysis* by Craig Lewis and Josh White dated March 13, 2024.

⁶⁸ See the Proposal, pages 164 to 165.

⁶⁹ See the Proposal, pages 166 to 168.

However, this analogy seems misplaced because of the significant differences in disclosing CAMs versus metrics and the significantly greater efforts necessary to meet the metric disclosure requirements, which also involve extending audit firm quality control systems to cover the filings to comply with other PCAOB auditing standards.

Overall, the Proposal will force firms to make significant changes in their systems and processes to collect and compile the necessary data and compute and disclose the required metrics – as the metrics are not aligned with audit firm quality control systems and processes and the firms do not track the proposed metrics (or do not track them in accordance with the required definitions and calculations). Firms will also incur additional one-time and on-going costs, including education and training costs, along with additional direct and indirect costs that will extend to their global networks and affiliates.

Costs to implement the rule and comply with it over time will be significant for all audit firms regardless of size. However, small firms with one or very few accelerated filer engagements will face additional costly challenges, including from being subject to the disclosure requirements during some periods but not others.

Further, the PCAOB has exacerbated the costs of the Proposal with its approach to defining, calculating, and disclosing the metrics and requirements for disaggregated metric-related information.⁷⁰ Most all metrics involve issues that increase the costs of implementing the Proposal, but an example of an excessively burdensome requirement includes the metric for audit hours and risk areas,⁷¹ which does not reflect audit firms' basic processes for tracking hours worked in various areas of the audit. The proposed metric for audit hours and risk areas does not appreciate the systems and administrative nightmare it creates because it requires allocating work hours across overlapping audit areas and/or to specific disaggregated components within audit areas that can be unique to a particular accelerated or large accelerated filer.

Another example is the workload metric that is made more burdensome by the requirement for a quarterly breakdown of the average weekly hours worked for engagement partners and for other partners, managers, and staff at both the firm and engagement levels. In addition, the quality performance ratings and compensation

⁷⁰ The PCAOB should follow through on the recommendation made at the Standards and Emerging Issues Advisory Group meeting on May 9, 2024 that the Board and staff meet with audit firms of all sizes to understand what metrics the firms use, why they use them, and how they compute them.

⁷¹ The proposed metric is hours spent by senior professionals on significant risks, critical accounting policies, and critical accounting estimates relative to total hours.

metric, while confined to the firm-level, is hopelessly complicated, which increases the costs to compute it.

As previously discussed, the Proposal fails to meet the threshold requirement for establishing a need for the proposed requirements. This discussion demonstrates that the Proposal likewise fails to adequately consider and analyze the significant costs and burdens of the proposed metric disclosure requirements and appropriately weigh them relative to any benefits and the alternatives.

Unintended Consequences

The Chamber is very concerned about the unintended consequences of the Proposal. For example, it will reduce the incentives for smaller audit firms to take on accelerated filers as audit clients and reduce competition in that segment of the market for audit services. The ACAP AQI recommendation was conditioned on the notion that AQIs would increase the incentives for competition based on audit quality and allow smaller audit firms to compete for issuer audit engagements.⁷² Given the disconnect between the proposed metrics and AQI's and the burdensome nature of the disclosures, the Proposal abandons this important condition.

Relatedly, the SEC has various rule requirements and proposed rules for the use of PCAOB registered and inspected audit firms that apply to other than issuers and broker-dealers.⁷³ The PCAOB fails to consider the consequences of the Proposal on these segments of the market and the ability of non-issuers/non-broker-dealers to engage the required audit firms and comply with the rules the SEC imposes on these entities.

As previously discussed, the Proposal continues the Board's standard-setting and rulemaking activities that facilitate inspection findings and enforcement actions – taking it to a new level with the potential for additional regulation by inspection and enforcement. In addition, the metric disclosures will facilitate ex-post second guessing by plaintiff attorneys in securities litigation over a range of decisions by auditors at both the firm and engagement levels. As such, the Proposal exacerbates audit firm litigation and reputation risks and costs.

⁷² See the *Final Report of the Department of the Treasury Advisory Committee on the Auditing Profession* (October 5, 2008), page VIII: 15.

⁷³ For example, see the SEC Final Rules on *Private Fund Advisers: Documentation of Registered Investment Advisers Compliance Reviews* (S7-03-22, IA-6282; August 23, 2023) and the SEC Proposed Rule on *Safeguarding Advisory Client Assets* (88 Fed. Reg. 14,672-14,792; March 9, 2023).

Further, the Proposal, in conjunction with these forces, is creating a regulatory environment that undermines the attractiveness of public company auditing, at all levels, and exacerbates staffing challenges for both audit firms and preparers – not just currently, but down the road. In this regard, the Proposal is also concerning because of its focus on disclosures of a myriad of information related to the use and performance of partners that is not readily understandable or interpretable and is likely to be erroneously assessed and applied.

Other Matters

The Proposal continues the Board’s aggressive rulemaking and standard-setting agenda on a “one-off” basis with unrealistically condensed comment periods and without holistic assessments, including consideration of logical sequence, interactions, compounding effects, and effective dates. This is an unreasonable and burdensome approach to standard-setting by the PCAOB.

To illustrate, the Proposal often refers to the PCAOB’s Quality Control Proposal (QC 1000). Although the proposed metrics are not AQI’s or currently embedded in audit firm quality control systems and processes, the collection and computations would need to become part these quality control systems and process. A metric disclosure proposal that interacts with audit firm quality control requirements should follow the finalization and implementation of QC 1000.

To add to the confusion and burden of commenters, on May 13, 2024 (more than a month after issuing the Proposal), the PCAOB adopted two standards – one on *Quality Control* (“QC 1000”) and the other on *General Responsibilities of the Auditor* (“AS 1000”), with adopting releases of 465 pages and 138 pages, respectively. Commenters now must reconsider the Proposal based on the adopted QC standard and its lengthy adopting release.⁷⁴

The SEC will publish both QC 1000 and AS 1000 for public comment. Given all these considerations, the PCAOB comment period for the Proposal is inadequate and reduces the likelihood that the PCAOB will receive the breadth and depth of necessary comments.

Further, the Board continues to fail to address a larger issue as to the effective dates of its proposals. Similar to most other standard-setting and rulemaking proposals in the last few years, the PCAOB is proposing an effective date in the year after the year in which SEC approval of a final rule is obtained. Clustering effective

⁷⁴ As reported in the appendix, the Form 19b-4 for QC 1000 filed with the SEC on May 24, 2024 runs to 2,801 pages.

dates for multiple proposals in this fashion is unreasonable and unworkable. The PCAOB should take a holistic approach to considering effective dates for its proposals. Consistent with its mission to “grow audit quality,” the Board should support smooth and effective implementation of new rules and standards – not undermine the ability of firms to do so.

The Board’s aggressive standard-setting and rulemaking agenda is also overwhelming stakeholders with short comment periods, in addition to the clustering and sequencing problems. PCAOB proposals are lengthy and complex. For example, the Proposal consists of 237 pages of text with comments due in 60-days and it was issued in conjunction with another proposal consisting of 107 pages of text with a similar comment period.⁷⁵

The Board’s cadence is beginning to reflect the torrential pace of rulemaking at the SEC, where the Inspector General found in a recent report that speed was prioritized over substance, depriving even the Commission’s own staff of the time needed to develop thoughtful, properly tailored rule proposals. The report from the SEC’s Inspector General highlighted concerns from managers in numerous SEC divisions that the Commission’s “more aggressive [rulemaking] agenda” has “limit[ed] the time available for staff research and analysis.”⁷⁶ The staff has not “received as much feedback during the rulemaking process, either as a result of shortened timelines during the drafting process or because of shortened public comment periods.”⁷⁷ The staff has also been rendered shorthanded, and thus has been “relying on detailees, in some cases with little or no experience in rulemaking.”⁷⁸ The PCAOB should heed these examples from the SEC as a warning that the PCAOB should proceed at a more manageable pace that ensures stakeholders are able to provide the input the Board needs, and which gives the Board the time it requires to do its important job properly.

An appendix provides additional insights on these issues. The appendix reveals that the PCAOB has proposed eight standards or rules since November 2022. While the pages of text for commenters to review varies from 35 to 394 pages, all the proposals involve complex matters that require time to consider. Yet, comment periods are short – only 45 to 75 days.

⁷⁵ See the Proposal on *Firm Reporting* (April 9, 2024).

⁷⁶ The Inspector General’s Statement on the SEC’s Management and Performance Challenges 3 (Oct. 13, 2022), <https://www.sec.gov/files/inspector-generals-statement-sec-mgmt-and-perf-challenges-october-2022.pdf>.

⁷⁷ *Id.*

⁷⁸ *Id.*

In addition, the appendix shows that the SEC likewise allows very short periods for comments on adopted PCAOB standards and rules before SEC approval. For the two standards approved by the SEC since June 2022, comment periods were three weeks from publication in the Federal Register and 30 to 40 days from Board adoption. While the SEC approval process faces time constraints, it also gives the appearance of being perfunctory and a rubber stamp. The PCAOB and SEC should work together to ensure that commenters have adequate time to review and comment on PCAOB adopted standards and rules before the SEC finalizes them.⁷⁹

Recommendations and Concluding Remarks

The Proposal would impose costly, burdensome, and unreasonable disclosure of immaterial metrics that is inconsistent with the PCAOB's remit and will undermine audit quality. The Proposal does not meet the threshold requirements for economic analysis and consideration of need, benefits, costs, consequences, and alternatives.

The Proposal represents regulatory overreach. The Chamber strongly recommends that the Board withdraw the Proposal.

In commenting on the PCAOB's AQI Concept Release nearly a decade ago, the Chamber recommended that the PCAOB develop a collaborative process to work with accounting firms, issuers, and organizations such as the CAQ in furtherance of the AQI initiative.⁸⁰ The PCAOB did not act on this recommendation – although the CAQ and audit firms have made significant efforts on AQI-related activities. Instead, the Proposal dismisses innovations over the last decade by the profession in the development of AQI's and metrics and ignores what has been learned from voluntary disclosures by audit firms and communications with audit committees.

The Chamber strongly recommends that the current approach involving auditor discussion of AQI's with audit committees, voluntary disclosures of metrics by audit committees (e.g., in audit committee reports in proxy statements on their audit oversight activities⁸¹), and voluntary disclosure of metrics by audit firms (e.g., in firm annual audit quality reports) be maintained and encouraged. The PCAOB should facilitate these activities and help educate investors about the significant amount of

⁷⁹ For example, the PCAOB could delay in filing a Form 19b-4 with the SEC to give stakeholders adequate time to read and consider the adopted standards and allow an informed basis for providing comments to the SEC. See the letter from the CAQ to the PCAOB on *Proposing Releases Firm and Engagement Metrics and Firm Reporting* dated May 22, 2024.

⁸⁰ See the letter to the PCAOB from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the Concept Release on *Audit Quality Indicators* dated September 28, 2015.

⁸¹ For example, see the letter to the SEC from the U.S. Chamber of Commerce Center for Capital Markets Competitiveness on the SEC Concept Release on *Possible Revisions to Audit Committee Disclosures* dated September 8, 2015. The SEC has not acted on this Concept Release.

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information currently publicly available for meaningful insights on audit firms, their audits, and importantly, audit quality.

Thank you for your consideration and we stand ready to discuss these matters with you further.

Sincerely,

Tom Quaadman
Executive Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

Appendix

Overview of PCAOB Standard-Setting and Rulemaking Proposals and Adopted Standards and Rules from June 2022 to May 2024

Amendments Relating to the Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit with Another Accounting Firm (Docket 042)

(June 21, 2022) Adopted by the Board (185 pages)

(July 1, 2022) Published for comment in the Federal Register

(July 22, 2022) SEC comment period ended

(August 12, 2022) SEC approved

Amendments effective for audits of financial statements for fiscal years ending on or after December 15, 2024 and include audits of EGC's and broker-dealers.

Auditing Standard Related to Confirmation and Related Amendments to PCAOB Standards (Docket 028)

(December 20, 2022) Proposed standard for public comment with comments due by February 20, 2023 (87 pages); the Proposal was preceded by a concept release in 2009 and a proposal in 2010

(September 28, 2023) Adopted by the Board (114 pages)

(October 17, 2023) Published for comment in the Federal Register

(November 7, 2023) SEC comment period ended

(December 1, 2023) SEC approved

Amendments effective for audits of financial statements for fiscal years ending on or after June 15, 2025 and include audits of EGC's.

Quality Control ("QC 1000") (Docket 046)

(November 18, 2022) Proposed standard for public comment with comments due by February 1, 2023 (394 pages); the Proposal was preceded by a concept release in 2019

(May 13, 2024) Adopted by PCAOB (465 pages)

(May 24, 2024) Form 19b-4 filed with the SEC by the PCAOB (2801 pages)

Subject to SEC approval, the new standard and related amendments will take effect on December 15, 2025.

General Responsibilities of the Auditor in Conducting an Audit (Docket 049)

(March 28, 2023) Proposed standard for public comment with comments due by May 30, 2023 (112 pages)

(May 13, 2024) Adopted by PCAOB (138 pages)

(May 24, 2024) Form 19b-4 filed with the SEC by the PCAOB (869 pages)

Subject to SEC approval, the new standard and related amendments will take effect for audits of financial statements for fiscal years beginning on or after December 15, 2024. For smaller firms, the amendment relating to the documentation completion date will take effect for audits of financial statements for fiscal years beginning on or after December 15, 2025.

Amendments to PCAOB Auditing Standards Related to a Company's Noncompliance with Laws and Regulations ("NOCLAR") (Docket 051)

(June 6, 2023) Proposed standard for public comment with comments due by August 7, 2023 (146 pages)

(February 26, 2024) PCAOB announced it will host a virtual roundtable on NOCLAR on March 6, 2024 and reopened the comment period to March 18, 2024

Proposed Amendments Related to Aspects of Designing and Performing Audit Procedures that Involve Technology-Assisted Analysis in Electronic Form (Docket 052)

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(June 26, 2023) Proposed standard for public comment with comments due by August 28, 2023 (59 pages)

Proposed Amendments to PCAOB Rule 3502 Governing Contributory Liability (Docket 053)

(September 19, 2023) Proposed rule for public comment with comments due by November 3, 2023 (35 pages)

Proposals Regarding False or Misleading Statements Concerning PCAOB Registration and Oversight and Constructive Requests to Withdraw from Registration (Docket 054)

(February 27, 2024) Proposed rule for public comment with comments due by April 12, 2024 (67 pages)

Firm and Engagement Metrics (Docket 041)

(April 9, 2024) Proposed rule for public comment with comments due by June 7, 2024 (237 pages); the proposal was preceded by a concept release in 2015 on *Audit Quality Indicators*

Firm Reporting (Docket 055)

(April 9, 2024) Proposed rule for public comment with comments due by June 7, 2024 (107 pages)