



August 1, 2024

By email: [comments@pcaobus.org](mailto:comments@pcaobus.org)

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

**Re: Proposing Release: Firm and Engagement Metrics; PCAOB Rulemaking Docket Matter No. 041 and Firm Reporting; PCAOB Rulemaking Docket Matter No. 055; Supplemental Data from Audit Committee Members and Investors**

Dear Office of the Secretary:

The Center for Audit Quality (CAQ) is a nonpartisan public policy organization serving as the voice of US public company auditors and matters related to the audits of public companies. The CAQ promotes high-quality performance by US public company auditors; convenes capital market stakeholders to advance the discussion of critical issues affecting audit quality, US public company reporting, and investor trust in the capital markets; and using independent research and analyses, champions policies and standards that bolster and support the effectiveness and responsiveness of US public company auditors and audits to dynamic market conditions. This letter represents the observations of the CAQ based upon feedback and discussions with certain of our member firms, but not necessarily the views of any specific firm, individual, or CAQ Governing Board member.

This comment letter is a supplement to the comment letters we submitted to the PCAOB on June 7, 2024 in response to recent Public Company Accounting Oversight Board (PCAOB or the Board) Proposals, *Firm and Engagement Metrics* and *Firm Reporting* (Proposals or Proposed Requirements).<sup>1</sup> We continue to echo the points raised in those comment letters.

The Board has stated, “(W)e believe the proposed metrics would provide valuable additional information, context, and perspective on auditors and audit engagements, which could be used by investors, audit committees, and other stakeholders. This would advance investor protection and promote the public interest by enabling stakeholders to make better-informed decisions, promoting auditor accountability and ultimately enhancing capital allocation and confidence in our capital markets.”

Understanding the information needs of a broad range of investors and audit committee members when it comes to evaluating audit firm and audit engagement performance is important to establishing PCAOB requirements that can achieve their intended benefits.

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<sup>1</sup> See [CAQ comment letter on PCAOB Firm Reporting Proposal](#) and [CAQ comment letter on PCAOB Firm and Engagement Metrics](#).



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The CAQ encourages the PCAOB to supplement the insights gained from the Investor Advisory Group and Standards and Emerging Issues Advisory Group by continuing to seek input from a broad range of stakeholders to inform its standard-setting activities, including in relation to the reporting of firm and engagement metrics. In the interest of further understanding the information needs of audit committee members and investors, we have conducted two surveys – one of audit committee members and one of investors – to gather data to understand how they currently evaluate the quality of the external audit and oversee and evaluate the auditor. The purpose of this supplemental letter is to share the results of these surveys, and within them the views of nearly 250 audit committee members and 100 investors, as the PCAOB determines its next actions with respect to these and other standard-setting projects. The survey results, in their entirety, are included in the Appendix.

This supplemental letter is structured as follows:

- I. Overall Key Findings
- II. Audit Committee Survey Key Findings
- III. Investor Survey Key Findings
- IV. Conclusion

I. Overall Key Findings

When taken together, there are five key findings:

1. **More research is necessary to establish whether evidence supports the need for and benefits of proposed metrics.** The results from both the audit committee and investor surveys do not suggest there is an expectation of or need for mandated performance metrics at the firm or engagement level. Given the extensive known and unknown costs necessary to comply with the requirements, the evidence should strongly support the benefits with a factual and commensurate level of certainty. The perspectives of audit committees and investors in our survey findings do not provide such evidence.
2. **Audit committees and many investors already have the information they need.** The survey results indicate that generally, audit committees and many investors have the information they need to assess the quality of the audit firm and the audit.
3. **Any reporting should be voluntary.** Audit committees and investors agree, to some extent, that mandatory public disclosure of engagement-level performance metrics could lead to unintended consequences and should be voluntary.
4. **Any changes to the PCAOB's standards should promote auditor-audit committee discussion.** The survey results support the important role of auditor-audit committee dialogue and the value of engaging with the Securities and Exchange Commission (SEC) related to potential enhanced audit committee disclosures related to the audit process. These discussions, more so than standardized metrics that lack appropriate context, provide important insights into the quality of the audit.



5. **A majority of investors and audit committee members are of the view that the PCAOB’s auditing standards and rules have kept pace with change and require only targeted updating.** Most investors and audit committee members think that the PCAOB’s standards have mostly kept pace with change, requiring some updating in key areas but are otherwise well-suited for their intended purpose. Notably, audit committees call for modernized standards on the use of technology in the audit above all.

## II. Audit Committee Survey Key Findings<sup>2</sup>

The majority of audit committee members surveyed agree some standard information about auditors should be considered when making their selection and performing their oversight responsibilities, but they ultimately rely on their unique needs and knowledge about the company when doing so.

Audit committee members surveyed largely indicated they currently have the information they need today. Those surveyed agree that mandated public disclosure of engagement-level performance metrics could lead to unintended consequences and as such should be voluntary. While some expressed interest in more information about how their individual engagements are being performed (e.g., partner and manager involvement), they are clear that context is required. Communication with the external auditor was cited by audit committee members surveyed as the top way they evaluate the quality and reliability of the audit. It is through these conversations that these audit committee members gain confidence in the knowledge and expertise of their audit engagement team. Additionally, audit committee members surveyed are concerned about public disclosure of engagement-level metrics and a vast majority expressed concerns about data specific to their audit being publicly available.

Audit committee members surveyed do not often use publicly available information from the PCAOB to fulfill their oversight role. According to the survey, audit committees infrequently navigate to the PCAOB’s Registered Firms website or Form AP, despite familiarity with both. This suggests significant costs will be incurred to report the proposed information on Form FM or Form AP, and in turn they may not be used by the audit committee members.

### *Detailed audit committee survey findings:*

- 95% of audit committee members surveyed say the information available to them to fulfill their external auditor oversight responsibilities meets most to all their needs.
- 78% of audit committee members surveyed are concerned that mandated public disclosure of engagement-level performance metrics, including issuer name, could lead to unintended consequences and should be voluntary.
- 73% of audit committee members surveyed state there are potential challenges and limitations in interpreting proposed metrics, particularly in relation to measuring audit quality.

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<sup>2</sup> The Audit Committee Survey was developed by the CAQ and distributed in conjunction with our member firms. There were 242 responses. Additional demographic information is included in the Appendix. The survey was opened on May 29, 2024 and closed on June 14, 2024.



- 63% are skeptical PCAOB Firm Reporting proposed requirements will be useful in exercising their oversight role.
- 82% cite concerns about data specific to their audit being publicly available.
- A majority – 59% – agree some standard information about auditors should be considered when making their selection and performing their oversight responsibilities, but ultimately rely on their unique needs and knowledge of the company and its industry whereas only 1% would defer to only standardized metrics about audit performance when selecting and overseeing their auditor.
- The nature and robustness of conversations with the auditor and timely and transparent communication are cited as top methods to evaluate the quality and reliability of the audit.
- 80% of audit committee members surveyed rarely or never use PCAOB Form AP or are unfamiliar with it. 78% of audit committee members rarely or never use the PCAOB’s Registered Firms website or are unfamiliar with it.
- 90% of audit committee members surveyed say PCAOB standards and rules are well-suited or have mostly kept pace with change; cite use of technology in the audit as the top area on the PCAOB’s current standard-setting agenda where they would like to see modernization in the auditing standards.

### III. Investor Survey Key Findings<sup>3</sup>

Since 2022, the CAQ has partnered with KRC Research, a public opinion research consultancy, to conduct independent quantitative and qualitative field work involving a diverse group of investor community stakeholders. While many investors surveyed say they have the information they need, when asked what additional information they would like to see, nearly half responded they want more information about the audit process. To support this finding, we continue to believe that enhanced audit committee disclosures are an opportunity to provide additional transparency to investors. Investors surveyed agree audit committees have the knowledge needed to select the auditor. Investors also expressed that performance metrics need context and mandated public disclosure of engagement-level metrics could have unintended consequences and should be voluntary.

Further, there is disparity in what investors surveyed say would be helpful compared with what they are likely to seek out. This finding is consistent with our view that understanding how investors would use this data is necessary to establish a proposal that achieves the intended benefits without unnecessary costs to auditors, the companies they audit, and investors.

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<sup>3</sup> The Investor Survey was developed by the CAQ and distributed by KRC Research, a market research firm. There were 100 complete responses from institutional investors. All qualified respondents were screened to ensure they are professional investors employed at companies with a minimum of \$500M in assets under management, have appropriate job titles, and serve at the Director level or higher with at least 5 years of experience. Additional demographic information is included in the Appendix. The survey was opened on May 15, 2024 and closed on May 22, 2024.



#### *Detailed investor survey findings:*

- 93% of investors surveyed trust the audit of financial statements, and a little over half trust it completely.
- 92% of investors surveyed feel the information available to assess the quality of the audit of a publicly traded company meets all or most of their needs.
- The auditor's opinion and ICFR evaluation, firm audit quality reports, PCAOB inspection reports of the firm doing the audit, and audit firm reputation are the top information sources for the investors surveyed to evaluate audit quality.
- Nearly half of investors surveyed want to see more information about the auditing process to evaluate the quality of the audit.
- Firm-level metrics: Information about the firm's system of quality control/management and external review findings are the top two firm-level metrics investors would find extremely helpful. However, auditor use of specialists and shared service centers, fees, and audit firm internal monitoring are what investors surveyed say they are most likely to actively look for if available. Previous interviews conducted with investors, before the PCAOB issued its most recent proposals, found skepticism over the utility of firm-level metrics.<sup>4</sup>
- Engagement-level metrics: Partner experience level, partner and manager involvement, and years on the engagement of key audit team members are viewed as the top three extremely helpful engagement-level metrics. However, experience of audit personnel, workload, use of specialists and shared service centers, and retention and tenure are what investors surveyed are most likely to actively look for if available.
- Both standardized metrics and context and unique needs are seen as what boards should consider when choosing an audit firm.
- Most investors surveyed agree performance metrics need context to be relevant to specific audit engagements or a firm and that mandatory disclosure of engagement-level metrics could have unintended consequences and should be voluntary.
- Eight in ten say they often use the PCAOB's website to get information about audit firms.
- Nearly seven in ten say the PCAOB standards and rules need some updating, with four in ten saying only in key areas, and three in ten saying updating needs to be ambitious because auditing standards haven't kept pace with change.

#### IV. Conclusion

The findings from these surveys provide evidence as to the validity of the concerns raised by the CAQ and other commenters as to, whether the PCAOB's recent proposals will achieve the intended objective for investors and audit committees.<sup>5</sup> These concerns include (1) the potential that publicly disclosed mandated metrics will have unintended consequences (and should therefore be voluntary) and (2) the stated benefits in each proposal's economic analysis do not provide sufficient basis to justify their respective costs. As noted, there was disparity in what investors say would be helpful compared with what

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<sup>4</sup> See [Perspectives on Corporate Reporting, the Audit, and Regulatory Environment: Institutional Investor Research Findings](#), November 2023, page 10.

<sup>5</sup> See [CAQ comment letter on PCAOB Firm Reporting Proposal](#) and [CAQ comment letter on PCAOB Firm and Engagement Metrics](#).

# CAQ

they are likely to seek out and audit committees say the information available to them to fulfill their external auditor oversight responsibilities meets most to all their needs. Accordingly, there needs to be further study and evaluation, including potential pilot testing, prior to adopting any final standard as the PCAOB's stated value is not sufficiently supported by the expectations or needs of intended beneficiaries.

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As we have previously stated, the CAQ remains concerned that the overall trend and cumulative effect of the PCAOB's recent standard setting/rulemaking, inspections, and enforcement activities is diminishing the attractiveness of the profession broadly – both to incoming talent and retaining talent in the public company audit space. Moreover, while the Board's standard-setting and rulemaking is purportedly being done in the name of investor protection, we have not seen an analysis of Board engagement with investors outside of the IAG to justify certain of its detailed proposals or changes. As described in our comment letters on the proposals, we believe that, with certain modifications to the proposed requirements, the Board can achieve its objectives and provide a balanced and scalable approach that is responsive to investor and audit committee needs.

The CAQ appreciates this supplemental opportunity to provide input on the Proposing Release. As the Board continues to gather feedback from other interested parties, we would be pleased to discuss our comments or answer questions from the Board regarding the views expressed in this letter. Please address questions to Vanessa Teitelbaum ([vteitelbaum@thecaq.org](mailto:vteitelbaum@thecaq.org)) or Dennis McGowan ([dmcgowan@thecaq.org](mailto:dmcgowan@thecaq.org)).

Sincerely,



Vanessa Teitelbaum, CPA  
Senior Director, Professional Practice  
Center for Audit Quality

cc:

**PCAOB**

Erica Y. Williams, Chair  
George R. Botic, Board member  
Christina Ho, Board member  
Kara M. Stein, Board member  
Anthony C. Thompson, Board member  
Barbara Vanich, Chief Auditor  
Martin C. Schmalz, Chief Economist  
James Cappoli, General Counsel

**SEC**

Paul Munter, Chief Accountant

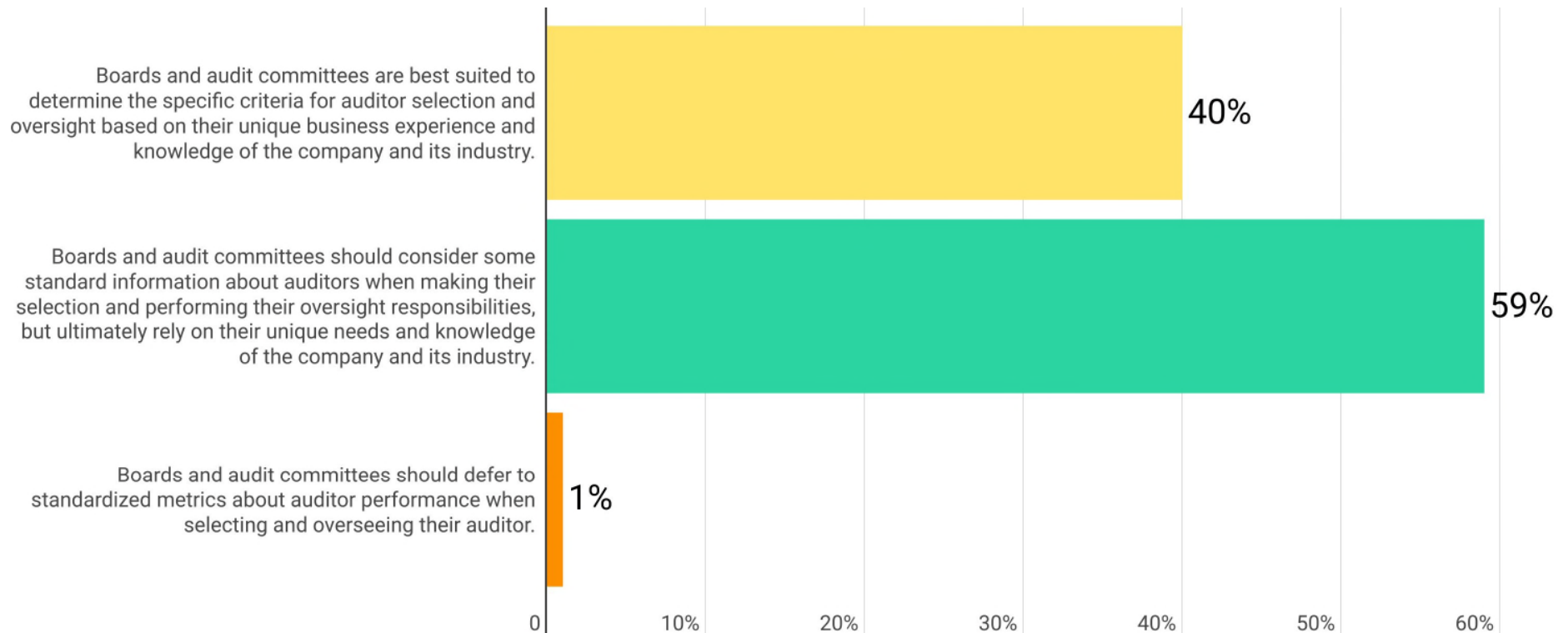


# Audit Firm & Engagement Disclosures; Stakeholder Information Needs

Audit Committee Survey

**The majority of audit committees agree some standard information about auditors should be considered when making their selection and performing their oversight responsibilities, but ultimately rely on their unique needs and knowledge about the company and its industry. Only 1% would defer to standardized metrics about auditor performance when selecting and overseeing their auditor.**

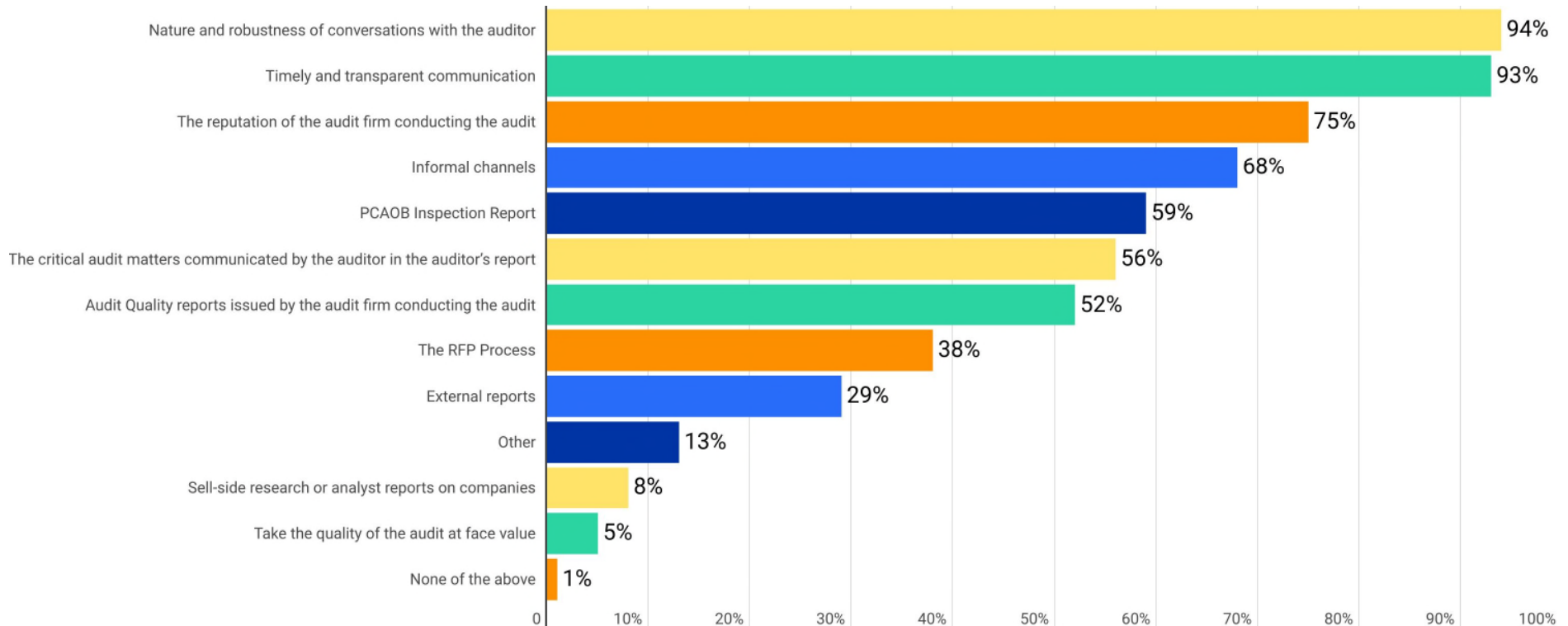
Which of the following statements most closely matches your opinion about the corporate board's responsibility to select and appoint an auditor? N = 242





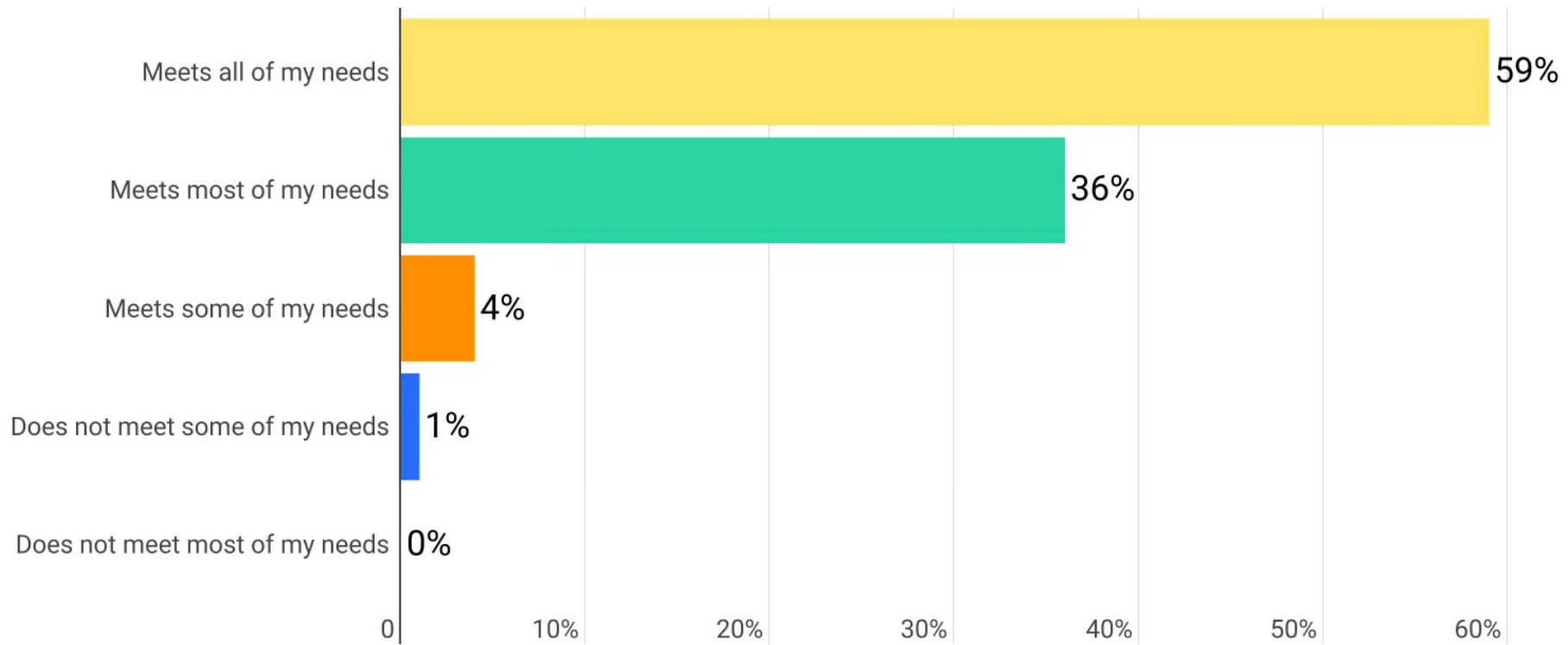
## Communication, including robust conversations with the auditor, is cited most frequently as key to evaluate quality of audit, followed by firm reputation

How do you evaluate the quality and reliability of the audit of financial statements of the publicly traded companies for which you sit on the board? N = 242



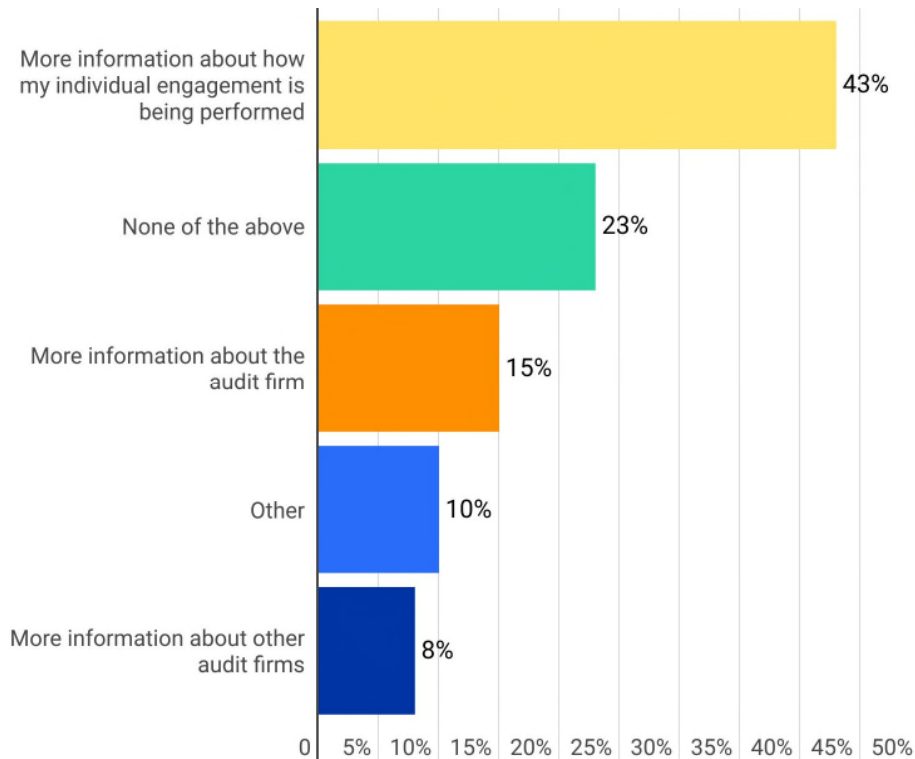
**95% of audit committees say the information available to them to fulfill their external auditor oversight responsibilities meets most to all of their needs.**

What is your opinion on the information available to you to fulfill your audit oversight responsibilities and assess the quality of your external auditor at both a firm and engagement level? N = 242

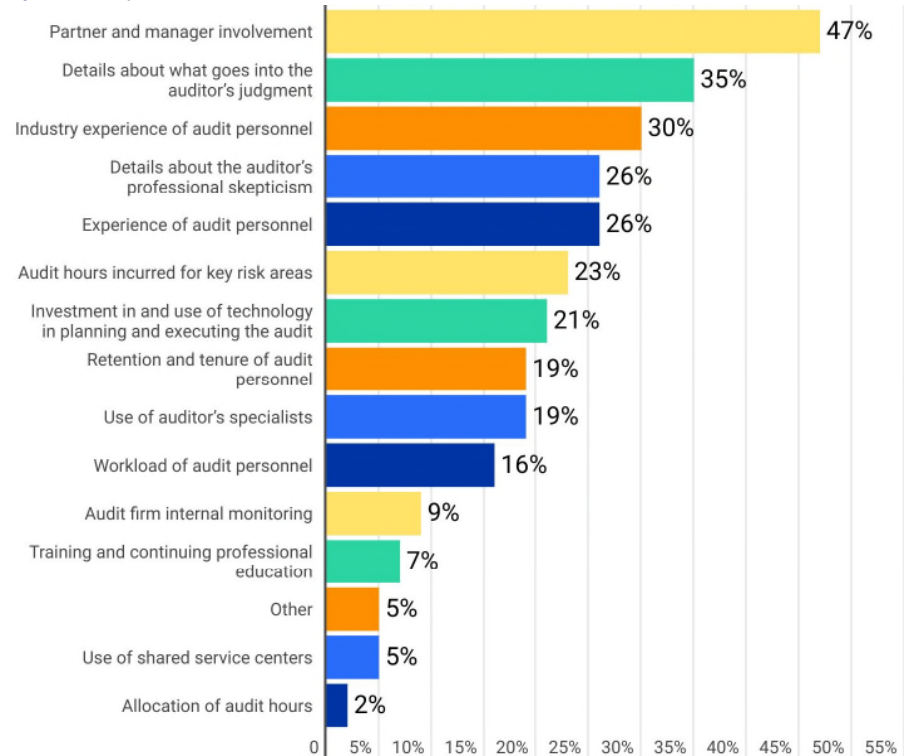


**43% of audit committees seek more information on their company's engagement. Details on partner engagement, auditor judgment identified most frequently.**

What are the top three areas in which you want additional information about your individual audit engagement(s)? N = 99 (respondents who did not answer information meets "all" of my needs in prior question)

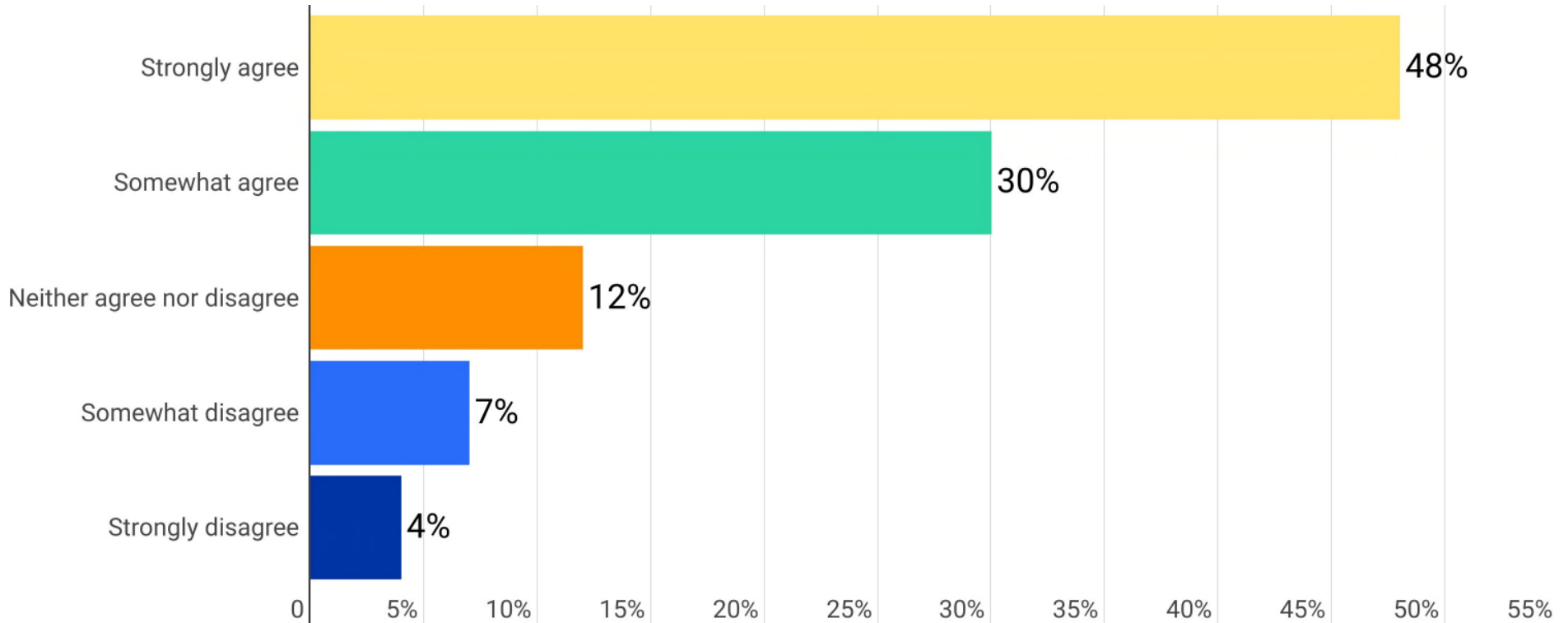


What are the top three areas in which you want additional information about the firm? N = 43 (respondents who answered "more information about how my individual engagement is being performed" in prior question)



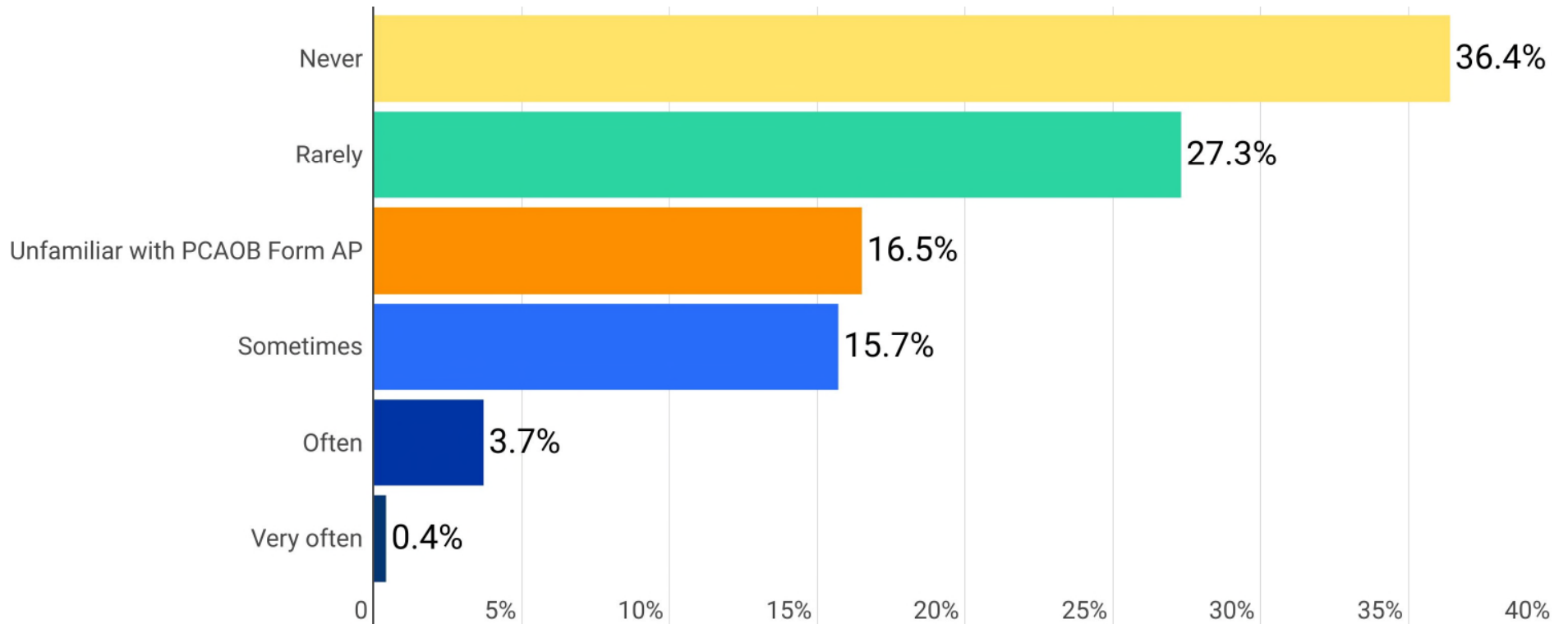
**Audit committee members are concerned that mandated public disclosure of engagement-level performance metrics, including issuer name, could lead to unintended consequences and should be voluntary.**

Mandated public disclosure of engagement-level performance metrics, including issuer name, could lead to unintended consequences and as such should be voluntary. N = 242



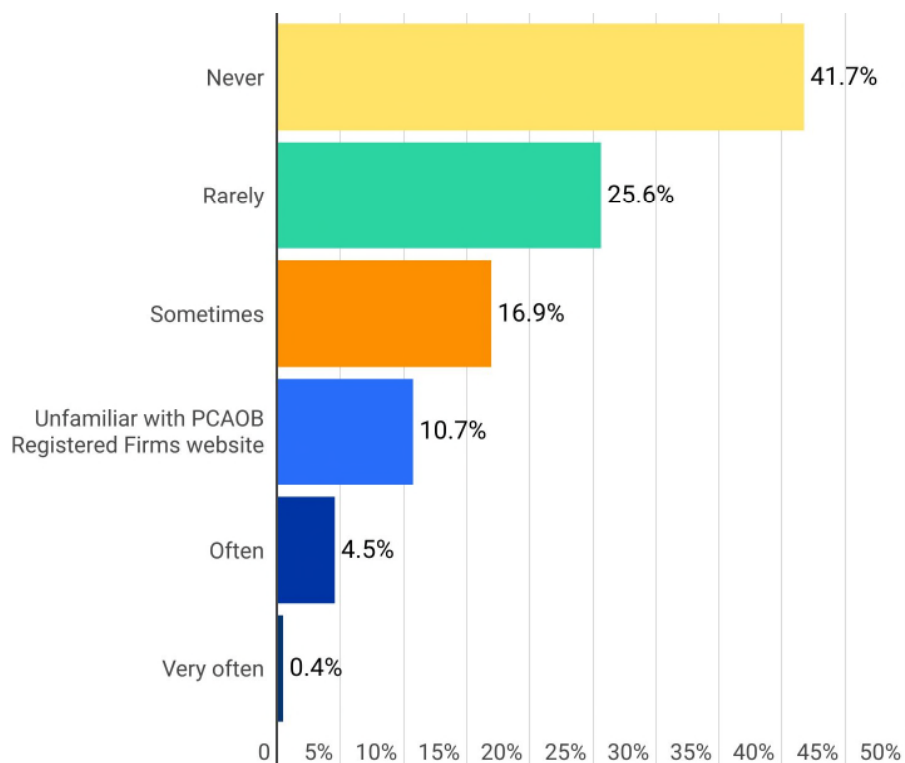
## 80% of audit committee members rarely or never use PCAOB Form AP or are unfamiliar with it.

How often do you navigate to the Auditor Search on the PCAOB's Form AP, Auditor Reporting of Certain Audit Participants website? N = 242

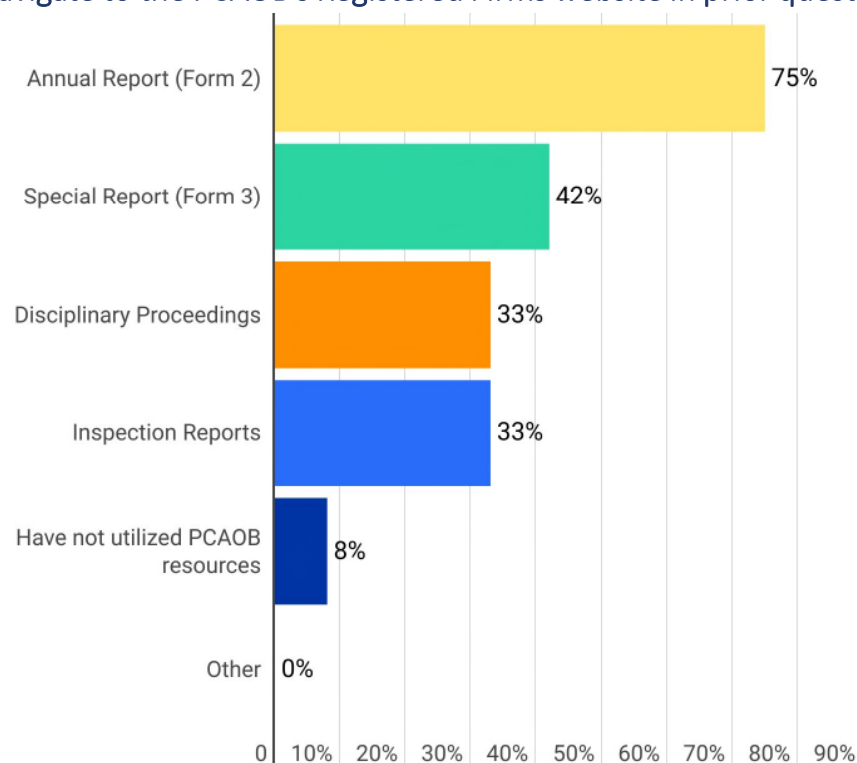


## 78% of audit committee members rarely or never use the PCAOB's Registered Firms website or are unfamiliar with it.

How often do you navigate to the PCAOB's Registered Firms website? N = 242

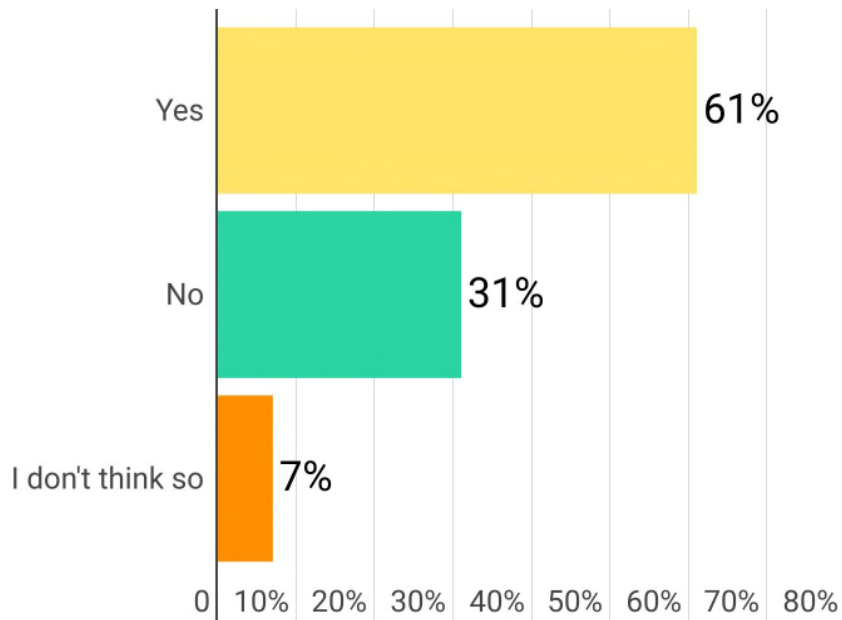


What information do you find most useful on the PCAOB's Registered Firm site? N = 12 (respondents who answered the often or very often navigate to the PCAOB's Registered Firms website in prior question)

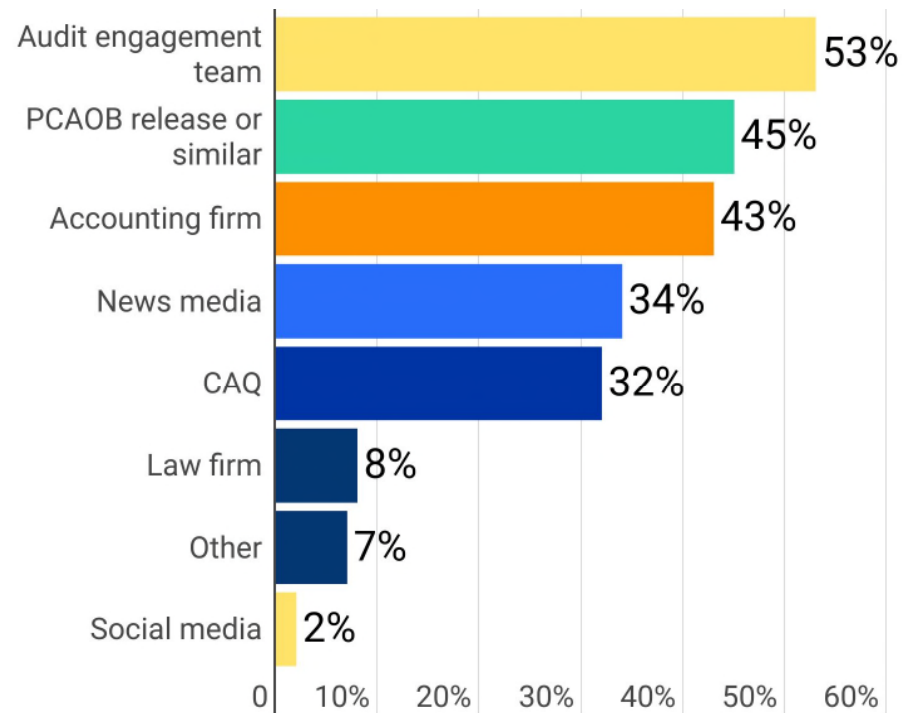


## Majority of audit committee members knew of PCAOB's firm and engagement metrics proposal; cite engagement team and PCAOB as main sources of information.

Prior to this survey, were you aware of the PCAOB's recent proposals on Firm and Engagement Performance metrics and Firm Reporting? N = 242

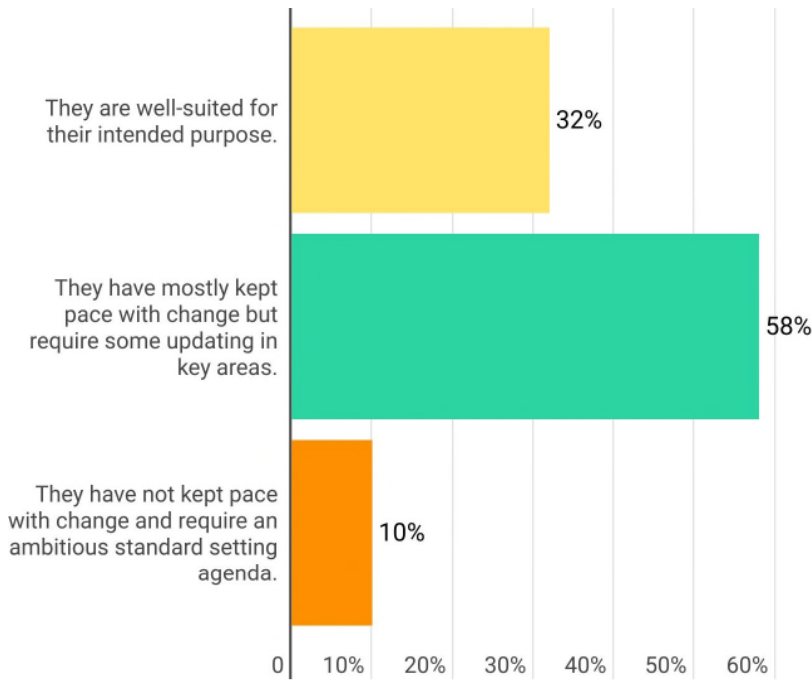


How did you hear about the PCAOB's proposals? N = 148

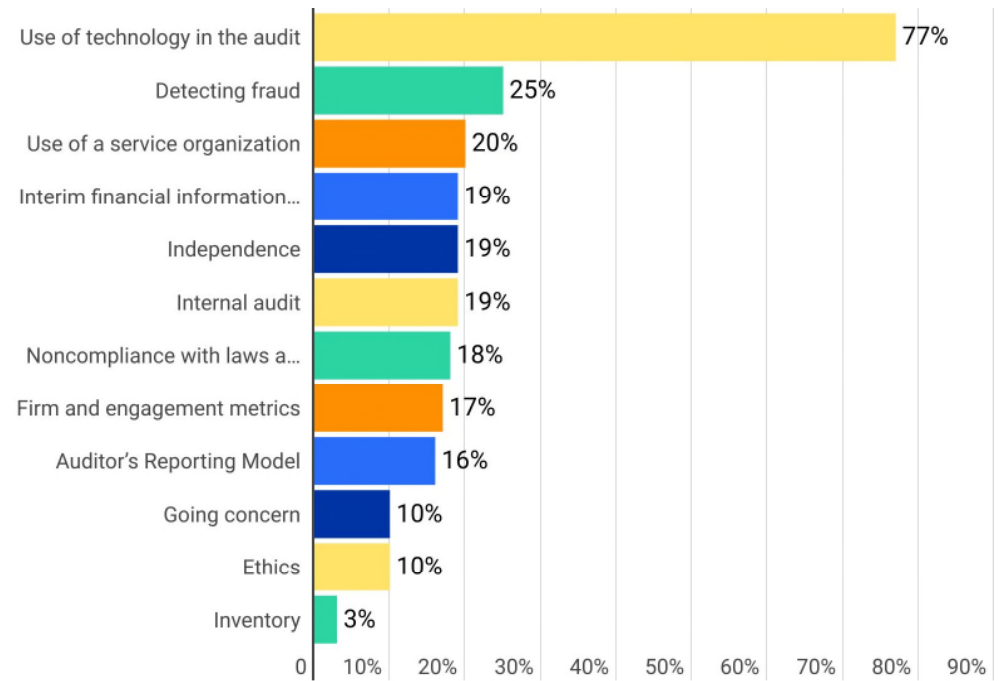


**90% of audit committee members say PCAOB standards and rules are well-suited or have mostly kept pace with change; cite use of technology in the audit as most pressing need for improvement.**

Which of the following statements most accurately align with your view of the PCAOB's standards and rules? N = 242



What are the top three areas where you would like to see the PCAOB modernize auditing standards? N = 155





**Audit committee members state there are potential challenges and limitations in interpreting proposed metrics, are skeptical PCAOB Firm Reporting proposed requirements will be useful; cite concerns about data specific to their audit being publicly available.**

Are there potential challenges or limitations in interpreting the proposed metrics in the Firm and Engagement Metrics proposal, particularly in relation to measuring audit quality? N = 134

Yes	73%
No	27%

Are you concerned that the proposal requiring mandatory public reporting of firm and engagement metrics could increase director liability? N = 144

Yes	40%
No	60%

Are the proposed enhanced reporting requirements in the Firm Reporting proposal useful to the audit committee in exercising its oversight role? N = 142

Yes	37%
No	63%

Do you have concerns about data specific to your audit being available publicly? N = 145

Yes	82%
No	18%

**Audit committee members have concerns about the cumulative impact of PCAOB standard-setting and rulemaking on audit quality.**

Do you have concerns about the cumulative impact of PCAOB standard-setting and rulemaking on audit quality? N = 145

Yes	76%
No	24%

# Demographics

Are you currently (or in the last 5 years) a member of the **board of directors**?  
N = 242

Yes	96%
No	4%

Are you on the **audit committee** (currently or in the last five years)?  
N = 242

Yes	96%
No	4%

Are you the **chair of the audit committee** (currently or in the last five years)? N = 242

Yes	78%
No	22%

What is the **market capitalization** of the largest public company for which you sit on the board of directors (currently or in the last five years)? N = 242

Greater than \$50 billion	15%
> \$10 billion to \$50 billion	26%
> \$1 billion to \$10 billion	34%
> \$700 million to \$1 billion	6%
> \$200 to \$700 million	7%
Less than \$200 million	12%

Answer the following for the largest company (by market capitalization) on whose board you sit: In what **industry sector** does the company operate? N = 242

Financial Services	26%	Power, utilities & renewables	4%
Tech, telecom, media & entertainment	16%	Professional services	3%
Healthcare and Life Sciences	10%	Transportation and hospitality	3%
Multiple/other	10%	Automotive	2%
Consumer products and retail	7%	Mining and metals	2%
Industrial products	7%	Non-profits	2%
Oil, gas & chemicals	5%	Government and public services	1%



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# Center for Audit Quality

PCAOB Engagement Metrics Report -  
Investors

July 2024

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# OBJECTIVES & METHODOLOGY



As part of the CAQ's efforts to engage a broader array of stakeholders of company-prepared information and serve as a prominent voice for the audit profession, KRC Research is conducting quarterly research to inform the research team on topics of interest related to what active institutional investors think about the audit process and assurance on other corporate reporting and other audit firm related matters.

The survey research is primarily designed to:

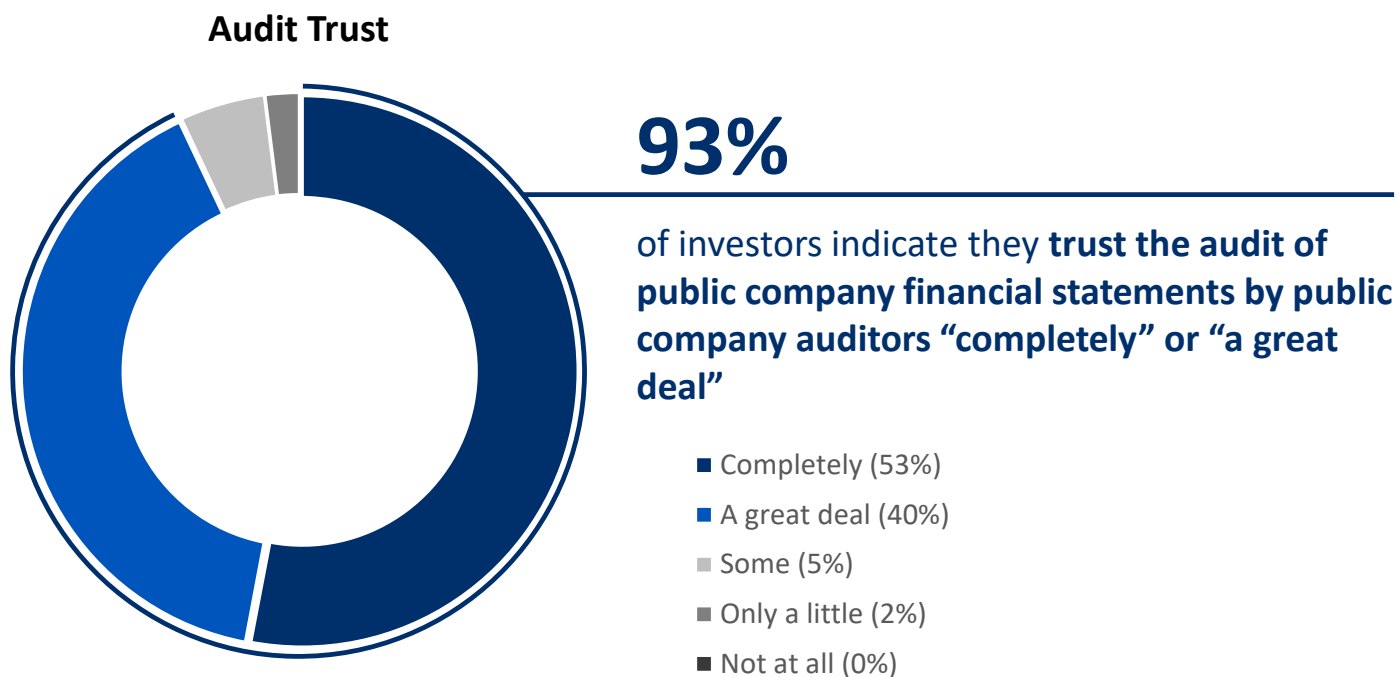
- Assess the information available to investors allowing them to evaluate the quality of the audit of a publicly traded company they invest in or follow
- Gauge knowledge and use of Form AP, Form 2, and Form 3
- Assess investor awareness of recent PCAOB proposals and quality of the organization's standard setting agenda



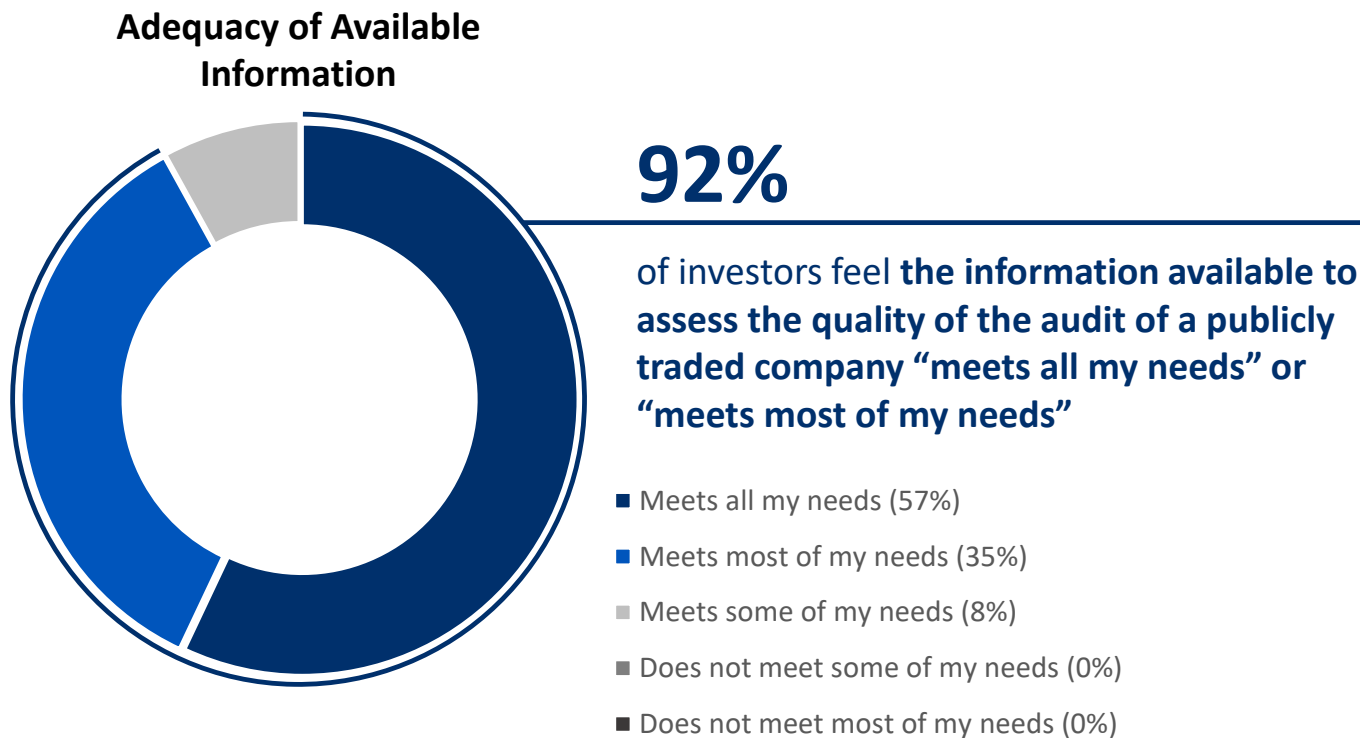
The survey research was conducted online from May 15 – 22, 2024 among 100 U.S. institutional investors.

All qualified respondents were screened to ensure they are professional investors employed at companies with a minimum of \$500M in assets under management, have appropriate job titles, and serve at the Director level or higher with at least 5 years of experience.

# Almost all trust the audit of public company financial statements by public company auditors, over half trust the audit completely.



# 9 in 10 investors say the information currently available to assess audit quality meets most or all their needs.



Q2. How do you feel about the information available to you to assess the quality of the audit of a publicly traded company you invest in or follow? (Base: All respondents, n=100)

# The auditor's opinion, Audit Quality reports, and the reputation of the audit firm are the top ways investors evaluate the quality and reliability of the audit.

## Top Ways to Evaluate Quality of Financial Statements



Q3. What are the top three ways that you evaluate the quality and reliability of the audit of financial statements of publicly traded companies you invest in or follow? Please choose up to three. (Base: All respondents, n=100)





# Nearly half of investors want to see more information about the auditing process of a publicly traded company they invest in or follow.

**What additional information would you like to see about the audit of a publicly traded company you invest in or follow to evaluate the quality of the audit?**

	Total %
Auditing process	46%
Transparency	35%
Scope of the audit	25%
Any amendments made to financial statements	24%
Team specifics	20%
Detailed report / Everything up front	18%
Risk / Investment risk	15%
Potential conflicts of interest	13%
Auditor team qualifications	13%
Previous problems or disputes with auditor team	11%
Efficiency of audit team	7%
Clear audit report	5%
Conclusion of audit	5%
Other mentions	15%
Nothing / None	17%



Q4. What additional information would you like to see about the audit of a publicly traded company you invest in or follow to evaluate the quality of the audit? Please be as specific as possible. If there is no additional information you would like to see type "none". (Base: All respondents, n=100)

## Surprisingly, investors say they are less likely to seek out firm-level metrics they find extremely helpful and more likely to seek out information they find comparatively less helpful.

Audit Firm-Level Metrics	Helpful	Extremely...		Δ
		Likely to Seek Out		
Information about the firm's system of quality control/management	50%	41%		-9
External review findings	49%	35%		-14
Audit firm internal monitoring*	45%	45%		-
Industry experience of audit personnel*	44%	44%		-
Quality performance ratings and compensation*	44%	41%		-3
Experience of audit personnel*	43%	36%		-7
The firm's commitment to DEI initiatives	41%	39%		-2
Cybersecurity policies	41%	46%		+5
The firm's commitment to audit quality and how this commitment is communicated	38%	46%		+8
Fees (e.g. audit, non-audit, public company vs. private)	37%	48%		+11
Partner and manager involvement*	36%	34%		-2
Workload*	36%	41%		+5
Firm governance	36%	38%		+12
Use of auditor's specialists and shared service centers*	35%	48%		+13
Allocation of audit hours (e.g., milestones)*	35%	34%		-1
Network arrangements	35%	36%		+1
Retention and tenure*	33%	43%		+10

Q5. How useful would each of the following firm-level metrics be to you in evaluating the quality of an audit of a company you invest in or follow. / Q6. If this information were made public on the PCAOB's website, how likely would you be to proactively seek out the information on the audit firm in evaluating the quality of an audit of a company you invest in or follow?



## Most investors are unlikely to seek out engagement-level metrics they find most helpful.

Audit Engagement-Level Metrics	Helpful	Extremely...		Δ
			Likely to Seek Out	
Partner experience level	50%		31%	-19
Years on the engagement of key audit team members	45%		40%	-5
Partner and manager involvement*	44%		36%	-8
Workload*	42%		45%	+3
Audit milestone completion information	41%		39%	-2
Auditor judgment	40%		36%	-4
Experience of audit personnel*	40%		42%	+2
Retention and tenure*	40%		43%	+3
Allocation of audit hours (e.g., milestones)*	38%		35%	-3
Industry experience of audit personnel*	37%		41%	+4
Use of auditor's specialists and shared service centers*	34%		42%	+8
Audit hours and risk areas*	34%		34%	-
Professional skepticism	31%		35%	+4

Q7. How useful would each of the following engagement level metrics be to you in evaluating the quality of an audit of a company you invest in or follow. / Q8. If this information were made public on the PCAOB's website, how likely would you be to proactively seek out the information on the audit firm in evaluating the quality of an audit of a company you invest in or follow?



# Majority of investors feel that audit committees have necessary knowledge needed to select the auditor.

## Agreement with Some Standardized Information

Strongly / Somewhat agree

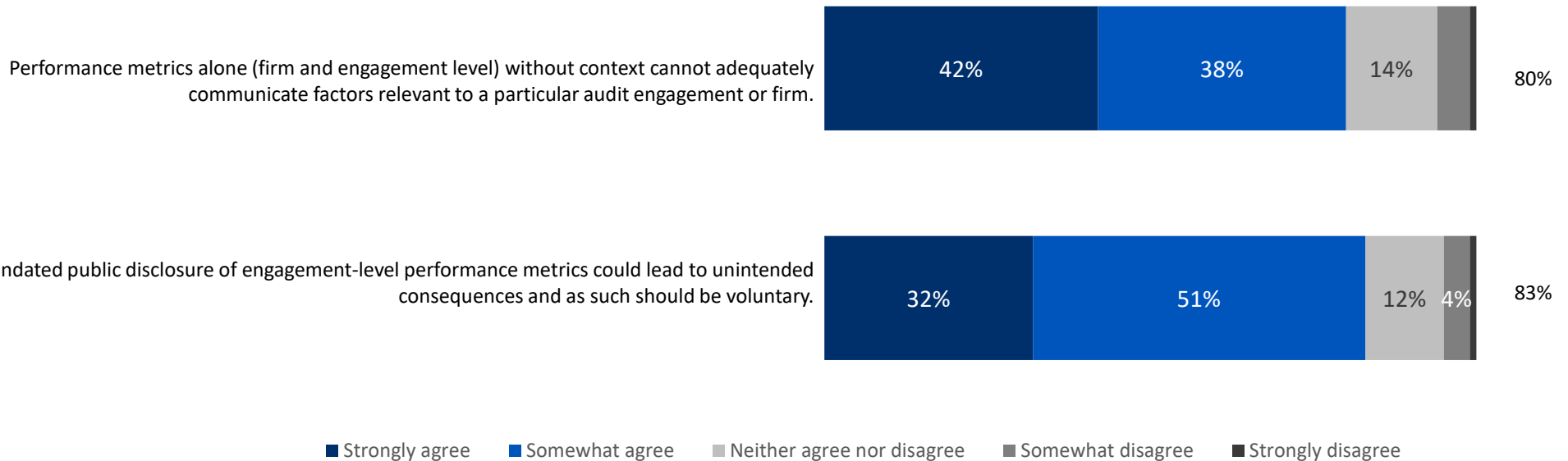


Q9. How strongly do you agree or disagree with the following statements about mandated disclosures of firm and engagement-level metrics? (Base: All respondents, n=100) \*Only showing values greater than 4%



# Most agree that performance metrics need context and mandated public disclosure of engagement level metrics could have unintended consequences, should be voluntary.

Strongly / Somewhat agree

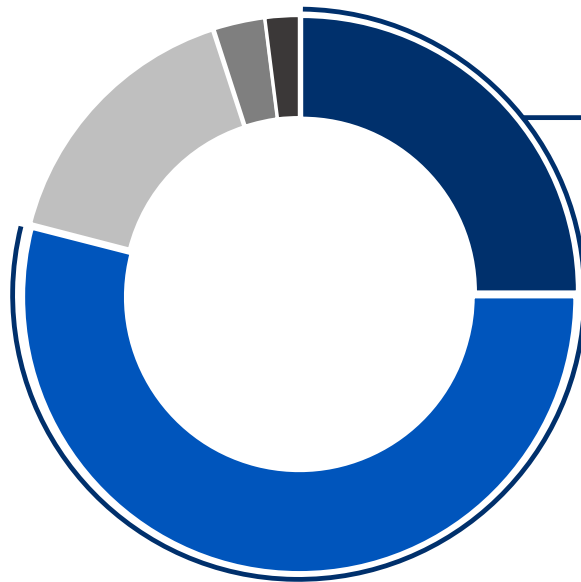


Q9. How strongly do you agree or disagree with the following statements about mandated disclosures of firm and engagement-level metrics? (Base: All respondents, n=100) \*Only showing values greater than 4%



# Eight in ten investors say they often navigate to the Auditor Search tool on the PCAOB's Form AP website.

Frequency Visiting Auditor Search



**79%**

of investors navigate to the Auditor Search on the PCAOB's Form AP, Auditor Reporting of Certain Audit Participants website "very often" or "often"

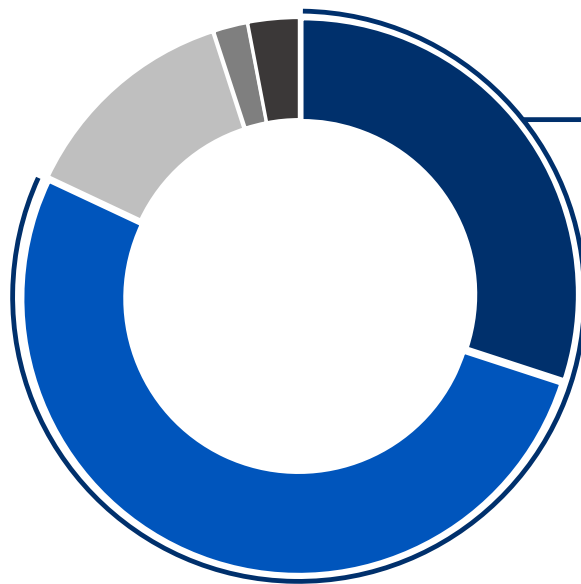
- Very often (25%)
- Often (54%)
- Sometimes (16%)
- Rarely (3%)
- Never (2%)



## Most investors also say they often navigate to the PCAOB's Registered Firm website.

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Frequency Visiting PCAOB's Registered Firm Website



**82%**

of investors navigate to the PCAOB's Registered Firm website "very often" or "often"

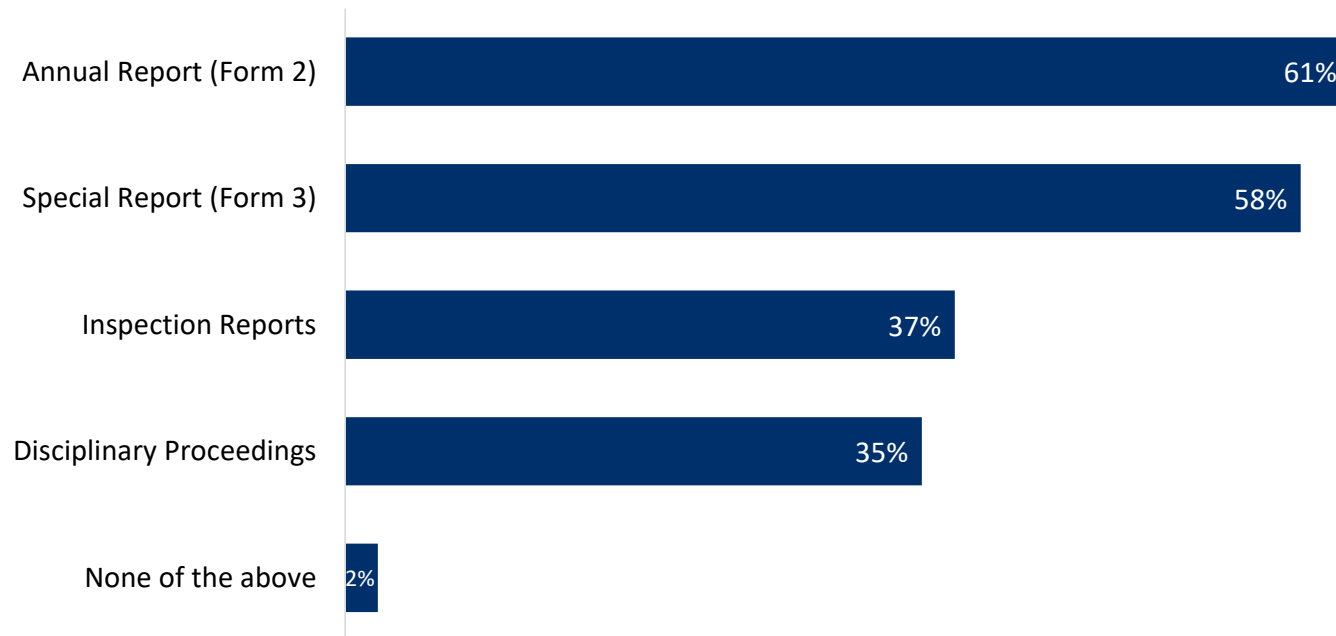
- Very often (30%)
- Often (52%)
- Sometimes (13%)
- Rarely (2%)
- Never (3%)



# Six in 10 investors say that Form 2 and/or Form 3 provides useful information to them.

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What information do you find useful on the PCAOB's Registered Firms website?

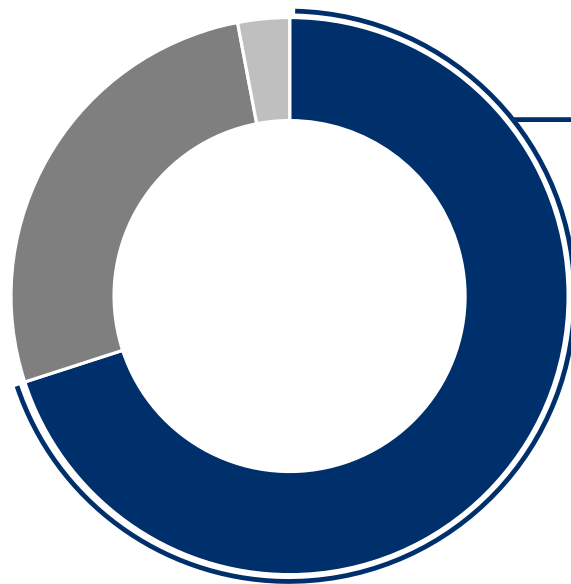


Q12. What information do you find useful on the PCAOB's Registered Firms website? Select all that apply. (Base: If Q11=1-3, n=95)



# Seven in 10 investors are aware of PCAOB's recent proposals on Firm and engagement performance metrics and Firm reporting.

Were you aware of the PCAOB's recent proposals on Firm and engagement performance metrics and Firm reporting?



**70%**

of investors say they were already aware of the PCAOB's recent proposals on Firm and engagement performance metrics and Firm reporting

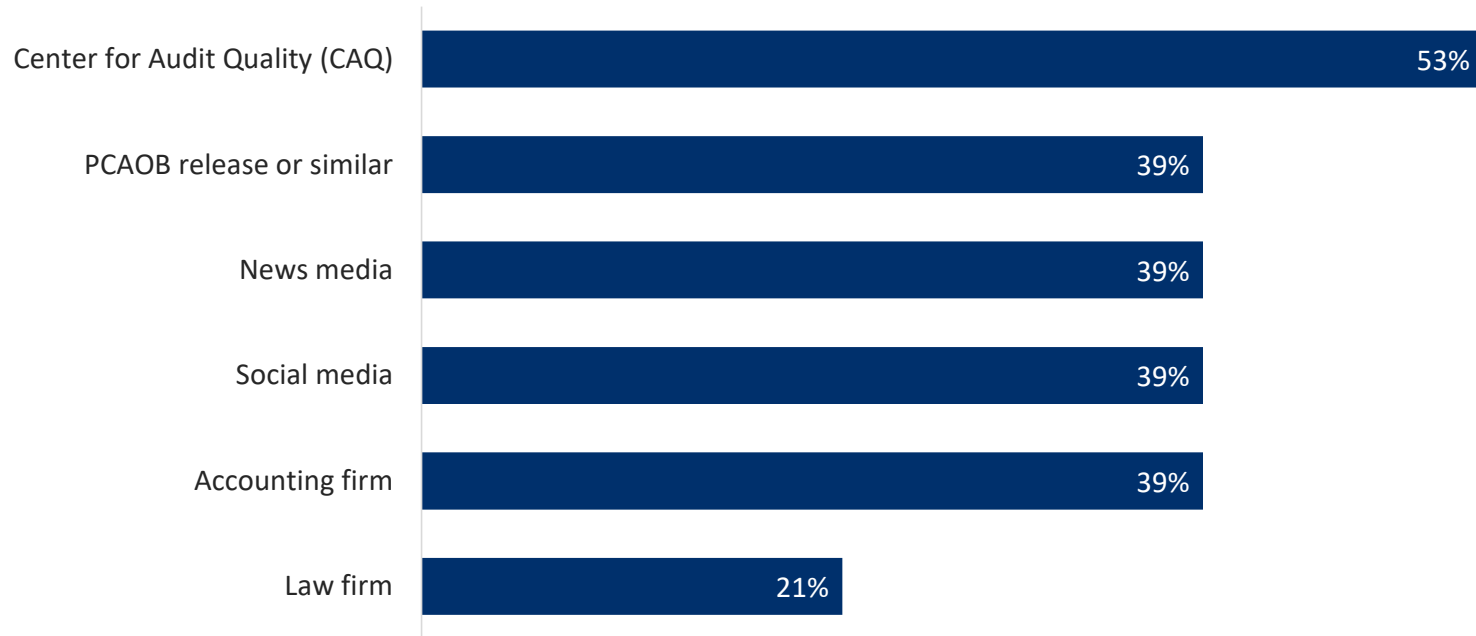
- Yes (70%)
- No (27%)
- Not sure (3%)



# Investors heard about the PCAOB's proposals from a variety of sources.

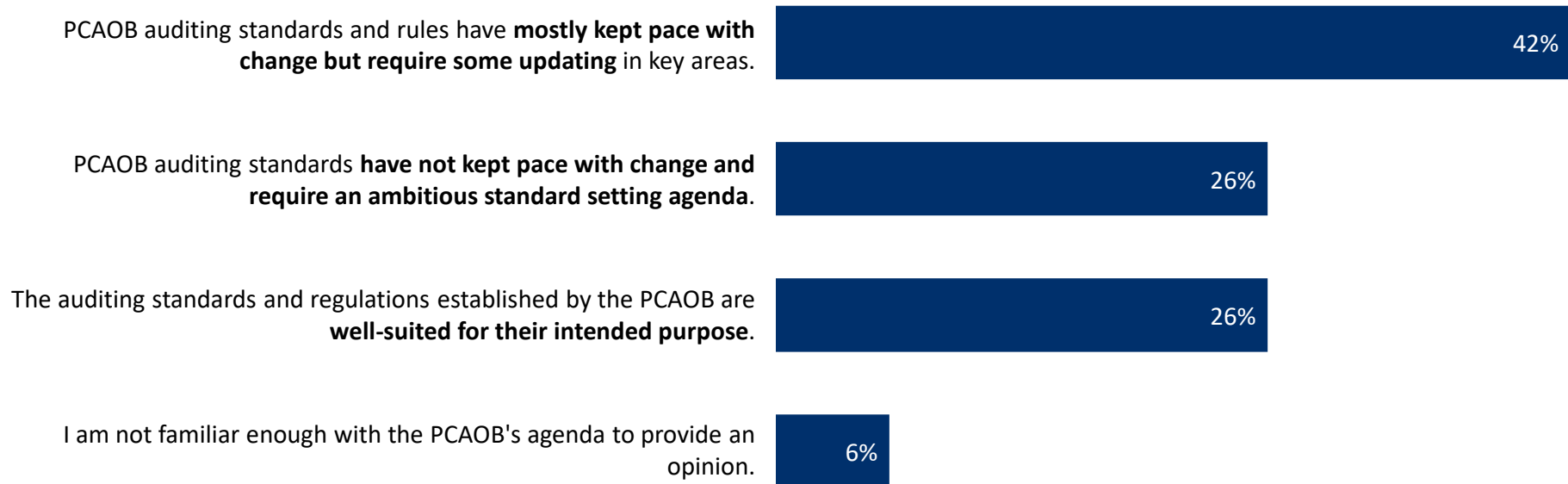
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How did you hear about the PCAOB's proposals?



## Four in 10 investors feel PCAOB auditing standards and rules have mostly kept pace with change but need updating in key areas.

Which of the following statements most accurately align with your view of the PCAOB's standard setting agenda?

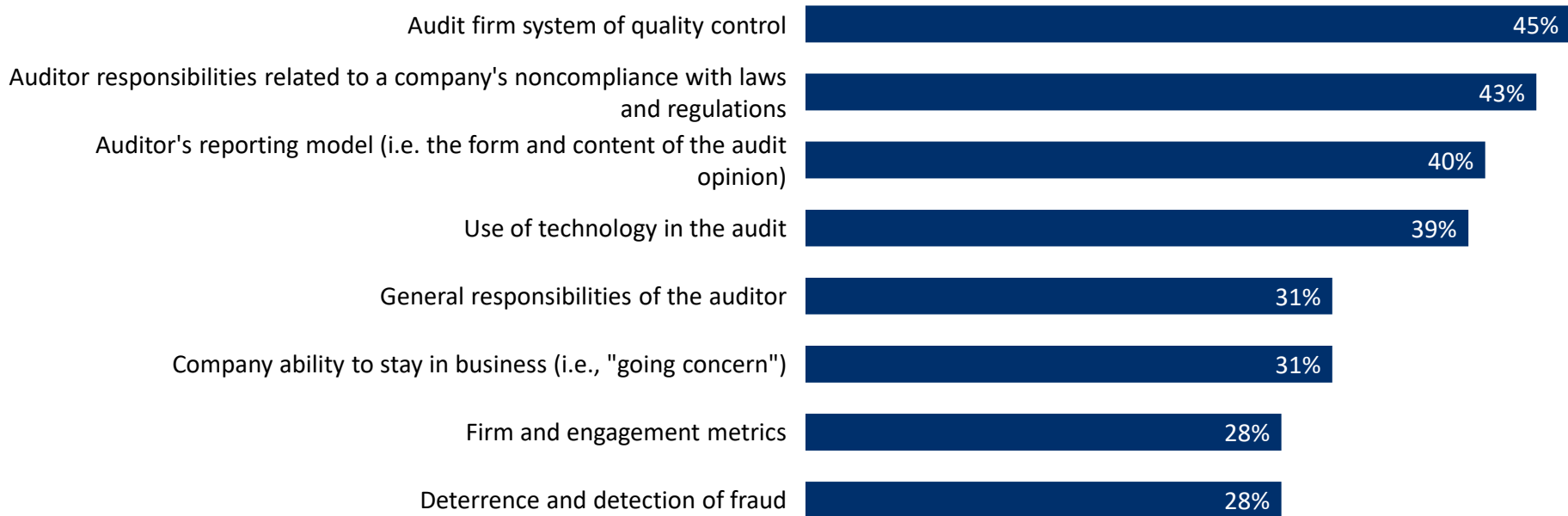


Q15. Which of the following statements most accurately align with your view of the PCAOB's standard setting agenda? (Base: All respondents, n=100)

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# Quality control and responsibilities related to noncompliance are the top areas in which investors would like to see modernizations.

What are the top three areas where you would like to see the PCAOB modernize auditing standards?



Q16. What are the top three areas where you would like to see the PCAOB modernize auditing standards? Please select up to three (Base: All respondents, n=100)

# Survey Respondent Profile

## Job Level

C-Suite / President / Partner	39%
Senior Vice President	15%
Vice President	31%
Senior Director	15%

## Investment Experience

6 – 10 years	34%
11 – 15 years	42%
16 – 20 years	17%
More than 20 years	7%

## Age

Under 30 years old	2%
30 – 39	28%
40 – 49	51%
50 – 59	17%
60+	2%

## Assets Managed

\$500mil to less than \$1bil	10%
\$1bil to less than \$5bil	49%
\$5bil to less than \$10bil	23%
\$10bil to less than \$50bil	7%
\$50bil or more	11%

## Focus of Investment Portfolio

Large Acceleration Filers (LAF)	8%
Accelerated Filers (AF)	8%
Both Large Accelerated Filers and Accelerated Filers	80%
Do not primarily invest in these types of companies	3%
Not sure	1%

## Gender

Male	51%
Female	49%



S6. Which of the following comes closest to your level in your company? / S7. Which of the following represents the total assets your company has under management? / S8. Which of the following does your investment portfolio focus on? / S9. How many years of investment experience do you have? / S11. What is your gender? / S12. What age category are you? (Base: All respondents, n=100)

# Survey Respondent Profile

## Company Representation

Investment Bank	38%
Commercial Bank	33%
Credit union	15%
Insurance Company	5%
Venture Capital Funds	3%
Mutual Funds	2%
Other Investment Mgmt. Firm	2%
Foundation or Endowment	1%
Family office	1%

## Job Description

<b>Commercial Banking</b>		<b>Insurance</b>	
Investment Banking	42%	Risk Management	20%
Asset Management	38%	Asset Management	20%
Commercial Lending	15%	Actuary	20%
Compliance	4%	Product Development	20%
Risk Management	2%	Compliance	20%
<b>Investment Banking</b>		<b>Other Types of Roles</b>	
Chief Risk Officer	58%	Equity Analyst	33%
Credit or Risk Analyst	24%	Risk Management	33%
Senior Banker	13%	Investment Analyst	22%
Debt Capital Market Originator/Arranger	3%	Other	11%
ECM (Equity Capital Market)	3%		

S1. What type of organization/company do you work for?

(Base: All respondents, n=100) / S2-5. Which of the following comes closest to your job title or description? (Base varies by company-specific question: Commercial Banking, n=39; Investment Banking, n=25; Insurance, n=23; and Other Types of Companies, n=12)

