Highlights of Key Changes & Enhancements in 2019

Effective Oversight

Improve the effectiveness of our oversight activities related to inspections, enforcement, standard-setting, and risk analysis

- Created the Inspections Quality Group to drive consistency, quality, and effectiveness in our inspections activities

- Created and deployed first ever inspections "target team" to perform cross-firm reviews on areas of significant or emerging risks

- Began collecting and publishing "good practices" observed in our inspections

- Devoted significant resources to refining our inspections report format

- Issued targeted and proactive staff guidance, prior to implementation, related to:

    o Critical Audit Matters, part of the Auditor's Reporting Model

    o Auditing Accounting Estimates, Including Fair Value Measurements

    o Auditor's Use of the Work of Specialists

- Deployed new "quality control" inspection team to understand in greater depth aspects of firms' quality control systems

- Acquired and implemented a tool to assist investigators in detecting improper work paper alterations

- Published PCAOB's first-ever post-implementation review of an auditing standard

- Created a new PCAOB publication, Spotlight, to highlight timely and relevant observations for auditors and other key stakeholders

- Revised presentation of enforcement related content on PCAOB website to be more timely and relevant

- Issued new website disclosures related to our ongoing challenges to overseeing audits conducted in China and Hong Kong

Innovation

Increase focus on transforming both our oversight and our efficiency and effectiveness

- Hired an Assistant Director of Portfolio Management to assess, organize, and advance our initiatives under the PCAOB's strategic plan

- Hired the PCAOB's first Chief Data Officer

- Adopted and began implementation of PCAOB-wide Data Strategy

- Adopted and began implementation of PCAOB-wide Technology Strategy

- Implemented new process for regularly prioritizing information technology resources

- Combined security operations and network operations teams

- Refined program criteria for the PCAOB Scholars Program

- Implemented staff rotation program to support collaboration across divisions and offices

Improved Engagement

Emphasize engagement with external stakeholders such as investors, audit committees, preparers, and other regulators

- Finalized structure of the new Office of External Affairs to increase accessibility and enhance engagement with all stakeholders

- Hired PCAOB's first Stakeholder Liaison to serve as a direct point of contact for investors, audit committees, and preparers

- Increased direct interaction between Board members and audit committees by appearing at relevant events

- Organized first-ever audit committee member roundtables hosted by PCAOB Board members

- Organized first-ever investor roundtables hosted by PCAOB Board members

- Interviewed nearly 400 audit committee members in connection with ongoing inspections

- Increased significantly Board member involvement in the International Forum of Independent Audit Regulators

- Enhanced our external resources to target specific stakeholder groups on relevant auditing issues

- Hosted first-ever webinars of content from our small business forum and broker-dealer forum

- Hired a graphic designer to make our content more user-friendly and accessible to stakeholders
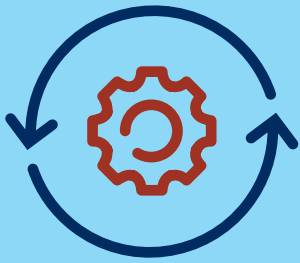
Process and Culture Optimization

Transform internal processes and cultural norms to more effectively engage and empower our people

- Created new internal processes to facilitate Board engagement and decision making related to strategic and operational priorities

- Created a Management Committee to facilitate collaboration across divisions and offices

- Deployed secure meeting collaboration tool for Board

- Deployed electronic voting for routine Board matters

- Deployed initial configuration of Data Loss Prevention (DLP) software

- Implemented a new two-factor access authentication technology to enhance remote access security

- Hired the PCAOB's first Chief Risk Officer

- Created and staffed the Office of Enterprise Risk Management (OERM)

- Hired the PCAOB's first Chief Information Security Officer

- Merged the PCAOB's ethics and compliance functions into the OERM

- Hired the PCAOB's first Chief Compliance Officer

- Performed an inaugural organization-wide risk assessment

- Created an information security policy to further enhance the information and cybersecurity program.

- Developed a Risk Event Reporting Program to collect and share risk event information

- Enhanced the Crisis Management Incident Response Plan

- Implemented a comprehensive learning management system for staff

- Hired an Internal Communications Manager

- Developed and began implementation of an Internal Communications Strategy

- Launched Strategic Insights, a communications platform to engage with employees on our transformation activities

- Developed first ever performance measures and indicators aligned to the PCAOB's strategic goals and objectives

- Drafted the PCAOB's first-ever human capital strategic plan

- Completed a validation of salary and compensation structure

- Implemented a revised travel policy to match industry best practices

- Negotiated corporate discount program with 5 U.S. airlines to reduce travel costs

- Reorganized the structure of the Office of Economic Risk and Analysis

- Provided executive communication and collaboration coaching to the organization's leaders

- Implemented a new HR Business Partner model to better meet our administrative and human resource needs

- Launched Milk Stork, a benefit provided to traveling mothers