

Remarks of Jeff Mahoney  
General Counsel  
Council of Institutional Investors  
At the Meeting of the Investor Advisory Group  
Of the Public Company Accounting Oversight Board  
April 29, 2025

I believe it is important this morning that we reflect on the fact we appear to be at a critical point in the history of the U.S. auditing profession, when the private sector body that was created to save the profession from its own failings is now at risk of being eliminated with the implicit support of the profession it saved.

I strongly oppose the legislative provision that is expected to be considered tomorrow in the House Committee on Financial Services that would effectively end the objective reviews of audits and likely return us to the equivalent of the failed peer review process that existed at the time of Enron and WorldCom.

While the Public Company Accounting Oversight Board (PCAOB) as an organization has been imperfect, I believe that it has been a primary catalyst for major improvements in audit quality since its formation,

In that regard, I especially commend the 400+ resolute PCAOB staff in the Firm Inspections Group for their challenging work in conducting domestic and international inspections, including the more than 30+ PCAOB staff that have been executing inspections in mainland China or Hong Kong.

I do not believe these and other PCAOB functions can be effectively transferred and performed if they become the responsibilities of the Securities and Exchange Commission as contemplated in the legislative provision.

I strongly agree with SEC Chair Paul Atkins recent Senate testimony in which he stated that “accounting and auditing is really crucial, obviously, to the investor protection and to the capital market.”

I believe that audit quality and oversight are sufficiently important to investors and the capital markets that they should be the responsibility of an independent, adequately funded, private sector body focused exclusively on those issues.

I urge all investors and all market participants to publicly oppose the legislative provision that is scheduled to be considered tomorrow by the House Committee on Financial Services.

Thank you for giving me the time to express my personal views on this timely issue.