

Public Company Accounting Oversight Board  
 2024 Budget by Cost Category  
 2022 - 2024



\$ in thousands

Cost Category	2022	2023	2024
	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>
Personnel			
Salaries /1	176,126	206,829	228,710
Employee Benefits /2	25,949	31,737	36,524
Payroll Taxes /3	10,177	12,427	13,331
Training /4	1,354	4,084	3,750
Recruitment and Relocation /5	2,162	3,010	3,463
Subtotal	215,768	258,087	285,778
Non-personnel			
Administrative Expenses /6	7,275	10,533	10,183
Consulting and Professional Fees /7	16,045	26,453	37,369
Facilities /8	19,771	20,326	20,388
IT Expense & IT Capital Expenditures /9	16,000	14,895	14,134
Travel and Other Expenses /10	4,825	19,207	15,378
Subtotal	63,916	91,414	97,451
Facilities Capital Expenditures /11	37	30	1,422
<b>Total Outlays /12</b>	<b>279,721</b>	<b>349,531</b>	<b>384,650</b>
Change to Working Capital Reserve, Net of Other Income and Reconciliations /13			(24,561)
Less: Prior Year Registration and Annual Fees /14			(1,303)
<b>Total Accounting Support Fees /15</b>			<b>358,787</b>
Accounting Support Fee - Issuers			331,017
Accounting Support Fee - Broker-Dealers			27,770

Details may not add to totals due to rounding.

**Public Company Accounting Oversight Board**  
**2024 Budget by Division/Office**  
**2022 - 2024**

*\$ in thousands*

Division/Office	2022 <u>Actuals</u>	2023 <u>Budget</u>	2024 <u>Budget</u>
Board and Executive Staff	9,543	11,144	11,370
Division of Registration and Inspections			
Inspections	123,058	153,367	164,687
Registration	1,410	1,535	1,751
Subtotal	124,468	154,902	166,438
Division of Enforcement and Investigations	18,795	22,994	25,716
Office of the Chief Auditor (Standards)	8,088	10,920	12,077
Office of Economic and Risk Analysis	11,569	13,663	16,438
Office of the General Counsel	9,534	13,367	15,315
Office of International Affairs	3,118	4,365	4,713
Office of Communications and Engagement	2,452	4,028	4,374
Office of the Investor Advocate	—	738	898
Office of Enterprise Risk Management	3,436	4,660	3,607
Office of Internal Oversight and Perf. Assurance	1,104	1,586	1,779
Office of the Chief Operating Officer <sup>^</sup>			
Data, Security, and Technology	46,259	54,492	64,732
Operations	41,356	52,672	57,193
<b>Total Outlays /12</b>	<b>279,721</b>	<b>349,531</b>	<b>384,650</b>
Change to Working Capital Reserve, Net of Other Income and Reconciliations /13			(24,561)
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<b>Total Accounting Support Fees /15</b>			<b>358,787</b>
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<sup>^</sup> Effective as of July 1, 2023, the PCAOB merged two separate offices (the Office of Administration and Office of Data, Security, and Technology) to form the new Office of the Chief Operating Officer (headed by the COO). The budget tables continue to display the two component pieces under the OCOO as OCOO-Operations (or OCOO-Ops) and OCOO-Data, Security, and Technology (or OCOO-DST), respectively.

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## Notes to 2024 Budget

The 2024 Budget for the Public Company Accounting Oversight Board (“PCAOB” or the “Board”) was approved by the Board on November 16, 2023. The following notes relate to specific line items in the budget.

1. **Salaries** – The 2024 Budget includes funding for 946 employees to assist the Board in achieving its mandates under the Sarbanes-Oxley Act of 2002.
2. **Employee Benefits** – Estimated expenses for employee benefits include costs associated with health care, retirement, and other employee benefit-related items.
3. **Payroll Taxes** – Estimated payroll taxes include Social Security, Medicare, and unemployment taxes.
4. **Training** – Estimated training expenses include professional training in accounting and auditing, law, and other fields to fulfill the Board’s commitment to maintaining highly-qualified staff to achieve the PCAOB’s statutory mandates.
5. **Recruitment and Relocation** – Estimated recruitment and relocation expenses are budgeted to cover the cost of recruiting highly-qualified, experienced staff in a competitive employment market for auditors, accountants, IT staff, and other professionals.
6. **Administrative Expenses** – Estimated administrative expenses include costs for office supplies, printing, copying, postage, subscription and library, temporary help, and outreach events. This category also covers the premiums for our business insurance coverage.
7. **Consulting and Professional Fees** – Estimated consulting and professional fees include costs associated with certain initiatives related to the PCAOB’s programs that require highly specialized skills and services such as IT expertise, including the development of mission-critical investments in 2024 to improve registration and inspections systems. These fees also include costs for services related to investigation and litigation support, translation, legal, and other advisory services.
8. **Facilities** – Estimated facilities expenses cover the costs of leases and other payments related to the PCAOB’s office space. The PCAOB currently has leased office space at its headquarters in Washington, D.C., and in Ashburn, Virginia, in addition to regional office space to support its staff in Atlanta, Georgia; Charlotte, North Carolina; Chicago, Illinois; Denver, Colorado; Irvine, California; Irving, Texas; New York, New York; and San Mateo/Foster City, California.
9. **Information Technology Expense and Information Technology Capital Expenditures** – Estimated IT expenses include costs associated with maintaining and enhancing the PCAOB’s IT applications and infrastructure.
10. **Travel and Other Expenses** – Estimated travel and other expenses support travel primarily to perform inspections in the offices of registered public accounting firms. This category also covers the costs associated with participation by Board members and staff at speaking engagements and other outreach activities away from the PCAOB’s offices.

11. **Facilities Capital Expenditures** – The PCAOB expects to incur capital expenditures in 2024 related to new leases entered into as part of reducing the amount of leased office space in Atlanta, Georgia; Denver, Colorado; Irvine, California; Irving, Texas; and San Mateo/Foster City, California.
12. **Total Outlays** – As discussed with the SEC staff and based on guidance from the Office of Management and Budget, the PCAOB understands that sequestration, as applied to the PCAOB, means that sequestered funds are not available for obligation during the fiscal year in which the sequestration occurs, but are available in subsequent years. The result is that the gross \$19.9 million in PCAOB operating funds that were sequestered in 2023 become available in 2024. For 2024, the sequestration percentage is 5.7%, which results in a sequestration amount of \$21.9 million. Since the sequestration amount for 2024 is more than the sequestration amount for 2023, the PCAOB plans to submit a Revised Spending Plan for 2024 in the amount of \$2.0 million to the SEC indicating where that reduction will be applied to the 2024 Budget.
13. **Change to Working Capital Reserve, Net of Other Income and Reconciliation of Certain Estimates to Actuals** – The PCAOB estimates that the working capital reserve that will provide funds necessary to cover its anticipated expenditures for the first five months of 2025 is more than the working capital reserve estimated for 2024 in the 2023 Budget. This difference is more than offset by interest, other income, and reconciliations between previously estimated spending and income versus actuals, which also affect the calculation of accounting support fee.
14. **Registration and Annual Fees** – Under Section 102 of the Sarbanes-Oxley Act of 2002, the PCAOB assesses and collects registration fees from applicants and annual fees from registered public accounting firms in amounts sufficient to recover the costs of processing and reviewing their registration applications and reports. Section 109 of the Sarbanes-Oxley Act of 2002 directs that any registration and annual fees collected in one calendar year must be used to reduce the recoverable budget expenses for the next calendar year (i.e., the year after the year in which they are received). Therefore, registration and annual fees collected for 2023 have been credited to the 2024 Budget as part of calculating the 2024 accounting support fee.
15. **Accounting Support Fees** – Pursuant to Section 109 of the Sarbanes-Oxley Act of 2002 and the rules of the PCAOB, the budget of the PCAOB – reduced by any registration and annual fees received for the preceding calendar year (see note 14) and adjusted for changes to the PCAOB’s working capital reserve, net of other income and reconciliation between estimates and actuals (see note 13) – is funded by the accounting support fee. This calculation produces the total 2024 accounting support fee of approximately \$358.8 million. In 2024, approximately \$331.0 million will be billed to issuers and \$27.8 million will be billed to broker-dealers.