

Public Company Accounting Oversight Board
2022 Budget by Cost Category
2020 - 2022



\$ in thousands

Cost Category	2020 Actuals	2021 Budget*	2022 Budget
Personnel			
Salaries /1	163,922	176,767	185,150
Employee Benefits /2	25,121	27,881	28,866
Payroll Taxes /3	9,497	10,557	11,045
Training /4	1,468	2,275	2,596
Recruitment and Relocation /5	1,014	1,045	2,956
Sub-total	201,022	218,524	230,612
Non-personnel			
Administrative Expenses /6	6,023	7,889	8,816
Consulting and Professional Fees /7	14,203	19,895	18,932
Facilities /8	20,243	19,449	19,909
Information Technology /9	13,082	13,834	16,585
Travel and Other Expenses /10	756	7,635	15,376
Sub-total	54,306	68,703	79,618
Capital Expenditures			
IT Development and Infrastructure /9	979	—	—
Facilities Build-out /11	402	52	55
Sub-total	1,380	52	55
Total Outlays /12	256,709	287,279	310,285
Change to Working Capital Reserve, Net of Other Income and Reconciliations /13			(10,984)
Less: Prior Year Registration and Annual Fees /14			(1,379)
Total Accounting Support Fees /15			297,922
Accounting Support Fee - Issuers			267,177
Accounting Support Fee - Broker-Dealers			30,746

* Reflects the amounts in the PCAOB's supplemental budget for 2021, as approved by the SEC on September 17, 2021.

Note: Details may not add to totals due to rounding.

Public Company Accounting Oversight Board
2022 Budget by Division/Office
2020 - 2022

\$ in thousands

Division/Office	2020 Actuals	2021 Budget*	2022 Budget
Board and Executive Staff	10,875	11,971	9,184
Division of Registration and Inspections			
Inspections	113,943	126,037	139,514
Registration	1,308	1,279	1,450
Sub-total	115,250	127,316	140,964
Division of Enforcement and Investigations	17,172	19,663	19,938
Office of the Chief Auditor (Standards)	6,873	8,693	9,220
Office of Economic and Risk Analysis	13,281	13,673	12,519
Office of the General Counsel	6,882	12,684	11,921
Office of International Affairs	2,707	3,147	3,485
Office of External Affairs	2,331	3,026	3,065
Office of Enterprise Risk Management [^]	—	—	4,148
Office of Internal Oversight and Perf. Assurance	978	1,206	1,127
Office of Data, Security, and Technology	40,928	44,546	48,744
Office of Administration	39,432	41,356	45,971
Total Outlays /12	256,709	287,279	310,285
Change to Working Capital Reserve, Net of Other Income and Reconciliations /13			(10,984)
Less: Prior Year Registration and Annual Fees /14			(1,379)
Total Accounting Support Fees /15			297,922
Accounting Support Fee - Issuers			267,177
Accounting Support Fee - Broker-Dealers			30,746

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[^] As of January 1, 2022, OERM will no longer be included in the Board, but instead will be a stand-alone office.

Note: Details may not add to totals due to rounding.

Notes to 2022 Budget

The 2022 Budget for the Public Company Accounting Oversight Board (“PCAOB” or the “Board”) is based on the best information available as of the approval date. The following notes relate to specific line items in the budget.

1. **Salaries** – The 2022 Budget includes funding for 891 employees to assist the Board in achieving its mandates under the Sarbanes-Oxley Act of 2002 (the “Act”).
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, and IT staff.
6. **Administrative expenses** – Estimated administrative expenses include costs such as office supplies, printing, copying, postage, subscription and library, temporary help, and outreach events. This category also covers the costs associated with business insurance, including premiums for directors’ and officers’ liability insurance and cybersecurity insurance.
7. **Consulting and professional fees** – Estimated consulting and professional fees include costs associated with developing certain initiatives related to the Board's programs that call for highly-specialized skills and services required for a limited period of time. These expenses also include costs for services related to investigation and litigation support, translators, and legal and other advisory services.
8. **Facilities** – Estimated facilities expenses cover the costs of lease and other payments related to the Board's office space. The Board 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 inspections staff in Atlanta, Georgia; Charlotte, North Carolina; Chicago, Illinois; Irving, Texas; Denver, Colorado; Irvine, California; New York, New York; and Foster City, California.
9. **Information Technology Expense, Development and Infrastructure** – Estimated IT expenses include costs associated with enhancing and maintaining the Board’s IT applications and infrastructure.
10. **Travel and other expenses** – Estimated travel and related expenses support travel 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 in speaking and other outreach activities away from the Board's offices.

11. **Facilities build-out** – The PCAOB expects to incur minimal capital expenditures in 2022 related to its office space.
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 \$16.4 million in PCAOB operating funds that were sequestered in 2021 become available in 2022. For 2022, the sequestration percentage is 5.7%, which results in a sequestration amount of \$17.7 million. Since the sequestration amount for 2022 is more than the amount for 2021, the PCAOB plans to submit a Revised Spending Plan for 2022 in the amount of \$1.3 million to the SEC to indicate where that reduction will be applied to the 2022 Budget.
13. **Change to working capital reserve, net of other income and reconciliations 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 2023 is more than the working capital reserve estimated for 2022 in the 2021 Budget. Interest and other income, and reconciliations between certain previously estimated spending and income compared to actuals also affect the calculation of the accounting support fee.
14. **Prior year registration and annual fees** – Under Section 102 of the Act, the Board collects registration application fees from applicants and annual fees from registered public accounting firms in amounts sufficient to cover the costs of processing and reviewing their registration applications and annual reports. Section 109 of the Act directs that any registration and annual fees collected in one calendar year must be used to reduce the recoverable budget expenses for the immediately following calendar year. Therefore, the 2022 Budget has been reduced by the amount of registration and annual fees collected for 2021 as part of calculating the 2022 accounting support fee.
15. **Total Accounting Support Fees** – Pursuant to Section 109 of the Act and the rules of the PCAOB, the budget of the Board – reduced by any registration and annual fees received for the preceding calendar year (see note 14) and adjusted for changes to the Board's working capital reserve, net of other income and reconciliations of certain estimates to actuals (see note 13) – is funded by the accounting support fee. This calculation produces the total 2022 accounting support fee of approximately \$297.9 million. In 2022, approximately \$267.2 million will be billed to issuers and \$30.7 million will be billed to broker-dealers.