Has the PCAOB Maintained Political Independence?
Evidence from Public Communication

Date: November 6, 2023
Time: 9:00 to 10:30 a.m.
Place: Room 202 Anheuser-Busch Hall

Abstract
The Public Company Accounting Oversight Board (PCAOB or Board) was created as part of the Sarbanes-Oxley Act of 2002, legislation meant to address lapses in investor confidence in the audit of public companies in the wake of several high-profile accounting scandals. The PCAOB was uniquely structured to avoid direct governmental interference and maintain a level of political independence as it fulfilled its oversight responsibilities. In the 20 years since the PCAOB was established, numerous Board Members have made public statements involving a range of topics. During the life of the PCAOB, the political landscape has become progressively polarized along partisan lines. This research seeks to discern whether the PCAOB has remained true to its nonpartisan mandate in an increasingly polarized political environment by examining partisanship, or lack thereof, based on the public speeches and communiques of PCAOB leaders. Partisan speech is identified based on common individual phrases used in both congressional and PCAOB speeches. Using these definitions, we analyzed all historical speeches and public statements made by individual members of the PCAOB and found that they appeared to publicly communicate topics within their regulatory purview without any significant indication of overt or intentional political interference or bias.

Keywords: Partisanship, regulation, independence, PCAOB

Defense of Dissertation Committee
Stephen Moehrle, Ph.D., Chair
Michele Meckfessel, Ph.D.
Jennifer Reynolds Moehrle, Ph.D.