

‘A New Day at the PCAOB’: Retired Big Four Audit Partner to Helm Reconstituted Board

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Trump administration officials among other new appointees, signaling a coming industry-friendly shift in the audit regulator’s priorities and objectives

On January 30, 2026, the SEC **announced** the appointment of four new members to the Public Company Accounting Oversight Board (PCAOB), including Demetrios (Jim) Logothetis, a 40-year veteran of Ernst & Young (EY), as the board’s new chair. The appointments signal a substantive shift toward industry-friendly regulatory priorities.

The PCAOB—a private, nonprofit agency created in 2002 under the Sarbanes-Oxley Act in response to major corporate accounting scandals—oversees audits of publicly traded companies and possesses broad authority to approve audit standards, inspect audit firms, and bring enforcement actions against firms and individual auditors. Although the SEC retains ultimate oversight authority (including appointment of all five board members, rule and budget approval, and appeal rights over inspection and enforcement decisions), the PCAOB has historically operated with substantial independence in executing its regulatory mandate.

The four new board members, who will serve staggered five-year terms, are:

- **Demetrios (Jim) Logothetis, Chair.** Retired from EY in 2019 after four decades with the firm, where he served as lead partner for several of EY’s largest clients, including Coca-Cola, Fiat Chrysler and Whirlpool, and held multiple firm

leadership positions. Currently chairs the audit committee of Republic Bank of Chicago.

- **Mark Calabria.** Until January 2026 served as Associate Director and Chief Statistician with the U.S. Office of Management and Budget and as Senior Advisor to the Office of the Director of the Consumer Financial Protection Bureau. Previously served as Director of the Federal Housing Finance Agency (2019-2021), overseeing Fannie Mae and Freddie Mac regulation. Earlier served as chief economist to Vice President Mike Pence and as senior advisor to libertarian think tank the Cato Institute.
- **Kyle Hauptman.** Since January 2025 has chaired the National Credit Union Administration and currently acts as its sole board member. Served on President Trump's 2016 transition team and previously worked as a bond trader at Jefferies and Lehman Brothers.
- **Steven Laughton.** Most recently served as counsel to outgoing PCAOB board member Christina Ho, a vocal critic of the agency's management and priorities under the Biden administration who, as [reported](#) in *The Wall Street Journal*, "voted against more potential auditing rules than anyone in the PCAOB's two-decade history." Prior to joining the PCAOB in 2022, spent more than thirty years in various Treasury Department roles.

Full biographical profiles are available [here](#). George Botic, a longtime PCAOB official who has served as acting chair since July 2025, will remain on the board after Logothetis is sworn in.

In a [statement](#) accompanying the announcement, SEC Chair Paul Atkins praised the new members' "wide variety of experiences" and "fresh perspectives," expressing confidence that "this new Board will usher in a new day at the PCAOB—one of sensible, efficient oversight of auditors." Atkins expects the transition to occur "very quickly over the next few weeks," after which he intends to work closely with the new board as it "refocuses on the PCAOB's core statutory mission."

Historical Context

In the past, both Republican and Democratic administrations have moved swiftly to revamp the PCAOB board and its agenda upon taking office. SEC Chair Jay Clayton replaced all five board members in 2017 at the start of President Trump's first term. Four years later, President Biden's SEC Chair Gary Gensler dismissed the then-PCAOB chair and requested other board members to reapply for their seats. Atkins's

current overhaul represents the third consecutive SEC chair to comprehensively restructure the board.

Atkins has long championed deregulation of audit oversight. During his prior tenure as SEC commissioner under President George W. Bush, he pushed to reduce PCAOB spending and salaries and opposed several audit standards proposed by the board. In July 2025, he removed PCAOB Chair Erica Williams, leading a complete board refresh and soliciting nominations for all five seats. Earlier in 2025, the PCAOB survived an attempt by Republicans in Congress to defund and dissolve the agency and merge its regulatory functions into the SEC. The PCAOB's mission continues to face scrutiny from Congress.

New Board Direction

The new board composition—particularly Logothetis's Big Four background and the appointment of professionals with deregulatory orientations—portends a lighter-touch regulatory approach to audit industry oversight. This could encompass looser enforcement, streamlined inspections, fewer new audit standards, and a more collaborative, less adversarial regulatory relationship between the PCAOB and audit firms, marking a clear departure from the Biden-era board's more vigorous oversight. Many audit firms objected to the previous board's imposition of more demanding auditing requirements and record fines, and resisted inspection and enforcement postures they perceived as overly aggressive.

This industry-friendly direction aligns with the SEC's broader agenda for PCAOB reform. SEC Chief Accountant Kurt Hohl, himself a former seasoned EY partner, has suggested the PCAOB should be more responsive to the audit firms it oversees. (The chair of the SEC-overseen Financial Accounting Standards Board (FASB), Richard Jones, is also an EY alumnus, incidentally, with more than three decades at the firm.) In December 2025 [remarks](#) at an industry conference, Hohl said the SEC “will encourage the board to evaluate how the changing business environment necessitates changes in the PCAOB’s standard-setting agenda and oversight processes” and outlined a modernization agenda centered on four key priorities:

- **Restructure the inspections program** to focus on audit firms' quality management systems rather than engagement-level reviews, shifting accountability upstream to firm leadership where audit quality drivers originate;
- **Adopt more transparent and responsive standard-setting procedures** to solicit public input on identified audit quality problems with feasible solutions;

- **Pursue greater alignment** with the International Auditing and Assurance Standards Board to reduce divergence in global auditing standards; and
- **Establish structured consultation processes** with firms to address audit standard interpretation questions, avoid unnecessary inspection findings and foster a more collaborative regulatory environment responsive to firms' operational needs.

Financial Impact

The new board appointments follow the SEC's **approval** last month of the PCAOB's fiscal 2026 budget, which reduces the agency's resources. The \$362 million budget represents a 9% reduction from 2025 (4% below actual 2025 spending) and includes:

- 52% salary reduction for the board chair and 42% reduction for the other board members—changes Atkins characterized as “much more in line with the ethos of public service”;
- Unspecified salary reductions for the highest-paid senior staff members;
- \$6 million reduction in the inspections division (the board's largest unit); and
- \$4 million reduction in the enforcement division.

These reductions directly translate to lower costs for regulated entities. The annual accounting support fee charged to public companies and broker-dealers—the PCAOB's primary funding source—will drop from \$375 million in 2025 to \$306 million in 2026, a decrease exceeding 18%.

Staffing is projected to decline to 817 employees by year-end 2026, a reduction of 47 positions from December 2025 levels. Atkins stated the 2026 budget strikes a better balance of providing benefits to investors without imposing excessive burdens on businesses.

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