

July 2, 2026

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: *The IIA Comments in Response to the SEC Draft Strategic Plan for Fiscal Years 2026–2030 (File No. DSP-3)*

Dear Chairman Atkins and Members of the Commission:

On behalf of The Institute of Internal Auditors (The IIA), the international professional and standard-setting organization with more than 265,000 members worldwide, including over 75,000 in North America, I am pleased to submit these comments on the U.S. Securities and Exchange Commission’s (the SEC or the Commission) Draft Strategic Plan for Fiscal Years 2026 through 2030 (the Draft Strategic Plan).

The IIA commends the Commission for inviting public comment on the Draft Strategic Plan and for grounding its strategic direction in its core statutory mission: protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation. That mission is best advanced when the Commission’s strategy reflects the full financial reporting and assurance ecosystem, including the perspective of internal auditors. Internal auditors provide independent, objective assurance over governance, risk management, and control, and they play a distinctive role in supporting the reliability of the information on which investors and markets depend.

The IIA maintains an active and constructive presence across this ecosystem. It recently submitted [comments](#) to the Public Company Accounting Oversight Board (PCAOB) in response to its Request for Public Comment on Strategic Priorities and, in March 2026, published a [public policy paper](#), *Modernizing the Sarbanes-Oxley Act*, recommending ways to better recognize internal audit within the framework supporting public company financial reporting. The following comments are offered in that same spirit of open, productive engagement and are organized around the three goals set forth in the Draft Strategic Plan.

About The Institute of Internal Auditors

The IIA is recognized globally as the profession’s leader in standards, certification, education, research, and technical guidance. The IIA’s International Professional Practices Framework® (IPPF®) guides the practice of internal auditing worldwide and serves as the basis for evaluating and strengthening internal audit quality. Adherence to the IPPF®—including requirements for independence, objectivity, competence, and quality assurance—helps ensure that internal auditors provide reliable, credible, and high-value assurance and advisory services.

The IIA confers the Certified Internal Auditor® (CIA®) credential, the only globally recognized professional certification for internal auditors, which signifies technical proficiency, commitment to integrity, and a thorough understanding of governance, risk management, and control.

The purpose of internal audit is to enhance and protect organizational value by providing independent, objective assurance, insight, and advice. A defining feature of a properly structured internal audit function is its independence from management: it reports functionally to the organization's governing body, such as the board of directors or its audit committee. This structural independence is a hallmark of the profession and is essential to maintaining objectivity, trust, and credibility. It is what allows internal audit to serve as a reliable source of assurance for boards, management, regulators, and investors alike.

Goal 1: Innovation, Capital Formation, Market Efficiency, and Investor Protection

The IIA supports the Commission's objective of modernizing the regulatory framework to support responsible innovation while preserving investor protection and market integrity. As the Commission develops clear, fit-for-purpose rules, The IIA respectfully observes that durable investor protection depends not only on the rules themselves, but also on the strength of the governance, risk management, and control environments within regulated entities. Independent internal assurance is a critical part of that foundation.

As the Commission develops a coherent framework for digital assets and distributed ledger technologies (Objective 1.1), robust internal control, sound risk management, and independent assurance will be essential to clarifying custody, trading, staking, and tokenized offerings. Internal audit functions at issuers, intermediaries, and service providers are well positioned to provide that assurance, and The IIA's standards and guidance offer a profession-grounded foundation for doing so. The IIA stands ready to serve as a resource as the Commission considers the control and assurance dimensions of this emerging framework.

The IIA also shares the Commission's view that regulation should be calibrated to avoid needless friction in the marketplace (Objective 1.3). A well-structured internal audit function advances this objective directly by providing continuous, risk-based assurance over internal controls. This can reduce duplication of effort, support efficient reliance by external parties, and lower aggregate compliance costs without diminishing investor protection. The IIA's recent paper, *Modernizing the Sarbanes-Oxley Act*, develops this point in the context of internal control over financial reporting (ICFR) and recommends that the public company reporting framework more explicitly recognize and leverage internal audit's independent, risk-based assurance activities.

Goal 2: Increase Stakeholder Engagement and Facilitate Compliance

The IIA strongly supports the Commission's commitment to increased stakeholder engagement and to the development of practical guidance that facilitates compliance (Objective 2.1). Open dialogue with the professions that operate within the markets the Commission oversees strengthens both the quality of regulation and the predictability on which market participants depend.

In that spirit, The IIA respectfully recommends that the Commission recognize the internal audit profession as a distinct and essential participant in the financial reporting and assurance ecosystem, alongside investors, external auditors, audit committee members, and preparers.

The Commission should also engage the profession directly through its advisory committees, roundtables, and other consultative channels. The IIA welcomes the opportunity to contribute the internal audit perspective to those efforts.

The IIA further supports the Commission's commitment to retrospective review of its regulatory policies and practices (Objective 2.3), including the Commission's recognition that such review should extend both within the agency and to the organizations it supervises. Disciplined, independent, risk-based evaluation (the core methodology of internal audit) is well suited to this purpose, and The IIA's standards and quality-assurance practices may offer a useful reference as the Commission designs and conducts its retrospective reviews.

The IIA also renews a recommendation from its recent SOX modernization paper that would further the Commission's goal of facilitating compliance: that the Commission post online guidance describing the proper development and structure of internal audit functions within listed companies. Such a resource would help companies, particularly those newly entering the public markets and becoming subject to SOX, understand the importance of establishing effective internal control processes and strong assurance capabilities. Clear guidance from the Commission would promote consistency, strengthen governance and assurance arrangements, and support a sound baseline of internal audit quality across registrants.

Goal 3: Operational Efficiency, Accountability, and Technology

The IIA commends the Commission's commitment, expressed in the Draft Strategic Plan, to building its enterprise risk management program and to implementing internal performance reporting that incorporates accountability for resources and program success. These commitments reflect sound governance, and they describe precisely the environment in which a strong, independent internal audit function delivers its greatest value.

The IIA respectfully recommends that, as the Commission pursues the organizational, technological, and performance-management reforms contemplated by Goal 3, it rely on its own robust and independent internal audit function operating in conformity with the IPPF®—to provide objective assurance over its enterprise risk management program and related reforms. In particular, internal audit can provide assurance over the targeted reorganization and rationalization of resources (Objective 3.1), including whether controls are preserved as functions are consolidated and supervisory structures are realigned; over the modernization of the Commission's technology, including the comprehensive review of EDGAR and the responsible adoption of artificial intelligence (Objective 3.2); and over performance-management and internal reporting reforms (Objective 3.3), including the integrity and reliability of the key performance indicators on which accountability will depend.

The IIA particularly supports the Commission's commitment to the responsible use of artificial intelligence. It has been at the forefront of developing guidance on AI governance and assurance, including its [Artificial Intelligence Auditing Framework](#), as well as guidance on broader emerging-technology risk. Responsible AI adoption depends on sound governance, risk management, and control, reinforced by independent assurance over how AI systems are developed, deployed, and monitored. The need is significant: a 2026 report by The Internal Audit Foundation and AuditBoard found that although internal audit leaders widely recognize AI-enabled fraud as a growing risk, only about four in ten believe their functions are adequately prepared to detect or respond to it. The IIA recommends that the Commission engage The IIA and other professional bodies as it advances the responsible use of AI, both

within the agency and across the markets it regulates, and it stands ready to share the profession's growing body of knowledge on AI risk, AI governance, and assurance over AI-enabled systems. The IIA appreciates recent opportunities to engage with Commission staff on AI and welcomes continued dialogue.

Finally, The IIA notes the Draft Strategic Plan's recognition of the role played by independent evaluation, including the work of the Government Accountability Office and the Commission's Office of Inspector General. Independent internal audit is distinct from, and complementary to, these functions. An internal audit function provides the Commission's leadership with ongoing, risk-based assurance over governance, risk management, and control, conforming to recognized professional standards. Operating alongside the statutory oversight of the Office of Inspector General and the work of the Government Accountability Office, such a function strengthens the Commission's ability to identify, assess, and mitigate risk, and reinforces the accountability and internal performance reporting that Goal 3 envisions. The IIA encourages the Commission to ensure that its internal assurance capabilities are appropriately resourced, independent, and aligned with recognized professional standards.

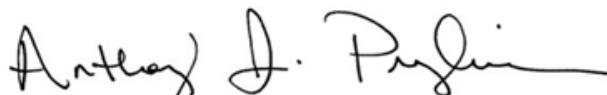
Additional Considerations

For the Commission's awareness, The IIA also notes that it recently submitted comments to the Public Company Accounting Oversight Board recommending modernization of PCAOB Auditing Standard 2605, "Consideration of the Internal Audit Function." The objective is to ensure that AS 2605 better reflects the current standards governing the internal audit profession. The IIA offers this not as a request that the Commission direct any particular action by the Board, but to keep the Commission apprised of constructive developments within the broader financial reporting and assurance ecosystem. The IIA welcomes the opportunity to serve as a resource to the Commission and the Board alike.

The IIA is committed to an open, collaborative, and productive relationship with the Commission and stands ready to provide additional information, engage in dialogue, or participate in any advisory processes the Commission may establish. For additional information or to discuss these comments further, please contact Ramón A. Correa, Director for U.S. Advocacy, at Ramon.Correa@TheIIA.org.

Thank you for your consideration of these comments and for your commitment to protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

Respectfully,



Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors