

May 15, 2026

Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, NW  
Washington, DC 20006-2803

**Re: Request for Comment, PCAOB Strategic Priorities; PCAOB No. 2026-001**

Dear Office of the Secretary:

**Forvis Mazars, LLP** ("Forvis Mazars" or "the Firm") appreciates the opportunity to respond to the PCAOB's Request for Public Comment, *PCAOB Strategic Priorities*. Forvis Mazars ranks among the **top 10** public accounting firms in the United States. Forvis Mazars, LLP, is also part of a two-member global network, Forvis Mazars Global Limited with Forvis Mazars Group SC as the other member. Forvis Mazars Group is an internationally integrated partnership established on June 1, 2024, operating in more than 100 countries and territories.

The Firm continues to be an active participant in profession-wide endeavors, including participation on various committees, boards, expert panels, task forces, and working groups of the Center for Audit Quality ("the CAQ") and the American Institute of Certified Public Accountants ("the AICPA"). We also worked with the CAQ on its response to the PCAOB's Request for Comment; our comments below are intended to supplement the views expressed in the CAQ's comment letter. We have focused our comments on selected questions where we believe our experience and perspective can provide the most meaningful input for the Board as it considers its strategic priorities.

**General Comments**

We would like to start by thanking the Board for its willingness to consider comments received to inform you about the development of its 2026 Plan and updates to planned focus areas for standard setting. Our position as a top 10 firm with just under 130 issuer clients allows us to provide unique perspectives in the areas of scalability and principles-based approaches to quality control ("QC") and inspections.

**Specific Questions Posed in the Request for Public Comment**

*Question 1: What should the PCAOB focus on as its strategic priorities in registration, inspections, and enforcement over the next two to five years to further its statutory mission?*

Preserving a pathway for middle market firms to compete in the issuer audit space is critical to maintaining audit quality and choice in the public company audit market. Achieving this objective will require inspection processes and reporting approaches that are scalable, risk-based, and aligned with firms' systems of quality control, particularly as the PCAOB transitions to a QC-

focused inspection model under QC 1000. We would also appreciate the Board prioritizing timely, actionable feedback loops, which would include clearer remediation expectations and faster closeout of issues.

We provide further comments related to the PCAOB's inspection program and reporting in response to Questions 2 and 3 below.

*Question 2: What changes should the PCAOB make to its inspections program including, but not limited to, changes in light of its new quality control standard (QC 1000)?*

We commend the Board for reimagining the inspection program, and we support shifting to a more QC-focused inspection model that is principles-based and appropriately scalable across firms of differing size and market risk. We also anticipate that a QC-focused inspection approach would result in a more targeted approach to the issuer engagements or areas inspected commensurate with assessed risk.

Firms have invested heavily in building and documenting their quality control systems to comply with existing standards, including doing their own risk assessments, establishing quality objectives, monitoring, and remediation. As a result, there is far more information available today than there was in the past to assist the PCAOB with understanding a firm's system of quality control. We believe the PCAOB should leverage this existing documentation as a starting point for its evaluation, rather than duplicating information requests or procedures. This understanding, coupled with engagement-level inspections, can then be used to tailor the nature and extent of any additional inspection procedures based on risk.

Further, the PCAOB's evaluation of a firm's system of quality control should center on whether it is suitably designed and operating in a manner that aligns with the specific firm's size, complexity, and risk profile.

We believe the Board should make engagement-level selection and scope more scalable and risk-based. Specifically, we encourage the PCAOB to:

- Develop and publish a framework for determining the number and nature of individual engagement selections, which is informed and scaled by the effectiveness of a firm's system of quality control as a component of overall assessed risk.
- Scale the number and type of individual engagement inspections (e.g., public company, employee benefit plan, broker-dealer attestation engagements, foreign private issuers, etc.) based on the number and types of PCAOB audit and attestation engagements performed by a firm.
- Ensure selected engagements are representative of the nature of the firm's overall issuer engagement population.

- Consider firm culture and governance (including "tone at the top"), as well as historical performance over time, including whether past engagement-level findings have resulted in financial statement restatements and/or reissuance of audit opinions.

We recommend the PCAOB treat the initial implementation of a QC 1000 as a calibration and guidance period, using early inspection cycles to align expectations, terminology, and evidentiary thresholds. During this period, the Board should emphasize transparent, timely feedback—through published FAQs, illustrative examples, and standardized information requests—so firms can focus resources on maturing the design and operation of their systems of quality control rather than responding to evolving or inconsistent inspection expectations. A calibration approach would also allow the PCAOB to identify common implementation challenges, differentiate between early-stage process maturity issues and higher-risk quality failures, and refine its QC-focused inspection methodology in a way that supports audit quality while remaining scalable for mid-size firms.

*Question 3: What inspection information would be most useful to stakeholders, and how could inspection reporting be enhanced under a quality control-focused inspection program?*

We encourage the PCAOB to evaluate the usefulness of inspection reports by soliciting feedback from all types of stakeholders. We recognize that deficiencies categorized in Part 1.A of the inspection report may vary in nature and pervasiveness. We suggest developing and publishing criteria used for determination of Part 1.A deficiencies to drive consistency and transparency in the PCAOB's judgment of what qualifies for this category. We also encourage the Board to enhance interpretability by either presenting Part 1.A deficiencies at a higher, more summarized level or retaining the specific descriptions but adding contextual information to help users better interpret results, considering the needs of different stakeholder groups.

In addition, we ask the Board to reconsider and evaluate the value of Part 1.B and whether it should be retained. By their nature, these findings do not result in insufficiently supported opinions and are generally more compliance driven. Inclusion in the report may dilute attention from matters that are more useful indicators of audit quality in Part 1.A. The PCAOB should consider whether users of the report obtain enough usefulness from disclosure of these types of findings when assessing the costs and benefits of including these in the report, and consider other avenues for communication of this information, for example, through profession-wide reporting.

Further, the PCAOB should consider removing firm-identified engagement deficiencies and criticisms of the firm's QC system from parts 1.A, 1.B, 1.C and part II of the inspection report, for example, those identified through the firm's internal inspection process. When matters identified and addressed through a firm's internal inspection or QC processes are publicly reported alongside PCAOB-identified deficiencies, it can blur important distinctions between inspection findings and proactive quality management, reducing the decision-usefulness of inspection reports for stakeholders.

We also ask the Board to revisit its approach to identifying and reporting Part II deficiencies considering the shift to a QC-focused inspection model. As inspections place greater emphasis on evaluating firms' systems of quality control, Part II should be more clearly focused on inspection-identified, systemic QC failures, rather than conclusions inferred from isolated engagement deficiencies, or matters appropriately surfaced through a firm's own monitoring and remediation processes.

We believe there should be greater focus in Part 1.C reporting on egregious violations that suggest broader failures in tone at the top, governance, firm culture, or objectivity, in contrast to less severe findings, such as firm-identified, isolated independence exceptions that are promptly remediated, evaluated with the audit committee, and did not impair objectivity.

The Board might also consider opportunities to report industry-level observations and trends related to firm quality control matters, leveraging its unique vantage point to share insights and best practices that could enhance audit quality across the profession.

*Question 4: What standard-setting projects should the PCAOB pursue?*

The PCAOB should consider all avenues, for example, issuing interpretive guidance, before determining if standard setting is necessary to address the root cause of issues identified. For mid-sized firms, implementation costs are not just financial—they divert finite technical, training, and engagement leadership resources away from execution and supervision. These opportunity costs should be explicitly considered in standard setting decisions.

Standard setting should be resilient in a fast-changing environment and solicit input from a variety of informed stakeholders, and the objective of and need for any standard-setting project must be clear and consider the costs and benefits of the potential change. The PCAOB should consider implementation cost data provided by audit firms, who are often best positioned to quantify costs based on prior experience with implementation efforts.

Emerging technologies and their impact on auditing is an area we think needs further attention. The focus should be on principles-based guidance such as how the use of AI should be addressed at various levels of the audit review process, given how quickly these technologies are developing and emerging. The PCAOB may consider establishing a clear process to consider and address emerging issues, for example, a mechanism similar to the FASB's Emerging Issues Task Force (EITF).

*Question 5: How can the PCAOB achieve greater alignment of its auditing standards with international auditing standards?*

We support the PCAOB using the ISAs and U.S. GAAS as baseline considerations in standard setting initiatives, and only adding additional requirements when warranted based on factors relevant to the US capital markets, for example:

- When US capital market structure creates unique risks (e.g., SEC reporting environment)
- Integration with US-specific laws/requirements (e.g., SOX/ICFR)
- Where inspections have identified systemic U.S. deficiencies for which the root cause is best addressed through standard-setting, as opposed to issuing guidance or other potential actions
- Where investor expectations in the US demand more transparency or rigor
- Anticipated timing gaps or emerging risks that require immediate action

We encourage the PCAOB to engage closely with the IAASB and the AICPA related to the projects on their standard setting agendas, to provide input such that these serve as a workable baseline for any amendments to related PCAOB standards.

Specifically, as noted in our previous comment letters, we believe the Board should consider the adoption of ISQM 1 in place of QC 1000. Because the standard relates to the firm's system of quality management, and is not engagement-specific, we believe it is needlessly complex for firms that perform audits in accordance with standards set by the AICPA, IAASB, and PCAOB to have to follow three different sets of standards as it relates to quality management/control. Firms have already adopted specific responses to meet the unique risks they have identified related to the engagements they perform and the regulatory environments that they operate in. Quality management standards should be principles-based and avoid rigid required responses so that they are appropriately scalable to each firm's unique situation.

*Question 7: How can the PCAOB enhance transparency with its stakeholders?*

We believe that an increase in two-way communication with firms would be helpful to facilitate clear expectations and drive improvements in quality. This might include earlier topic signaling, clearer inspection expectations, and holding regular forums.

We also believe the Board should provide timelier updates on remediation status and enforcement-related trends so firms can prioritize investments and address emerging risks proactively.

For mid-size firms with more concentrated national-office and inspection resources, predictability in inspection topics, information requests, and timing is especially important to allow firms to plan staffing and quality investments without diverting resources from audit execution.

To promote consistent application of auditing standards and provide clearer expectations, the PCAOB should centralize standard setting and authoritative interpretive guidance within the Office of the Chief Auditor, which will help to prevent interpretations developed indirectly through the inspection process.

We commend the Board for pursuing a standard setting agenda consultation to thoroughly consider stakeholder feedback about the top priorities and needs. To further enhance transparency in relation to standard-setting, the PCAOB may consider:

- Publishing clearer explanations of how agenda priorities are selected, including criteria (risk, prevalence, inspection/enforcement signals, stakeholder feedback, cost/benefit).
- Establishing clearer project plans and problem statements when setting the agenda, supported by research and outreach activities that are summarized and published.
- Holding open meetings to discuss alternatives in the public domain prior to requests for comment that are more decision-focused and less procedural.
- Exploring other avenues for stakeholder feedback including roundtable discussions and enhanced engagement with the PCAOB Standards and Emerging Issues Advisory Group (SEIAG) and the Investor Advisory Group (IAG).

We also support Board Member Laughton's suggestion at the May 6, 2026, SEIAG meeting to establish a task force of stakeholders to provide input on development of new or revised standards, which would serve as a mechanism to assess workability and practicality prior to the request for comment stage.

We also encourage the PCAOB to consider targeted engagement with international stakeholders, as appropriate, to inform consistent and scalable application of auditing standards. For example, implementation of QC 1000 is likely to have a disproportionate impact on foreign affiliated firms which have already adopted ISQM 1 in recent years and whose local regulators will be inspecting their arrangements. We encourage the PCAOB to consider whether its inspections of foreign affiliated firms could better leverage local inspections, focusing any additional procedures on PCAOB requirements that are in addition to any local standards.

- Providing more transparency into how comments and suggestions from various feedback channels were weighed, including what the PCAOB agreed with, what it did not, and why.
- Building in more visible post-implementation review plans (timing, data to be collected, what "success" looks like), with periodic status updates.
- Providing implementation guidance that more explicitly links standard text to inspection expectations.

In particular, as it relates to QC 1000, we encourage the Board to maintain predictability and consistency between the standard's intended design, as articulated by the Office of the Chief Auditor, and how inspections and enforcement evaluate firms' implementation. As the Board gains insights from inspections, it should provide additional implementation guidance to clarify expectations and promote a shared understanding of how the standard is intended to be applied in practice.

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In closing, we appreciate the Board's willingness to gather stakeholder feedback regarding their strategic priorities. We believe this is just the start of open dialogue with firms and the financial statement user community that we hope results in some positive changes for the profession.

We appreciate the opportunity to comment on the Proposal and are pleased to discuss any questions the Board and its Staff may have concerning our comments. If you have any questions related to this response and would like to discuss further, please email Angela Donnelly, Professional Standards Group Partner at [Angela.Donnelly@us.forvismazars.com](mailto:Angela.Donnelly@us.forvismazars.com); or Will Neeriemer, Chief Quality Officer, at [Will.Neeriemer@us.forvismazars.com](mailto:Will.Neeriemer@us.forvismazars.com).

Regards,

*Forvis Mazars, LLP*