July 9, 2026

Office of the Secretary
Public Company Accounting Oversight Board

Sent via email to comments@pcaobus.org

RE: PCAOB Docket 057 – Supplemental Request for Comment on Proposed Amendments to QC 1000, A Firm's System of Quality Control, and Related Rules and Forms

Dear Board Members:

The Virginia Society of CPAs (VSCPA) Accounting & Auditing Advisory Committee has reviewed the Public Company Accounting Oversight Board's Supplemental Request for Comment on the proposed amendments to **QC 1000, A Firm's System of Quality Control, and Related Rules and Forms**. The VSCPA is the leading professional association in Virginia dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members' interests. The VSCPA membership consists of nearly 11,000 individual members working in public accounting, private industry, government, and education.

The Committee appreciates the Board's willingness to revisit targeted aspects of QC 1000 after considering stakeholder feedback. We believe the proposed amendments appropriately balance the Board's investor protection mission with practical implementation considerations and will improve the operability of QC 1000 without compromising audit quality.

Overall Comments
The Committee supports the proposed amendments because they reduce unnecessary implementation burden, improve consistency with other quality management frameworks, and maintain the fundamental objectives of QC 1000. We appreciate the Board's willingness to reconsider specific provisions after receiving implementation feedback and believe this supplemental proposal reflects a thoughtful, principles-based approach to standard setting.

Elimination of the Design-Only Reporting Requirement
The Committee supports eliminating the requirement for firms to report once a quality control system has merely been designed. Reporting should occur only after the system has been both designed and implemented, providing more meaningful information while reducing unnecessary administrative burden.

Elimination of the External Quality Control Function
The Committee supports removing the requirement for certain firms to establish an External Quality Control Function. Existing governance, leadership accountability, monitoring activities, and PCAOB inspections provide meaningful oversight while avoiding unnecessary implementation cost and complexity.

Alignment with Other Quality Management Standards
The Committee strongly supports improving consistency with SQMS No. 1 and ISQM 1 where doing so does not diminish investor protection. Many firms, including small and regional firms, operate under multiple professional and regulatory quality management frameworks. Greater consistency in terminology, concepts, and documentation requirements will reduce unnecessary complexity, improve implementation efficiency, and promote more consistent application of quality management principles across engagements. We encourage the Board to continue seeking opportunities to harmonize QC 1000 with ISQM 1 and SQMS No. 1 where doing so does not diminish investor protection. Many firms operate under multiple quality management frameworks, and unnecessary differences in terminology, documentation expectations, and evaluation requirements increase implementation complexity without necessarily improving audit quality. Continued alignment, where appropriate, would promote consistency, reduce

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duplicative policies and training, and allow firms to devote more resources to operating effective quality management systems rather than reconciling differing regulatory requirements.

Conforming Amendments to Related Rules and Forms
The Committee supports the proposed conforming amendments to Form QC and related reporting requirements because they appropriately reflect the substantive amendments and improve clarity.

Scalability
The Committee encourages the Board to continue emphasizing that QC 1000 is intended to be scalable and capable of being implemented proportionately based on a firm's size, organizational structure, complexity, and risk profile. Continued emphasis on scalability will help firms develop effective quality management systems without imposing unnecessary administrative burden where risks are less significant.

Additional Recommendation
The Committee encourages the PCAOB to continue issuing implementation guidance, illustrative examples, frequently asked questions, and other educational resources as firms continue implementing QC 1000. Additional guidance regarding scalability, assignment of quality management responsibilities, documentation expectations, monitoring activities, and evaluation of quality control observations would promote greater consistency in practice while reducing implementation uncertainty.

Conclusion
The Committee believes the proposed amendments represent thoughtful improvements to QC 1000 that reduce unnecessary implementation burden while preserving the standard's core principles and the Board's investor protection mission. We encourage the Board to finalize the amendments substantially as proposed, continue engaging stakeholders as implementation progresses, and provide additional implementation guidance as practical experience develops.

The VSCPA appreciates the opportunity to respond to this proposal. Please direct any questions to VSCPA Vice President, Advocacy & Pipeline Emily Walker, CAE, at ewalker@vscpa.com or (804) 612-9428.

Sincerely,

Elissa Obillo, CPA
Chair 2026-2027
VSCPA Accounting & Auditing Advisory Committee

<u>VSCPA Accounting & Auditing Advisory Committee 2026-2027</u>

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