July 9, 2026

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

Re: PCAOB Rulemaking Docket Matter No. 057; Supplemental Request for Comment: Proposed Amendments to QC 1000, A Firm's System of Quality Control, and Related Rule and Forms

Dear Office of the Secretary:

The Center for Audit Quality (CAQ)[1] appreciates the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB or Board) supplemental request for comment on proposed amendments to QC 1000, *A Firm's System of Quality Control*, and related amendments to PCAOB Rule 2203A and PCAOB forms (Supplemental Request for Comment or SRC). We also appreciate the Board's openness to stakeholder feedback during the implementation period following adoption of QC 1000 and the Board's willingness to expose targeted amendments intended to improve the clarity, scalability, and operability of the standard while preserving its investor-protection objectives.

We continue to support the objective of QC 1000. A firm's system of quality control (QC system) is foundational to audit quality, and a rigorous, risk-based, and well-operating QC system can help promote consistent execution of quality audits. At the same time, requirements that are unclear, insufficiently scalable, or difficult to operationalize may divert resources from activities that most directly support audit quality. Accordingly, we support these targeted refinements that will improve coherence with other quality management standards, reduce unnecessary implementation complexity, and maintain accountability for achieving the reasonable assurance objective of the QC system.

[1] The Center for Audit Quality (CAQ) is a nonpartisan public policy organization serving as the voice of US public company auditors and matters related to the audits of public companies. The CAQ promotes high-quality performance by US public company auditors; convenes capital market stakeholders to advance the discussion of critical issues affecting audit quality, US public company reporting, and investor trust in the capital markets; and using independent research and analyses, champions policies and standards that bolster and support the effectiveness and responsiveness of US public company auditors and audits to dynamic market conditions. This letter represents the observations of the CAQ based upon feedback and discussions with certain of our member firms, but not necessarily the views of any specific firm, individual, or CAQ Governing Board member.

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Executive Summary

The proposed amendments are balanced and responsive to many implementation challenges our member firms have experienced. In particular, we support rescinding the design-only requirement for PCAOB registered firms that do not perform PCAOB engagements; providing additional flexibility in assigning and dividing specified QC roles; rescinding the External QC Function (EQCF) requirement; narrowing and clarifying certain communication requirements relating to metrics; refining the evaluation of engagement deficiencies and the definition of QC deficiency; allowing firms to select their annual QC system evaluation date; revising the evaluation conclusions to align more closely with other quality management standards while retaining a structured evaluation process; clarifying documentation retention requirements and reducing the retention period to five years; and maintaining the current effective date.

We continue to encourage the Board to provide additional written implementation guidance, including potential FAQs, to support consistent application of QC 1000. Firms have engaged in ongoing discussions with Board staff regarding implementation questions, and those conversations may provide valuable insights into areas where additional clarification could be helpful. Publishing FAQs that reflect common questions and observations arising through implementation would help promote consistency across firms and ensure broader access to interpretive guidance. We welcome the opportunity to support the Board's efforts. Providing additional opportunities for practitioner input and two-way dialogue, including before the final release, would further facilitate effective and consistent implementation of the standard.

As the Board finalizes these amendments, develops implementation guidance, and designs an inspection approach that places greater emphasis on firms' QC systems, it is important to continue to focus on the underlying economic analysis and take a disciplined approach to standard setting and inspection, similar to the position expressed by the SEC. In recent statements, SEC Chairman Atkins has emphasized that regulation should be disciplined, rooted in materiality, and calibrated to avoid unnecessary burdens, including by scaling requirements based on the size and maturity of the entity subject to them. He likewise has described the SEC's recent filer-status proposal as part of a broader effort to "right-size" regulatory requirements through the lens of materiality and to extend accommodations in a way that reflects a balancing of investor protection and burden reduction. We encourage the Board to apply these same principles as it completes this project so that implementation, guidance, and inspection practices remain focused on matters most relevant to audit quality and investor protection.

Responses to Certain Questions Within the Proposal

A. Requirement to Design, Implement, and Operate a QC System

1. *Is the proposed rescission of the design-only requirement appropriate? Why or why not?*

2. *Is there a measurable benefit for retaining some form of design-only requirement under the requirements of ISQM 1 or SQMS 1 for firms that do not perform engagements under PCAOB standards? If so, do the benefits justify the cost of compliance? Why or why not?*

3. *Are there activities that should trigger a QC-system design requirement before a firm becomes subject to applicable professional and legal requirements in connection with an engagement? If so, what are they, and why should they trigger a design requirement?*

QC 1000 requires all firms to design a QC system that complies with the standard, regardless of whether the firm is subject to applicable professional and legal requirements with respect to an "engagement" as defined in QC 1000. We support the proposed rescission of this so-called "design-only requirement".

From the outset, we have not supported this requirement.[2] As stated in PCAOB Release No. 2022-006 ("the 2022 PCAOB Proposing Release"), risk to investor protection is minimal if firms are not performing or playing a substantial role in engagements for issuers.[3] As the 2022 PCAOB Proposing Release also states, many firms registered with the PCAOB have never performed an engagement in accordance with PCAOB standards and may not plan to perform such engagements in the future.[4] Furthermore, nearly all of these firms are subject to the recently adopted IAASB or AICPA QC standards (International Standard on Quality Management 1 (ISQM 1) and/or the AICPA's Statement on Quality Management Standards No. 1 (SQMS 1)).

We do not believe there are activities that should trigger a QC-system design requirement. The existing requirements of QC 1000 related to Client Acceptance and Continuance, as well as PCAOB Auditing Standard 2101, *Audit Planning*, sufficiently require a firm to assess its readiness and ability to comply with QC 1000 before undertaking an engagement subject to PCAOB standards. Because such firms are likely subject to ISQM1, SQMS1, or both, these firms would have a framework to respond to the new risk of a PCAOB engagement and would then be required to transition to adopting QC 1000.

B. Roles and Responsibilities

4. *Are the proposed amendments to paragraph .12, to allow (a) the specified roles and responsibilities to be assigned to individuals who are not firm personnel and (b) firms to divide responsibilities of a role among multiple individuals, sufficiently clear and appropriate? If not, why not?*
5. *Are the proposed conforming amendments to paragraphs .15-.17 sufficiently clear? If not, why not?*
6. *Would the proposed amendments to paragraphs .12 and .15-.17 support audit quality? Why or why not?*
7. *Should the proposed amendments to paragraphs .12 and .15-.17 be available only on a scaled basis (e.g., only to firms that issued audit reports for fewer than 100 issuers in the prior calendar year)? If so, why, and what should the relevant thresholds be?*

We support the proposed amendments to paragraph .12 and the related conforming amendments to paragraphs .15–.17. Permitting specified roles and responsibilities to be assigned to individuals who are not firm personnel, as well as permitting responsibilities of a role to be divided among multiple individuals, is appropriate and can support audit quality when implemented with clear accountability, sufficient capacity, competence and authority, and effective coordination.

[2] CAQ comment letter to the PCAOB dated February 1, 2023 in response to the Proposal dated November 18, 2022, page 13, response to Question 5.
[3] PCAOB Release No. 2022-006, page 34.
[4] PCAOB Release No. 2022-006, page 49.

Requiring that only one individual hold the ethics and independence role would require some firms to change their existing operational structure to align roles with those required by paragraph .12, which poses unnecessary operational challenges and disruptions for firms without a commensurate benefit. We support the proposed flexibility, which is consistent with the feedback we previously shared during the development of the standard.[5] As firms began implementing QC 1000, the operational challenges discussed in those letters were confirmed.

Further, some firms outside the U.S. who are registered with the PCAOB utilize resources from outside their registered firm, but from within the global firm's network with appropriate contractual arrangements in place, to perform certain of the functions specified in paragraph .12, such as the monitoring and remediation and ethics and independence roles. Some firms outside the U.S. that have smaller PCAOB audit practices have found that using others from outside the registered firm to perform these roles has had a positive impact on audit quality as it brings sufficiently competent and experienced individuals with relevant subject matter expertise to the firm. As a result of the requirement that individuals serving in the paragraph .12 roles meet the definition of "firm personnel," some firms would need to undertake additional unnecessary effort to identify appropriate resources within each network member firm, including organizational changes, education, and training. In addition, firms may need to identify new arrangements (including membership in new legal entities) with network personnel to assist in these roles in order to meet the definition of "firm personnel" as required by QC 1000. Further, local laws and regulatory requirements, which vary by jurisdiction around the world, can create additional complexities.

For all these reasons, the proposed amendment would provide welcome and needed flexibility, which is important for firms of varying sizes and structures. We do not support providing this amendment only on a scaled basis. Smaller firms may need to rely on qualified external resources to obtain specialized expertise or to address capacity constraints. Larger firms may benefit from dividing complex responsibilities among individuals with specialized knowledge and sufficient capacity. In both cases, it is appropriate that the relevant consideration is whether the firm has established a clear structure for responsibility, accountability, escalation, and oversight—not whether the responsibilities are held by a single individual or solely by firm personnel.

[5] CAQ comment letters to the PCAOB dated February 1, 2023 and July 23, 2025.

C. External QC Function

8. *Are there additional costs and benefits of the proposed removal of the EQCF requirement that should be considered?*
9. *Would the alternative approach of retaining the EQCF requirement only for firms that issued audit reports with respect to more than 500 issuers during the prior calendar year be appropriate? Why or why not?*
10. *Is there an alternative threshold that would be appropriate? If so, what is that threshold and why would it be appropriate?*
11. *Would the alternative approach of adopting the requirement for an independent oversight function in the form initially proposed be appropriate? Why or why not?*
12. *Are there other mechanisms that provide an independent oversight function that should be considered? If so, what are they, and what are their associated costs and benefits?*

We support the proposed removal of the EQCF requirement. While independent perspectives can be valuable, a mandatory EQCF requirement imposes significant implementation challenges and costs, including identifying individuals with sufficient expertise, independence, and availability, including sufficient time to understand and evaluate the firm's QC system. The incremental audit quality benefits of a mandatory EQCF requirement are uncertain, particularly when QC 1000 already requires governance, leadership accountability, monitoring, remediation, evaluation, and reporting processes designed to promote the overall effective operation of the QC system.

Firms' existing monitoring processes already deliver strong, objective oversight. Because the Form QC report is non-public and PCAOB inspections provide comprehensive regulatory scrutiny, the EQCF requirement largely duplicates existing safeguards.

In our July 2, 2024 comment letter to the SEC, we did not support the approval of the final QC 1000 standard as adopted by the PCAOB on May 13, 2024 (Final Standard) due to our concerns related to the EQCF requirement.

We also expressed concerns regarding:

i. The documentation requirements to demonstrate the EQCF's evaluation of the firm's conclusions.
ii. The extent of information the EQCF would need to be provided to enable them to satisfy their oversight requirements.
iii. The liability for those serving in the EQCF role, which could cause those who are otherwise qualified to be unwilling to perform this role.

In our letter to the Board dated July 23, 2025,[6] we acknowledged the PCAOB's effort to provide more clarity on the EQCF requirement through its comment letter to the SEC[7] and other resources on the PCAOB website. We also expressed that challenges related to implementing the EQCF requirement remained. The PCAOB had suggested that firms can "integrate the EQCF into their current practices without the need for significant restructuring or additional resources, thereby minimizing the financial and operational burden

[6] CAQ letter to PCAOB dated July 23, 2025.
[7] PCAOB Comment Letter to SEC Regarding QC 1000, dated August 16, 2024.

of compliance."[8] However, this role differs from firms' existing advisory boards (for those that have chosen to establish one) and necessitated the identifying and hiring of new individuals, which takes time and resources.

As implementation of QC 1000 began, many of our member firms experienced challenges for the reasons described above. Some firms were challenged in identifying candidates willing and able to perform the EQCF function. As of the writing of this letter, to our knowledge, not all firms currently subject to the requirement have been able to contract with individual(s) to perform this function.

We do not support retaining the EQCF requirement only for firms above an alternative issuer threshold, such as more than 500 issuers. A threshold-based approach could reduce the number of firms affected, but it would not resolve the underlying concerns regarding operability, cost, availability of qualified individuals, and uncertain incremental benefit. Nor do we support adopting the independent oversight function in the form initially proposed. The Board should instead allow firms to determine, based on their risk assessment and circumstances, whether and how to obtain independent or external input into the QC system.

D. Information and Communication

13. *Are the proposed amendments to paragraph .53e sufficiently clear and appropriate? If not, why not?*
14. *Would allowing firms to provide an explanation of metrics on their website adversely affect the utility and comprehensibility of metrics made public for investors and other users? If so, how?*

We support the Board's effort to narrow and simplify paragraph .53e and appreciate the proposed clarification relating to metrics that firms communicate about their audit practice, firm personnel, or engagements. Applying detailed metric-related controls to every external communication—such as informal communications with regulators, audit committees, or other stakeholders—could be impracticable and may not meaningfully enhance audit quality. We agree that firms should have appropriate policies and/or procedures addressing metrics that are communicated publicly and that may affect stakeholder understanding of audit quality.

We encourage the PCAOB to confirm in its final release or accompanying guidance that the requirements of paragraph .53d are intended to apply only to those communications prescribed by applicable professional and legal requirements. Such confirmation would provide an important anchor for consistent application across the profession. Additional guidance would help firms design controls that are proportionate to the nature, use, and significance of the metrics communicated. As it relates to any communications with regulators, firms would continue to be subject to the Board's ethics rules such that information provided would not be intentionally misrepresented.

We also support allowing firms to provide explanations of metrics on their websites, provided that those explanations are clear, balanced, accessible, and sufficiently specific to help users of these metrics

[8] Ibid, page 16.

understand the context, limitations, methodology, and period covered by the metrics. Explanatory material can enhance, rather than diminish, the utility and comprehensibility of publicly reported metrics when it is presented in a transparent and non-misleading manner.

E. Monitoring and Remediation Process

15. *Are the proposed amendments to paragraphs .68a and .68d sufficiently clear and appropriate? Why or why not?*
16. *What, if any, additional direction is needed regarding paragraph .68d?*
17. *Would the proposed amendments to .68d reduce the complexity, subjectivity, or costs associated with evaluating engagement deficiencies across other engagements? Please explain.*
18. *Are the proposed amendments to the definition of QC deficiency to take into account other quality responses (e.g., compensating responses) appropriate and clear? Why or why not?*

We support the proposed amendments to paragraphs .68a and .68d. Requiring firms to evaluate whether similar engagement deficiencies exist only when the identified deficiency resulted or could result in a failure to obtain sufficient appropriate evidence to support the conclusion reached on an engagement, or an inappropriate overall conclusion on the subject matter of an engagement, appropriately focuses the requirement on matters most likely to affect audit quality. This approach should reduce complexity, subjectivity, and cost associated with evaluating engagement deficiencies across other engagements while preserving a robust remediation process for significant matters.

Examples illustrating how to apply the requirements of paragraph .68d are generally very helpful. In the example on page 28, it was not initially clear to us why there was an engagement deficiency. We read the example to suggest that the engagement deficiency resulted because the engagement team did not send cash confirmations (even though the account was not significant). When cash is a significant account, we agree there would be an engagement deficiency if confirmations were not sent. However, when cash is not a significant account, there would not be an engagement deficiency if confirmations were not sent.

Through discussions with PCAOB staff, it is our understanding that the engagement deficiency in the example on page 28 results because an engagement team chose to confirm cash and did not follow up on exceptions in accordance with AS 2310, *The Auditor's Use of Confirmation.* In the example, the cash account was not a significant account. Despite this, the engagement team is required to follow up on exceptions once confirmations are sent. Based on this fact pattern, we would not consider this engagement deficiency to be a significant engagement deficiency. We believe the final release text should clarify this example.

We also support the proposed amendment to the definition of QC deficiency to make clear that firms may take other quality responses, including compensating responses, into account when determining whether a QC deficiency exists. This clarification is important because QC systems often include multiple, interrelated quality responses to address the same quality risk. Evaluating one quality response in isolation could overstate the significance of an issue and fail to reflect how the QC system operates as a whole.

F. Evaluation of and Reporting on the QC System

19. *Is permitting firms to choose their own evaluation date to conclude on the effectiveness of the QC system appropriate? Why or why not?*
20. *Is five months an appropriate amount of time for the firm's QC system to operate before requiring the firm to evaluate its QC system for the first time as of its selected evaluation date? If not, what length of time would be appropriate?*
21. *Is the proposed evaluation framework for concluding on the effectiveness of a firm's QC system, including the three proposed conclusions in paragraph .77, sufficiently clear and appropriate? Why or why not?*
22. *Are the factors to evaluate the severity and pervasiveness of unremediated QC deficiencies sufficiently clear and appropriate? Why or why not?*
23. *Is the proposed removal of "major QC deficiency" from QC 1000 appropriate? Why or why not?*
24. *What, if any, additional direction is needed regarding the possible conclusions on the effectiveness of the firm's QC system in paragraph .77?*
25. *Are the proposed conforming amendments to Rule 2203A and Form QC appropriate? Why or why not?*
26. *Would the alternative evaluation framework with a binary conclusion (i.e., that the QC system is either effective or not effective in achieving the reasonable assurance objective) be more appropriate for evaluating the effectiveness of the QC system? Why or why not?*
27. *Under the alternative evaluation framework with a binary conclusion, would it be appropriate to retain the factors in paragraph .78 as adopted? Why or why not? Are there other factors that would be helpful in determining the evaluation conclusion? If so, what are they, and how would they be helpful?*

We support permitting firms to choose their own annual evaluation date. Allowing firms to align the evaluation date with their fiscal year, governance cycle, monitoring cycle, or other quality management processes can promote more effective evaluation and monitoring. We also do not object to the proposed five-month minimum operating period before the first evaluation as of a firm-selected date. However, additional guidance may be helpful in circumstances when firms may need to change their evaluation date (i.e., in the event of a merger).

We support the proposed evaluation framework and the three proposed conclusions in paragraph .77. The framework appears to better align with other existing quality management standards while retaining a structured process for evaluating unremediated QC deficiencies. We also support retaining factors to evaluate severity and pervasiveness, as such factors can promote consistency and discipline in the evaluation process. The Board should, however, consider whether to provide additional direction (e.g., written implementation guidance) and examples to help firms apply those factors, particularly in circumstances involving multiple deficiencies, deficiencies affecting firm-level processes, deficiencies identified late in the evaluation cycle, or occurring between the evaluation date and the date of filing Form QC.

We support removing the term "major QC deficiency" from QC 1000. Eliminating that term should reduce unnecessary complexity and better align the evaluation conclusions with the reasonable assurance objective of the QC system.

We do not believe the alternative considered by the Board of a binary effective/not effective conclusion would be more appropriate. A binary framework may oversimplify the evaluation of QC systems and may not provide sufficient information about deficiencies that are severe but not pervasive enough to warrant a conclusion that the system is not effective. The Board's proposed framework, if clearly explained, should better reflect the range of circumstances firms may encounter while maintaining accountability for timely remediation. Further, the proposed framework more closely aligns with other quality management standards.

We encourage the Board to address events occurring between the evaluation date and the reporting date. Firms would benefit from guidance on whether and how such events should be considered in the evaluation conclusion, disclosed in Form QC, or addressed through subsequent remediation and monitoring activities. Clear direction would reduce inconsistency and help firms avoid duplicative or overly conservative evaluation processes.

G. Documentation

28. Are the proposed amendments to paragraph .84 sufficiently clear and appropriate? If not, why not?
29. Is the proposed amendment to retain documentation for five years sufficiently clear and appropriate? If not, why not?

We support the proposed reduction of the documentation retention period from seven years to five years. However, five years is still a period that may unnecessarily drive costs. During a 5-year time period, systems are likely to be updated and licensing will need to be maintained for the purpose of retaining records. Five years generally exceeds many company and firm internal policies. To the extent a shorter period such as three years would not impede the Board's ability to execute its responsibilities, including inspections, a further reduced time period would be more cost effective.

Regardless of the retention period ultimately adopted, we encourage the Board to monitor implementation experiences through its inspection program and consider whether additional guidance related to documentation would be beneficial. To promote consistency and transparency, expectations regarding the nature and extent of documentation should be communicated through the standard, adopting release, or other Board or Office of the Chief Auditor guidance, rather than evolving through individual inspection practices. Any guidance should emphasize that the extent of documentation to be retained will require judgment and should be sufficient to demonstrate compliance without requiring firms to create excessive documentation that does not contribute to audit quality.

Further, we encourage the Board to memorialize in the adopting release the guidance provided during recent implementation discussions with PCAOB staff (i.e., dry run sessions) that the reperformance standard is not the Board's intent.

H. Additional Commenter Feedback on QC 1000

30. *Are the proposed amendments to Form 1 and Form 2 in Appendix 3 appropriate? If not, why not?*
31. *Should a firm applying for registration be required to report on Form 1 which quality management standard(s) (e.g., QC 1000, ISQM 1, or SQMS 1) its QC policies are based on?*

We generally support the proposed amendments to Form 1 and Form 2 in Appendix 3. We also believe it may be appropriate for a firm applying for registration to identify which quality management standard or standards its QC policies are based on, provided the requirement is clear, limited, and not used to imply that a firm is subject to QC 1000 before it performs engagements for issuers within the scope of the standard. Such information could help the Board understand the firm's quality management framework while preserving the proposed rescission of the design-only requirement.

I. Economic Analysis

32. *With respect to the design and implementation costs associated with the QC 1000 requirements currently under consideration for amendment by the Board, what are the costs firms have already incurred and anticipate incurring, and how have or will those costs impact audit fees? To the extent feasible, please quantify your response and explain your methodology.*
33. *How would the proposed amendments impact the costs you expect firms will incur to design, implement, and operate a QC 1000-compliant system? To the extent feasible, please quantify your response and explain your methodology.*
34. *Have the economic considerations fairly considered the potential impacts of the proposed amendments? If not, please describe any other potential economic impacts of the proposed amendments. To the extent feasible, please quantify your response and explain your methodology.*
35. *Would the proposed amendments have a disproportionate impact on smaller audit firms or EGCs? If so, please describe how. To the extent feasible, please quantify your response and explain your methodology.*
36. *Are there alternative approaches that would better achieve our regulatory objectives? How would these approaches impact the costs you expect firms will incur to design, implement, and operate a QC 1000-compliant system? To the extent feasible, please quantify your response and explain your methodology.*
37. *Are there any other studies or data that would inform our analysis of the potential economic impacts of the proposed amendments or potential alternative approaches? If so, please direct us to them and explain how they would inform our analysis.*

We agree that the proposed amendments have the potential to reduce costs associated with designing, implementing, and operating a QC 1000-compliant system while maintaining the standard's audit quality objectives. We previously submitted estimated cost data to the Board that demonstrated the significant costs resulting from key differences between QC 1000 and ISQM 1.[9] The proposed amendments better align the two standards. Therefore, the most significant potential cost reductions would relate to rescinding the design-only requirement, rescinding the EQCF requirement, allowing greater flexibility in

[9] See CAQ letter to the PCAOB date March 20, 2026 which included estimated cost data from certain of our member firms.

specified QC roles, narrowing certain communication requirements, and simplifying documentation retention requirements.

The targeted amendments proposed to the documentation and retention requirements will reduce compliance costs for all firms, regardless of size. The extent of cost savings will vary by firm size, structure, existing quality management framework, PCAOB engagement profile, and progress toward implementation. Smaller firms and firms with limited PCAOB engagements may experience proportionally greater benefits from rescission of the design-only requirement and added flexibility in assigning roles. Larger firms may benefit from the removal of prescriptive requirements that are difficult to operationalize at scale, such as the EQCF requirement, and from clarifications that reduce duplicative or low-value compliance activities.

We do not have firm-specific cost data to quantify the impact of the proposed amendments. However, we encourage the Board to consider both direct implementation costs and opportunity costs, including the diversion of quality management personnel from activities that more directly support audit quality. In our view, the proposed targeted amendments are preferable to alternatives that retain prescriptive requirements without a clear incremental benefit.

J. Other Comments

While not subject to the Board's SRC, as it relates to Ethics and Independence Specified Quality Responses, we take the opportunity here to suggest clarification related to the requirement in paragraph .34:

> b. Maintaining and making available the list of restricted entities to firm personnel and others performing work on behalf of the firm who are subject to independence requirements;
>
> Note: This includes updating and communicating, at least monthly (and more frequently, if appropriate), additions to the list of restricted entities to firm personnel and others performing work on behalf of the firm whose relationships and arrangements with such additional restricted entities may reasonably be thought to bear on the independence of the firm.

We are aware that some firms have sophisticated automated systems such that automated notifications of changes to the list of restricted entities are sent real-time to firm personnel who are subject to independence requirements with respect to such entities. Assuming that the objective of paragraph .34b is met, we encourage the Board to clarify (either in the standard or in the adopting release) that a distinct monthly communication is not intended and that various means to communicate and notify applicable firm personnel are acceptable. This clarification supports a principles-based approach and the use of technological advances.

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Conclusion

We appreciate the Board's consideration of these comments and its continued engagement with stakeholders as firms implement QC 1000. We support the Board's objective of maintaining a rigorous and effective QC standard while improving clarity, scalability, and operability. We would be pleased to discuss our comments or provide additional input as the Board considers final amendments and related written implementation guidance. Please address questions to Dennis McGowan (dmcgowan@thecaq.org), Vanessa Teitelbaum (vteitelbaum@thecaq.org), or Star Yuan (syuan@thecaq.org).

Sincerely,

Vanessa Teitelbaum, CPA
Senior Director, Professional Practice
Center for Audit Quality

cc:

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