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9 July 2026

Dear Sirs

Docket 057 - Proposed Amendments to QC 1000

The below comments are from the perspective of an individual not connected to any business / organisation, but previously engaged in audit / audit quality / quality control / standard-setting matters.

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(A) Overall comments:

(1) Generally, the proposed amendments are clearly positive and in the right direction. There are areas where they could perhaps be revised or supplemented - e.g. questions are raised below re the definitions of fundamental terms like 'Quality Risk' and 'QC Deficiency'.

(2) With the proposed amendments the situation is better than it was, but the number of differences from other QC frameworks remains significant, whereas the value added is not always apparent. On the other hand, perhaps stakeholders will propose enhancements to other QC frameworks, including in a number of areas brought into focus by (the final version of) QC 1000 and related materials.

(B) Comments on specific questions:

Q8. Are there additional costs and benefits of the proposed removal of the EQCF requirement that should be considered?

The answer may depend on (i) the extent to which leadership / senior individuals within firms / networks have much knowledge of or involvement in QC matters; (ii) whether internal reporting & incentive structures lead to quality issues being ignored or minimised; (iii) whether those responsible for quality in the firm / network solicit & engage with feedback, or act in a way that discourages or penalises feedback; and (iv) whether the facts-on-the-ground relating to such matters are discoverable, e.g. by regulators.

If such matters do apply, then having effective independent input (whether in the form of an External QC Function or otherwise) could help address them. But if independent / objective input is only high level, and based on receiving only filtered or curated information, it may not be in a position to address quality issues that are only detectable at the level of the day-to-day, detailed operation of the QC system. If there were some sort of direct communication channel with relevant personnel dealing with day-to-day matters, that would help address this.

Re *"Some commenters said there were challenges in identifying qualified individuals"* - that's surprising, as evidence of firms / networks seeking to engage experienced QC resources appears to be sparse.

Q15. Are the proposed amendments to paragraphs .68a and .68d sufficiently clear and appropriate? Why or why not?

Q18. 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?

Wording	**Comment**
.68 When an *engagement deficiency* exists, the firm should: a. For *engagement deficiencies* relating to in-process *engagements*, take action to address the deficiency in accordance with *applicable professional and legal requirements* (to the extent necessary, before the issuance of the related *engagement* report(s)), such that the *engagement* report is free of significant engagement deficiencies;40A *** d. For *engagement deficiencies* that resulted or could result in (i) a failure to obtain sufficient appropriate evidence to support the conclusion reached on an *engagement* or (ii) an inappropriate overall conclusion on the subject matter of an *engagement,* evaluate whether similar *engagement deficiencies* exist on: (1) Other in-process *engagements*, or would arise if remedial action is not taken; (2) Other completed *engagement*s, unless it is probable that the *engagement* report(s) are not being relied upon; and (3) Work performed by the firm on other firms' *engagements*; and if so, take actions described in paragraphs .68a.-c. above, as applicable. 40A A significant engagement deficiency exists when (1) the engagement team failed to obtain sufficient appropriate evidence or failed to perform interim review or attestation procedures necessary in the circumstances in accordance with the standards of the PCAOB, (2) the engagement team reached an inappropriate overall conclusion on the subject matter of the *engagement*, (3) the *engagement* report is not appropriate in the circumstances,	**Issue 1** If actions to address engagement deficiencies (at the engagement level) are set out in 'applicable professional and legal requirements', is addressing them in a firm-level standard (e.g. in .68a-c and .70) duplicative and/or confusing? As opposed to e.g. including references in footnotes. I.e. only .68d seems to belong in a firm-level standard, as it is broader than the engagement level, with a stand-back evaluation of any implications for the wider portfolio of engagements. **Issue 2** Is it clear why, from footnote 40A(1-4), .68(d) included (1) and (2) but excluded "*(3) the engagement report is not appropriate in the circumstances, or (4) the firm is not independent of its client*"? E.g. if a team uses the incorrect report template under (3), or uses an independence tool incorrectly to arrive at the wrong conclusion under (4), wouldn't any wider implications be considered, as for (1) and (2)?

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or (4) the firm is not independent of its client. This concept aligns with "significant engagement deficiency" in AS 1220, *Engagement Quality Review* (*see* Notes to AS 1220.12, .17, .18B), but applies to all *engagements* as defined in this standard. .70 For each *engagement deficiency* relating to a completed *engagement*, the firm should comply with paragraphs .98-.99 of AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements;* AS 2901 *Responding to Engagement Deficiencies After Issuance of the Auditor's Report;* AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*; paragraphs 39.-42. of AT No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers;* and paragraphs 21.-24. of AT No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, as applicable.	
.A8 QC deficiency – A *QC observation* that, based on the evaluation under paragraph .72, individually or in combination with one or more other *QC observations*, evidences: (1) That the likelihood of the firm not achieving the reasonable assurance objective or one or more *quality objectives* has not been reduced to an acceptably low level; Note: The likelihood of not achieving the reasonable assurance objective or one or more *quality objectives* would be above an acceptably low level if, for example, a *quality objective* is not established, a *quality risk* is not properly identified or assessed, or a *quality response* is not properly designed or implemented or is not operating effectively and other *quality responses* do not achieve the relevant objective(s).	**Issue 1** Is mentioning both (i) not achieving the Reasonable Assurance Objective; and (ii) not achieving one or more Quality Objectives, intended to imply that those are independent outcomes, and one could occur without the other occurring? The distinction between (i) and (ii), and the implications may not be clear to users. **Issue 2** Is *"other quality responses do not achieve the relevant objective(s)"* the right way of articulating the point? Firstly, per the definition, Quality Responses "address Quality Risks" rather than achieve Quality Objectives per se. Secondly, aren't Quality Objectives achieved through the collective impact of the underlying processes, culture, individuals etc; with Quality Responses as just one important element, to prevent or detect things that could go wrong with the processes, culture etc? Processes may also include responses which are not "Quality Responses", but arguably still contribute to achieving the Quality Objectives, if they address risks which are beneath the threshold of "Quality Risks". By way of analogy, even when documenting a process walkthrough, it is not necessarily practicable or desirable to capture the process in full, but rather just the main elements, including those elements that are Quality Responses. **Issue 3** Re "compensating responses" - where quality issues exist, firms / networks may already be inclined to minimise (i) the number of issues that get

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	recognised as QC Observations, and (ii) the number of associated QC Deficiencies. There would now be the additional temptation to (iii) identify compensating responses, even when the linkage is tenuous. To the extent that the monitoring process is effective / independent / objective, the above concerns would be addressed, of course. **Issue 4** The note below .A8 is a long sentence with quite a lot going on - breaking it up (e.g. by use of (i), (ii) within the sentence) may make it easier to follow.

Q21. 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?

Q22. Are the factors to evaluate the severity and pervasiveness of unremediated QC deficiencies sufficiently clear and appropriate? Why or why not?

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Annual Evaluation of the QC System .77 Once a firm has been subject to the requirement to design, implement, and operate a QC system under paragraph .06 for at least five consecutive months ~~Annually~~, the firm must annually evaluate the effectiveness of its QC system, based on the results of its monitoring and remediation activities, and conclude, as of ~~September 30 (~~the "evaluation date"), that its QC system: a. Is effective in achieving the reasonable assurance objective ~~with no unremediated *QC deficiencies*~~; or Note: The firm's QC system is effective in achieving the reasonable assurance objective under paragraph .77a if, as of the *evaluation date*, there are no unremediated *QC deficiencies* other than those that, individually or in combination, are not severe. b. Is effective in achieving the reasonable assurance objective except for ~~one or more~~ unremediated *QC deficiencies* that have a severe but not pervasive effect on the design, implementation, and operation of the QC system (and do not render the QC system not effective) ~~are not *major QC*~~	**Issue 1** The wording seems unclear e.g. in the following cases: (1) For a firm subject to QC requirements since 1 Jan 20X1, is the first evaluation date (i) no earlier than 31 May and no later than 31 Dec 20X1; or (ii) no earlier than 31 May 20X1 and no later than 31 May 20X2? p34 of the Supplemental Request to Comment does suggest the latter, but is the standard itself clear on this point? (2) If a firm's last QC evaluation date was on 30 Sept 20X1, but it changes the annual date to 31 Mar going forward - is the next evaluation date 31 Mar 20X2 (in 6 months), or 31 Mar 20X3 (in 18 months)? (3) Should "annually" be "at least annually", as in ISQM 1, to highlight this possibility to firms / networks who prefer more frequent formal assessments, e.g. because they believe this enhances quality? (Regardless of whether or not the frequency of reporting to the PCAOB remains annual.) Do firms / networks consistently operate & document their QC controls, or do they engage in last-minute tidying up / somehow filling in gaps, when a testing and evaluation cycle is approaching - such that more frequent evaluations would indeed enhance quality? **Issue 2** Is "deficiencies in combination" applicable only where a group of deficiencies are closely related; or could a high number of deficiencies that are not closely related also be "severe in combination"? Considering deficiencies "in combination" (to assess severity) may also blur into the consideration of whether they are "pervasive". There may be further blurring due to the factors .78(a)-(h) being labelled as applying to the evaluation of both severity and pervasiveness.

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~~*deficiencies*~~; or c. Is not effective in achieving the reasonable assurance objective (one or more *major QC deficiencies* exists). Note: An unremediated QC deficiency is one for which remedial actions that completely address the QC deficiency have not been fully implemented, tested, and found effective. For this purpose, implementation must be completed as of the *evaluation date* and testing and the determination of effectiveness must be completed no later than the date Form QC is due under paragraph .79 (or, if earlier, the date Form QC is filed). 44 The selection of the firm's *evaluation date* may be influenced by the nature and circumstances of the firm and its *engagements*, including, for example, the firm's fiscal year-end or the timing of monitoring activities. If the firm changes its *evaluation date*, the firm is required to provide notice of such change on Form QC.	Perhaps the 'except for' category in QC 1000 and ISQM 1 should have captured both (i) "severe but not pervasive" and (ii) "pervasive but not severe" - in which case the blurring wouldn't matter too much. As it stands, one can imagine a firm with one or two high-profile issues feeling obliged to give itself an 'except for' conclusion; while a firm with widespread, numerous, but (hitherto) low-profile issues gives itself a clean-bill-of-health. **Issue 3** Under both QC 1000 & ISQM 1, the clean-bill-of-health conclusion (a) could also cause confusion e.g. in case of a firm which has significant issues during a period, but claims to have remediated everything by the date of the evaluation / of reporting to the regulator. Under an alternative approach to the above, an 'except for' (b) or 'not effective' (c) conclusion would apply for the relevant period, with conclusion (a) becoming possible only from the next period. Would such an approach be more in line with the public interest, and with what stakeholders would expect? By analogy, no-one would say that there's no need to report on misstatements in the P&L, so long as the most recent Balance Sheet is okay - i.e. what happened in the period, and the closing situation, are both of interest. **Issue 4** [A version of the below comments was raised in standard-setting circles years ago, but to no avail.] It can take a long time for deficiencies to become apparent, as the underlying issues have to be detected, reported, investigated and concluded on. Many of the whistleblowing cases one reads about, relate to issues that commenced years ago. E.g. assume a firm's independence tool was flawed, such that severe and pervasive non-compliance occurred in 2027-29. A completely new tool is implemented in 2030, with no related deficiencies. The 2027-29 non-compliance is identified in 2031. How is the firm supposed to conclude on its QC system in 2031? On the one hand everything was fine since 2030; on the other hand, statements / certifications made in respect of 2027-29 failed to reflect severe and pervasive deficiencies. For some firms such statements will have been made publicly e.g. in Transparency Reports. One approach could be to require statements / certifications, whether public or non-public, to take account of previously unidentified (severe/pervasive) deficiencies relating to prior year QC cycles (i) in concluding on the latest cycle (by default); or (ii) in a separate paragraph, to correct the statements / certifications made re prior cycles (in cases where the issues demonstrably did not apply to the current cycle).
[Cont.] .77 [...] Note: An unremediated QC deficiency is one for which remedial actions that completely address the QC deficiency have not been fully implemented, tested,	**Issue 1** Are the requirements / guidance clear enough as to what cut-off date / period is relevant to the testing / sampling of remedial actions and/or post-remediation control (response) instances, to support a conclusion as of the evaluation date? There may be a temptation to 'retrospectively solve' certain issues which still applied as of the evaluation date.

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and found effective. For this purpose, implementation must be completed as of the *evaluation date* and testing and the determination of effectiveness must be completed no later than the date Form QC is due under paragraph .79 (or, if earlier, the date Form QC is filed).	Some would say that, in principle and as a matter of English, testing instances / evidence arising after the evaluation date (if that is what the standard would lead to), is relevant to the following QC cycle, but not to the conclusion as of the evaluation date. **Issue 2** Does "completely address" sound perfectionist / unrealistic? One could imagine remedial actions which do not "completely address" a deficiency, but e.g. "sufficiently address" it, in line with the "acceptably low level" approach that underpins the standard.
.78 In evaluating severity and pervasiveness, the firm should consider the following factors [...]: (d) The persistence of the unremediated *QC deficiency* or combination of unremediated *QC deficiencies* over time;	Should persistence necessarily affect such evaluation? E.g. a firm may have a quality deficiency relating to a minor issue in its independence tool, which is contracted to be used for another 3 years, such that cost-benefit analysis concludes that the deficiency will be addressed only when the system is replaced. Would the severity and pervasiveness for Year 1 necessarily be any different than the severity and pervasiveness for Years 2-3? At most one could argue that there's an additional observation / deficiency for Years 2-3, re the (intentional) failure to apply the remediation process to the issue with independence tool.
.78 b. The extent to which the unremediated *QC deficiency* or combination of unremediated *QC deficiencies* relate to e. Whether the unremediated *QC deficiency* or combination of unremediated *QC deficiencies* has f. Whether the unremediated *QC deficiency* or combination of unremediated *QC deficiencies* has	Check grammar / consistency.
.80	Seems to be a high degree of repetition between .77 and .80 - can this be avoided?

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

Wording	Comment
.86 The firm must retain the documentation of its QC system required under paragraphs .81-.83 and paragraph .85 for five ~~seven~~ years from the QC documentation completion date, unless a longer period of time is required by law.	**Issue 1** Per AS 1215.14 *"The auditor must retain audit documentation for seven years from the date the auditor grants permission to use the auditor's report [...], unless a longer period of time is required by law."* An argument for also applying 7 years for QC documentation would be that retention should be no shorter than that of the audits which that QC cycle supports - one could imagine audit or related financial reporting issues being identified some years down the line, where it may be helpful to re-trace which quality

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	controls failed to prevent or detect such issues. If that argument is not persuasive, then one would have thought that the minimum retention period should be as low as possible based on users' needs - presumably regulators are the primary users, and 5 years sounds excessive in that context. **Issue 2** Although "by law" is the same term as used in AS 1215, would "by *applicable professional and legal requirements*", as used throughout the standard, be preferable? The definition of the latter may align better for some jurisdictions, as it includes *"statutory, regulatory, and other legal requirements"*, whereas "by law" sounds narrow.
.A2 Applicable professional and legal requirements – (1) Professional standards, as defined in PCAOB Rule 1001(p)(vi); (2) Rules of the PCAOB that are not professional standards; and (3) To the extent related to the obligations and responsibilities of accountants or auditors in the conduct of engagements or in relation to the QC system, rules of the SEC, other provisions of U.S. federal securities law, ethics laws and regulations, and other applicable statutory, regulatory, and other legal requirements.	Re *"applicable professional and legal requirements"*: Firms and individuals need to comply with various laws / regulations, and questions arise as to which of these are to be addressed within a QC system (as opposed to within the firm's general business operations). An example is laws / regulations relating to Insider Trading / Market Abuse (maintenance of a list of 'insiders', etc). Auditors' activities are relevant to markets, and therefore they can fall into the scope of such provisions. But the provisions broadly apply to various market participants, without specific mention of auditors or engagements or QC systems. The definition in QC 1000 seems more helpful than anything in ISQM 1 - it may or may not be precise enough to settle the question of whether broadly applicable laws / regulations (such as those re Insider Trading / Market Abuse) are QC matters.

(C) Other comments:

Wording	Comment
.13 The firm should establish a direct line of communication from each individual assigned operational responsibilities to the individual assigned ultimate responsibility and accountability for the QC system as a whole.	"Direct line of communication" is vague - formally it is always satisfied, as within a firm, every individual can in theory directly contact every other individual via internal communications tools. The more pertinent matter would seem to be how much involvement & communication the individual really has in relation to QC matters.
.15 The individual(s) assigned operational responsibility and accountability for the QC system as a whole should: a. Supervise, within the scope of their assigned responsibilities, the design, implementation, and operation of the firm's QC system in accordance with *applicable professional and legal requirements* and the firm's policies and procedures; and b. Certify the firm's report to the PCAOB on its annual evaluation of the QC system (*see* paragraph .79).	Presumably it is intentional that the certification in Item 3.2 refers to *"[ultimate/operational] responsibility and accountability for [the QC system] as a whole"*, without any reference to *"within the scope of assigned responsibilities"*, either in the case of multiple individuals under .15, or co-principal executive officers under .11.

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.42c. Differences in professional judgment related to the engagement that arise among firm personnel, among other participants, or between firm personnel and other participants, including the engagement quality reviewer or those that provide consultation, are brought to the attention of the individual(s) with responsibility and authority for resolving such matters and are resolved before the issuance of an engagement report, such that the engagement is performed in accordance with applicable professional and legal requirements.	Differences also arise in connection with the QC system (e.g. re decisions about QC deficiencies, and the overall conclusion). Arguably, QC standards should address this.
.57 The firm should communicate the result of the annual evaluation of the firm's QC system to the firm's partners, shareholders, members, or other principals, and the firm's board of directors or equivalent.	This seems to set an expectation for rare communication, to a narrow group. As opposed to encouraging more frequent communication of monitoring & remediation results to a wider population (e.g. including engagement managers), which could enhance quality.
.61 The firm's monitoring activities must include: a. "*Engagement* monitoring activities," which are directed at individual *engagements*; and Note: For firms that issued *engagement* reports with respect to five or fewer *engagements* for issuers, brokers, and dealers during the prior calendar year, *engagement* monitoring activities may include monitoring audits not performed under PCAOB auditing standards, provided that such audits are selected taking into account the factors in paragraph .64 and that instances of noncompliance with applicable auditing standards identified through monitoring are treated as if they were "engagement deficiencies" for purposes of paragraph .68d and "QC observations" for purposes of paragraph .72. Audits not performed under PCAOB auditing standards cannot be included in the monitoring required under paragraph .62b.	Presumably it has been confirmed that this is practicable - for a firm with (say) a 95% non-PCAOB portfolio, this seems to potentially bring a swathe of non-compliance within the non-PCAOB portfolio into the scope of .68d and .72.
.65 In determining the nature, timing, and extent of QC system-level monitoring activities, the firm should take into account the following factors: a. Quality risks and the reasons they were assessed to be quality risks;	Elsewhere the standard refers to *"identify and assess quality risks"*. ISQM 1.38(a) refers to *"The reasons for the assessments given to the quality risks"*. QC 1000.65(a) seems to be using "assess" in a different (non-standard?) sense. Should it instead read e.g. *"Quality risks and the reasons [for their identification and] for the assessments given to them"* (in line with .21)? .82(b)(2) by contrast refers to *"the basis for the assessment of quality risks"*.
.A10 Quality objectives – The desired outcomes in relation to the components of the QC system to be achieved by the firm.	"Outcomes... to be achieved" seems sufficient, whereas "desired" seems superfluous; but okay, consistent with ISQM 1.

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.A12 Quality risks – Risks (whether or not related to intentional acts by *firm personnel* or *other participants* to deceive or to violate *applicable professional and legal requirements*) that, individually or in combination with other risks, have a reasonable possibility of occurring and, if they were to occur, a reasonable possibility of adversely affecting the firm's achievement of one or more *quality objectives.* ISQM 1.16: (r) Quality risk – A risk that has a reasonable possibility of: (i) Occurring; and (ii) Individually, or in combination with other risks, adversely affecting the achievement of one or more quality objectives.	[A version of the below comments was raised in standard-setting circles years ago, but to no avail.] **Issue 1 - Methodology** If one uses the term P(O) for occurrence, P(A) for adverse effect, and > 0.10 for 'reasonable possibility', do users identify a Quality Risk when (i) P(O) > 0.10 and P(A|O) > 0.10 or when (ii) P(O and A) = [P(O) * P(A|O)] > 0.10 If P(O) = 0.18, P(A|O) = 0.50, that's a Quality Risk in (i) and not a Quality Risk in (ii). It seems that under QC 1000 only (i) is permitted, whereas ISQM 1 is ambiguous. International standards are also vague / silent on the exact meaning of "reasonably possible", "remote", etc. Firms / networks applying a single risk assessment methodology to their PCAOB and non-PCAOB portfolio may have to use the more specific PCAOB approach as the basis, applying (i) above. The 'unit of account' is also not specified - e.g. a large firm with 100,000 engagements will likely have many more deficiencies per year/period than a firm with 500 engagements, even if its 'quality' overall is much higher - i.e. unless the above probabilities are linked not just to a time period, but also to the circumstances of the firm and its engagements, strange outcomes could occur. In theory, firms / networks must at least have an implicit view on such matters, in order to identify the relevant Quality Risks. But in practice, to what extent have firms / networks: - given much thought to such matters? - understood and appropriately implemented the "combination with other risks" element of the definition? - set out their own methodology, more-or-less grounded in statistics / probability, to the extent that the standard(s) is too vague to be implemented directly? - achieved consistency in such risk assessments within the firm, within the network, between different networks? Were firms / networks intended to understand and address such matters? In audit / assurance, sampling is supposed to be grounded in statistics / probability, and

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	given that 'reasonable assurance' is the common target, should one expect a similar degree of rigour under QC standards? Of course, 'reasonable assurance' has long been the QC requirement - such that it is questionable why firms' previous systems, assessed as delivering 'reasonable assurance', were not near-ready for QC 1000 & ISQM 1. Perhaps firms / networks and regulators have been interpreting 'reasonable assurance' in a distinct manner for QC purposes. **Issue 2 - Terminology** Events occur, and conditions can be present or not. Risks, meanwhile, do not 'occur', but are probabilities (or are linked to them, or are a way of referring to them). The risk (probability) of throwing a 6 with a die is 0.1667, regardless of whether I actually throw a 6 in practice - i.e. the risk is one thing, and the related event or outcome or condition is another thing. Given that auditors, at least in their marketing, often stress their expertise in 'risk' and 'risk management' - e.g. *"We specialise in managing risk for our clients"* - it is somewhat ironic that QC standards don't appear to be well aligned with something so fundamental as the use / definition of 'risk' in plain English and basic statistics / probability.
p28 of Docket 057 - Proposed Amendments to QC 1000 states that *"On this particular audit engagement, cash was not a significant account as it fell below the engagement's materiality threshold."*	Apart from any other comments that could be made about the example: Some within the profession argue that cash must always be a significant account, due to the nature of cash, its crucial function within business, its prominence within a primary financial statement, etc - it appears that the PCAOB does not endorse this view.
p40 of PCAOB Release No. 2024-005 states that *"The monitoring and remediation [M&R] process applies to all of the components of the QC system, including monitoring and remediation itself"*; whereas the risk assessment process [RAP] does not apply to itself, or to the M&R process.	Some would argue that the RAP should apply (at least optionally) both to itself and to M&R, and that in practice this is an effective way of setting up a QC system.
p74 of PCAOB Release No. 2024-005 - re wording that requires compliance with *"applicable professional and legal requirements and the firm's policies and procedures"* (or *"firm policies and procedures"*). p74 noted that *"Another commenter suggested that the QC system should not address firm policies and procedures that go beyond applicable professional and legal requirements, on the basis that it might undermine investor protection by disincentivizing firms from developing policies and procedures that go beyond what is required. [...] However, because policies and procedures play an important role in the firm achieving the reasonable*	Is this convincing, or is it over-reach (here and with regard to any other standards which include such language)? Is it not sufficient to limit the scope / wording throughout to *"applicable professional and legal requirements"*? Compliance with the firm's own policies and procedures would by implication continue to be addressed under the standard, but only for the subset of policies and procedures that intersect with and support those requirements (in the form of Quality

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assurance objective, we have determined that some quality objectives have to incorporate compliance with firm policies and procedures as well as applicable professional and legal requirements."	Responses or otherwise).
p108 of PCAOB Release No. 2024-005 states that *"a new accounting standard may result in a firm identifying a new quality risk"*.	This encourages or assumes a level of granularity that may not necessarily be optimal. There will always be a pipeline of new or amended accounting or auditing standards, and (potentially) creating a new Quality Risk for each one involves continually chopping-and-changing the QC system - is there a commensurate benefit? Articulating the related Quality Risk(s) at a more aggregated level than standard-by-standard would reduce this 'volatility'. Quality Responses could be more granular than the Quality Risk(s), but even then may not need to be at the level of each standard, because Quality Responses can be articulated and operated in a pretty standardised way, when appropriate.
p112 of PCAOB Release No. 2024-005 states that *"One commenter sought clarification on the term "leadership," including whether it relates only to the specified roles in paragraph .11 and .12, or to all partners and equivalents in the firm. Under QC 1000, leadership is not limited only to those in specified QC roles. While the composition of leadership may vary due to the nature and circumstances of the firm and its engagements and how the firm chooses to organize itself, it includes firm-wide leadership; the executive team; regional, office, and industry segment leadership; and any other levels of leadership the firm may establish."*	In some firms / networks, local office leadership and industry segment leadership may have little influence over centrally driven quality initiatives, and may not be auditors. Is the wording too categorical in stating that such leaders are fully in scope of the Governance and Leadership Quality Objectives?