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

Re: PCAOB Release No. 2026-002 – Proposed Amendments to QC 1000, *A Firm's System of Quality Control*, and Related Rules and Forms

Dear Office of the Secretary:

Plante & Moran, PLLC ("Plante Moran") appreciates the opportunity to comment on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") proposed amendments to QC 1000 and related rules and forms. We commend the Board for its continued efforts to respond to implementation feedback while preserving the objectives of a robust and effective quality control framework.

Overall, we support the proposed amendments. We believe the revisions appropriately enhance the operability and scalability of QC 1000 while maintaining a strong focus on audit quality and investor protection. The proposed changes also further align the PCAOB's quality control framework with existing quality management standards that many firms have already implemented, including the AICPA's SQMS standards and the IAASB's International Standards on Quality Management ("ISQMs"). This alignment should promote greater consistency in application and enable firms to focus resources on activities that most directly support quality outcomes.

Support for Removal of the External QC Function

We support the Board's proposal to eliminate the requirement for an External Quality Control Function ("EQCF"). Based on implementation efforts since adoption of QC 1000, it has become evident that the EQCF requirement presents operational challenges and costs that may not be proportionate to the incremental benefits achieved.

The quality objectives of QC 1000 can be effectively achieved through the governance, monitoring, remediation, and evaluation processes already embedded within firms' systems of quality control. Accordingly, we believe removal of the EQCF requirement appropriately streamlines the standard without diminishing the effectiveness of firms' quality management systems.

Support for Amendments to the Monitoring and Remediation Process and the Evaluation Framework

We also support the proposed amendments to paragraphs .68a and .68d and the Board's revised evaluation framework. The amendments provide greater clarity regarding the evaluation of identified deficiencies and help ensure that assessments are focused on matters most relevant to the achievement of quality objectives.

We believe the proposed framework better reflects a risk-based approach that is consistent with how quality management systems are designed, implemented, and evaluated under other established quality standards. Specifically, the proposed amendment to the definition of a QC Deficiency, which allows firms to consider the effectiveness of other quality responses achieving the quality objective, is aligned with other quality standards and will support a more consistent evaluation.

Request for Additional Implementation Guidance

While we support the proposed amendments, we believe additional implementation guidance would promote consistency in application and help firms effectively operationalize the revised requirements.

Evaluation Framework

Additional guidance and illustrative examples would be beneficial regarding application of the evaluation framework, including:

- Considerations when assessing the severity and pervasiveness of identified deficiencies.
- The role of compensating controls and other mitigating factors in the evaluation process.
- Evaluation of deficiencies identified near or after the annual evaluation date.

Because the evaluation framework relies heavily on professional judgment, we believe practical examples laid out in implementation guidance from the PCAOB would support consistent application of the relevant standards across firms.

Documentation Requirements

While we support the reduction in the document retention period, a five-year period could continue to pose significant challenges and unintended costs to firms, particularly when firms may have technology changes and are required to maintain information in an obsolete system to meet the QC 1000 retention requirement. Because of this, we request further guidance regarding documentation expectations. Examples illustrating the nature and extent of documentation necessary to support key judgments, annual evaluations, and remediation decisions would provide greater clarity and improve consistency in regulatory expectations. Such guidance would be particularly helpful when considering documentation that supports the operation of the system of quality versus documentation that supports the annual evaluation of the system of quality.

Changes to the Evaluation Date

We appreciate the Board proposing an amendment permitting firms to select their own annual evaluation date. Flexibility in the evaluation date recognizes differences in firm structures, governance processes, and operational cycles and should enable firms to align their quality control evaluations with existing monitoring and reporting activities.

While we appreciate the Board's efforts to provide this flexibility, we encourage the Board to provide additional transition guidance for the initial implementation period. Many firms have already designed and implemented processes, monitoring activities, and documentation protocols around a September 30 evaluation date based on the original requirements of QC 1000. As a result, modifying those processes before the initial effective date may present practical challenges, particularly for smaller firms.

For example, if a firm elects to use a May 31 evaluation date, the firm would effectively be required to perform its first annual evaluation approximately four months earlier than contemplated under a system designed around a September 30 evaluation date. Given the December 15, 2026 implementation date of QC 1000, firms may have limited ability to redesign, test, and operationalize their monitoring processes in time to support an earlier evaluation cycle during the first year of implementation.

Accordingly, we encourage the Board to consider providing transition relief or implementation guidance addressing the first-year application of the evaluation date provisions. Additional guidance regarding the process and considerations for changing the annual evaluation date, whether it is after the first year or several years later in connection with mergers, acquisitions, organizational restructurings, or efforts to better align quality control evaluations with governance reporting cycles, would also promote consistency and reduce uncertainty in practice.

Conclusion

Plante Moran supports the proposed amendments to QC 1000. We believe the proposals appropriately respond to stakeholder feedback, enhance alignment with existing quality management standards, and improve the practicality of implementation while maintaining a strong focus on audit quality.

We appreciate the opportunity to provide our views and would welcome further dialogue with the Board regarding these matters.

Sincerely,

Plante & Moran, PLLC

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