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**Sent:** Friday, June 12, 2026 11:16 AM  
**To:** Comments  
**Subject:** [EXT]: Submitting Comments: PCAOB Rulemaking Docket Matter No. 057 — Proposed Amendments to QC 1000, A Firm's System of Quality Control

June 12, 2026

Office of the Secretary

Public Company Accounting Oversight Board  
1666 K Street, NW  
Washington, DC 20006-2803

Via email: [comments@pcaobus.org](mailto:comments@pcaobus.org)

**Re: PCAOB Rulemaking Docket Matter No. 057 — Proposed Amendments to QC 1000, A Firm's System of Quality Control**

Dear Office of the Secretary:

St. Charles Consulting Group appreciates the opportunity to comment on the proposed amendments to QC 1000. Our firm advises public company audit firms on the development and measurement of professional judgment capability, and our research on this subject — including the analysis published in [The Judgment Void](#) (2026) — examines how the conditions under which auditors form professional judgment relate to the deficiency patterns documented in the Board's inspection program. Our comments address three of the proposed amendments and one area where we encourage clarification in the adopting release.

**1. The proposed criteria for evaluating similar engagement deficiencies correctly identify judgment outcomes as the threshold that matters.**

We support the proposal to require evaluation of whether similar engagement deficiencies exist only where an identified deficiency could result in (i) a failure to obtain sufficient appropriate audit evidence to support the conclusion reached, or (ii) an inappropriate overall conclusion on the subject matter of an engagement.

These two triggers are well chosen because they describe the outcomes of failed professional judgment rather than failures of procedural execution. The Board's own inspection reports have, for more than a decade, concentrated their most serious findings in a consistent set of areas: risk assessment, sufficiency of audit evidence, evaluation of internal control over financial reporting, auditing of accounting estimates, and the exercise of professional skepticism. The recurring character of these findings is that procedures were performed and documentation was complete, but the practitioner's judgment — in calibrating risk, in recognizing when evidence responsive to a procedure was nonetheless insufficient for the conclusion, in questioning management representations — did not meet the standard the engagement required. The proposed criteria focus the firm's similar-deficiency evaluation precisely on this category of failure, which is where investor protection exposure actually concentrates.

We encourage the Board to make clear, in the adopting release or subsequent guidance, that when a firm evaluates the root cause of a deficiency meeting either trigger, the evaluation should encompass the judgment capability of the personnel involved — not solely the design of policies, methodologies, and tools. A deficiency in which procedures were followed but the conclusion was inadequately supported is rarely remediated by procedural change alone. Treating such findings exclusively as process-design failures invites remediation that

addresses the symptom while leaving the underlying capability condition — and therefore the likelihood of recurrence on other engagements — unexamined.

**2. Recognition of compensating quality responses should encompass competence-development responses, with effectiveness evidenced by capability measures.**

We support the proposed revision to the definition of QC deficiency clarifying that, where a firm has implemented more than one quality response to the same quality risk, those responses may be considered together in determining whether a QC deficiency exists. This revision appropriately rewards firms that invest in layered responses rather than single points of control.

We recommend that the Board clarify that quality responses addressing personnel competence and capability — including structured programs to develop and assess professional judgment — are valid quality responses within this framework. QC 1000 already requires that engagement teams possess competence and capabilities appropriate to their assignments. Where a firm identifies a quality risk arising from the judgment capability of its practitioner population — a risk that is becoming more salient as technology assumes a growing share of procedural execution and compresses the experiential pathway through which judgment has traditionally been formed — the natural quality response is developmental rather than procedural. The compensating-response framework should accommodate that response on equal footing with procedural and supervisory responses.

Equally important, the monitoring of such responses should rest on capability evidence: measures that demonstrate practitioner judgment is in fact developing, rather than measures that demonstrate only that training was delivered or attended. Completion records are not evidence that a quality response to a judgment-capability risk is operating effectively. The Board can strengthen the integrity of the compensating-response provision by signaling this evidentiary expectation.

**3. Permitting non-firm personnel to fill specified QC roles is a sound recognition that quality-relevant expertise is specialized.**

We support the proposal to permit specified roles in the QC system to be assigned to non-firm personnel and divided among multiple individuals. Certain functions within a quality management system — particularly those involving the assessment of personnel capability, the design of developmental responses to identified quality risks, and the measurement of whether those responses are operating effectively — draw on disciplines, including learning science and capability measurement, that audit firms do not uniformly maintain in-house. Allowing firms to engage qualified external specialists for such roles, while retaining firm accountability for the QC system as a whole, should improve the quality of those functions rather than dilute it. We encourage the Board to retain clear firm-level accountability and documentation requirements so that flexibility in role assignment does not become diffusion of responsibility.

**4. Simplified communication requirements should not be read as diminished monitoring expectations.**

We take no exception to the proposal to narrow and simplify the requirements governing metrics the firm communicates about its audit practice, personnel, and engagements. We would, however, encourage the Board to make explicit that simplification of communication requirements does not alter the firm's monitoring obligations. Leading indicators of audit quality — including indicators of practitioner competence and judgment capability — remain essential inputs to a functioning quality management system whether or not they are externally communicated. The distinction between what a firm must communicate and what a firm must know is worth preserving clearly in the adopting release, so that reduced reporting burden is not mistaken for reduced self-knowledge.

**Conclusion**

The proposed amendments, taken together, sharpen QC 1000's focus on the deficiencies that matter most to investors — those in which the audit conclusion itself was unsupported or inappropriate — while giving firms credit for layered, substantive responses to quality risk. Both moves are consistent with what the inspection

record has long indicated: that the most consequential audit deficiencies are failures of professional judgment, and that effective quality management must therefore address how judgment capability is developed, assessed, and evidenced. We support adoption of the amendments with the clarifications described above, and we would welcome the opportunity to provide further data or perspective as the Board considers this docket.

Respectfully submitted,

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