

The new standard, [QC 1000, A Firm's System of Quality Control](#), adopted by the Board¹ and approved by the U.S. Securities and Exchange Commission,² will replace the Board's quality control standards that were adopted on an interim, transitional basis in 2003 from quality control standards originally developed and issued by the American Institute of Certified Public Accountants. QC 1000 requires a firm to design, implement, and operate an effective QC system.

QC 1000 includes requirements that do not appear in other quality control standards or that are more prescriptive or more specifically tailored to the U.S. legal and regulatory environment. Firms may find it helpful to refer [to the comparison document](#) that maps the text of QC 1000 against the requirements of the International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* ("ISQM 1"), adopted by the International Auditing and Assurance Standards Board ("IAASB"), and the Statement on Quality Management Standards No. 1, *A Firm's System of Quality Management* ("SQMS 1"), adopted by the American Institute of CPAs ("AICPA").

This practice aid is intended to provide a high-level overview of certain features unique to QC 1000, including highlighting incremental requirements that QC 1000 imposes on firms that issued audit reports for more than 100 issuers in the prior calendar year (also referred to as firms with a larger PCAOB audit practice).

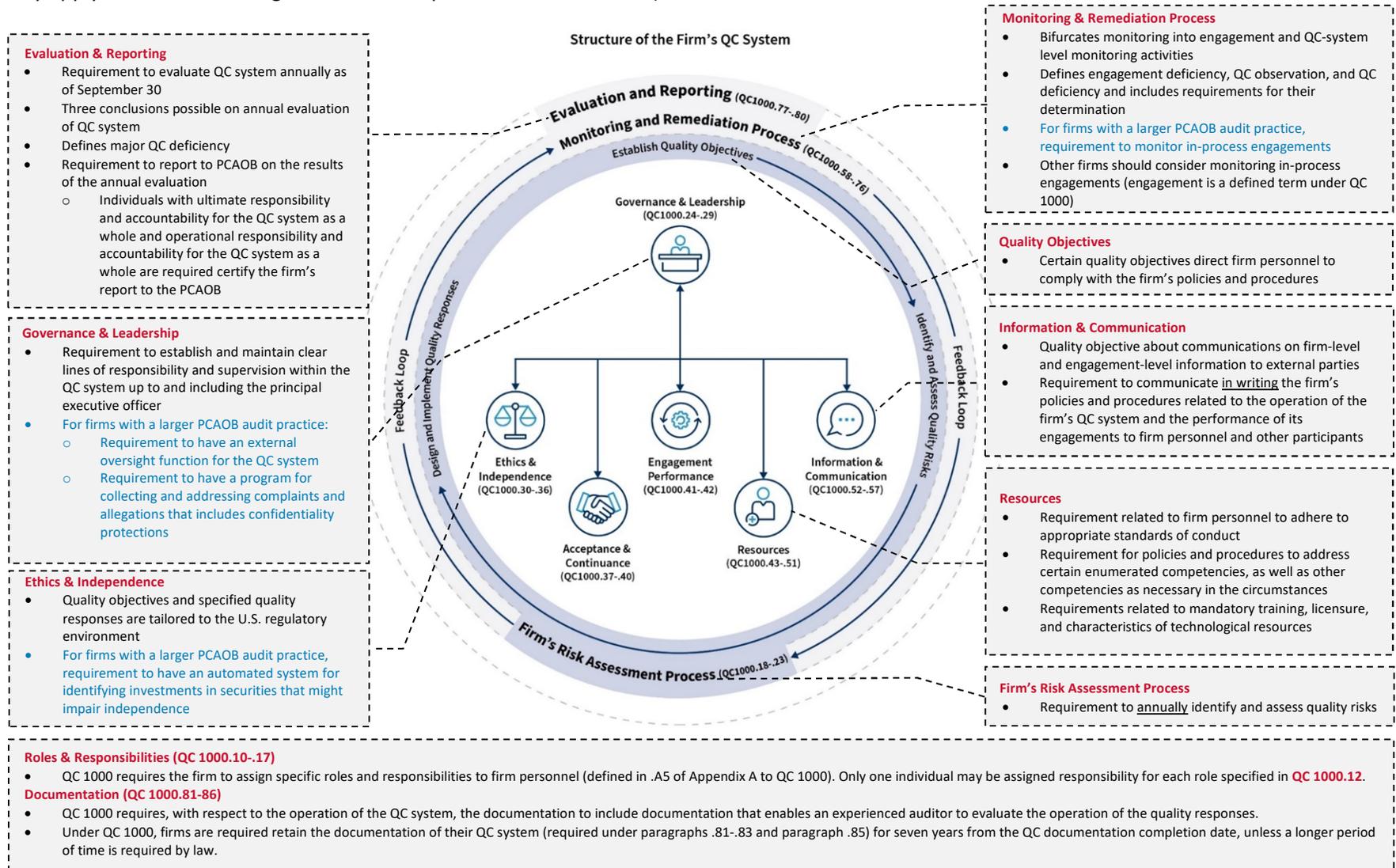
There are differences in wording and terminology in other areas of QC 1000 that are not highlighted in this publication. This is not a comprehensive summary. All firms registered with the Board are responsible for reading, understanding, and complying with the requirements of QC 1000, including understanding any differences in the requirements relative to ISQM 1 and SQMS 1.

This practice aid was prepared by staff of the Office of the Chief Auditor as a reference tool for the new standard. This document represents the views of PCAOB staff and not necessarily those of the Board. It is not a rule, policy, or statement of the Board. Finally, this document does not reflect the views of the IAASB or AICPA regarding the interpretation of their standards.

¹ [PCAOB Release No. 2024-005, A Firm's System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms \(May 13, 2024\)](#).

² SEC, *Public Company Accounting Oversight Board; Order Granting Approval of QC 1000, A Firm's System of Quality Control, and Related Amendments to PCAOB Standards, Rules, and Forms*, Rel. No. 34-100968 (Sept. 9, 2024).

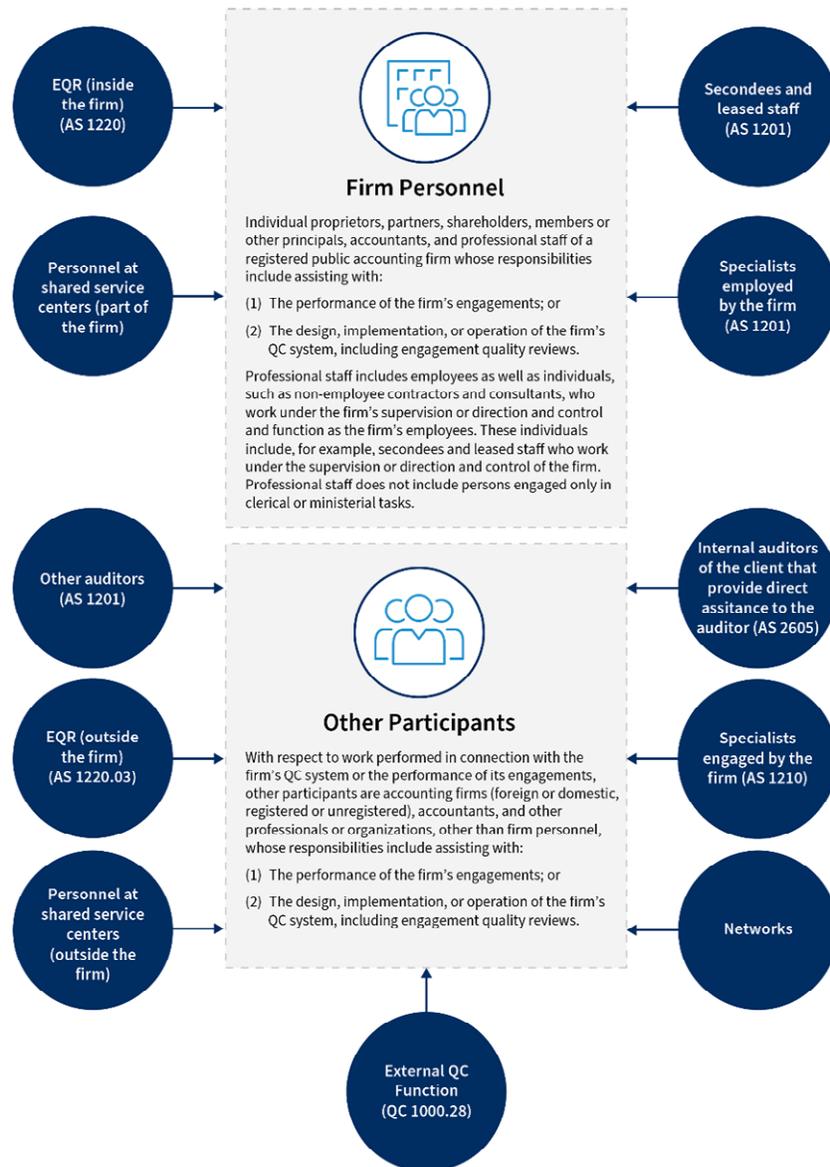
The following diagram highlights provisions of QC 1000 that may go beyond the provisions of other quality control standards (requirements that only apply to firms with a larger PCAOB audit practice are in blue text):



Other participants

Under QC 1000, a firm’s QC system covers activities of not just the firm and firm personnel, but also activities of other participants, which goes beyond the provisions of other quality control standards. QC 1000 includes references to other participants in a tailored and context-specific way that recognizes the key roles they play.

The following diagram provides the definitions and examples of firm personnel and other participants (also found in **Appendix A of QC 1000**).



The following chart illustrates references to other participants throughout the standard. Please refer to QC 1000 for the complete text of the requirements.

Firm's QC system	QC 1000.05
<ul style="list-style-type: none">The objective of the firm's QC system covers other participants.	
Roles and responsibilities	QC 1000.10
<ul style="list-style-type: none">Other participants involved in the design, implementation, and operation of the QC system are required to exercise due professional care.	
The firm's risk assessment process	QC 1000.20 and .B9 of Appendix B
<ul style="list-style-type: none">Firms are required to consider the use of other participants in their risk assessment process, focusing on the nature and extent of their involvement.Appendix B to QC 1000 provides an example of other participants relevant to obtaining an understanding of the nature and circumstances of the firm and its engagement.	
Governance and leadership	QC 1000.29
Specified quality responses requiring:	
<ul style="list-style-type: none">The firm to design, implement, and maintain policies and procedures for addressing potential noncompliance with APLR and with the firm's policies and procedures with respect to the QC system, the firm's engagements, firm personnel, and other participants. Such policies and procedures should be made available to all firm personnel and other participants.	
Ethics and independence	QC 1000.31
<ul style="list-style-type: none">The quality objectives address compliance with ethics and independence requirements not just by firm personnel, but also by others who may be subject to ethics and independence requirements in relation to work they perform on behalf of the firm.	
Engagement performance	QC 1000.42
Quality objectives related to:	
<ul style="list-style-type: none">Understanding and fulfilling responsibilities in accordance with APLR, including properly supervising the work performed by other participants; andDifferences in professional judgment related to the engagement that arise between firm personnel and other participants.	
Resources	QC 1000.44
Quality objectives related to:	
<ul style="list-style-type: none">Individuals who are other participants assigned to engagements have the competence, objectivity, and time needed to fulfill their responsibilities; andIndividuals who are other participants assigned to perform activities within the QC system have the competence, objectivity, authority, and time needed to perform such activities.	
Information and communication	QC 1000.53 and .55
<ul style="list-style-type: none">Quality objective related to information to be communicated to other participants and information to be obtained from other participants.Specified quality response requiring the firm to communicate in writing its policy and procedures related to the operation of the firm's QC system and the performance of its engagements to other participants.	
Monitoring and remediation process	QC 1000.65
<ul style="list-style-type: none">In determining the nature, timing, and extent of QC system-level monitoring activities, the firm is required to take into account the services or resources provided by other participants in the firm's QC system, when applicable.	