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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. 2026-005, Request for Public Comment on PCAOB Standard Setting

Dear Office of the Secretary:

Forvis Mazars, LLP (”Forvis Mazars” or ”the Firm”) appreciates the opportunity to respond to the Public Company Accounting Oversight Board’s (”PCAOB” or ”the Board”) Request for Public Comment on PCAOB Standard Setting, PCAOB Release No. 2026-005. Forvis Mazars ranks among the top 10 public accounting firms in the United States. Forvis Mazars, LLP is also part of a two-member global network, Forvis Mazars Global Limited, with Forvis Mazars Group SC as the other member. Forvis Mazars Group is an internationally integrated partnership operating in more than 100 countries and territories. The Firm continues to be an active participant in profession-wide endeavors, including participation on various committees, boards, expert panels, task forces, and working groups of the Center for Audit Quality (”CAQ”) and the American Institute of Certified Public Accountants (”AICPA”). We have focused our comments on selected questions where we believe our experience serving public companies and broker-dealers, and our practical perspective on implementing PCAOB standards across engagement teams will provide the most meaningful input to the Board.

We support a standard-setting agenda that is principles-based, risk-focused, scalable, and capable of consistent execution in the current audit environment. In our view, the Board’s standard-setting and research activities should prioritize projects that directly address meaningful risks to audit quality and investor protection, where evidence supports that auditor performance would be enhanced through updates to standards or other PCAOB action.

Our comments are organized around five overarching themes: audit quality and investor protection, scalable execution, clear auditor responsibilities, practical implementation, and regulatory coordination. We encourage the PCAOB to prioritize projects that are supported by evidence of a meaningful audit quality or investor protection need, while developing standards that can be applied consistently across firms and engagements of varying size and complexity. Where action is warranted, requirements should preserve professional judgment, be capable of practical implementation, and be coordinated with other relevant standard-setting or regulatory activities where appropriate.

Responses to Selected Questions

Section I – Standard-Setting & Research Activities

Questions 1 through 3

Before advancing any project to standard setting, we encourage the Board to clearly identify the specific issue the project is intended to address and to evaluate whether the issue is best addressed through audit standard setting, targeted amendments, staff guidance, research, stakeholder outreach, or other actions by the PCAOB or other participants in the broader financial reporting ecosystem. Our comments related to the specific projects described in the Request for Public Comment are described below:

As the Board evaluates these projects, we believe the conceptual framework discussed in Section II could provide a useful discipline for assessing each project consistently, including whether the identified issue is supported by sufficient evidence, whether standard setting is the most appropriate response, whether alternatives such as staff guidance or targeted outreach would be more effective, and how expected audit quality and investor protection benefits compare to implementation costs and operational complexity.

Suggest retaining on research agenda

Data and technology. We do not believe PCAOB standard setting is needed at this time to address emerging technology, including artificial intelligence. The PCAOB's existing standards remain fundamentally sound because they are principles-based and anchored in professional skepticism, due professional care, sufficient appropriate audit evidence, supervision and review, and documentation. However, the profession would benefit from timely practical staff guidance addressing how auditors should apply existing standards in the context of emerging technologies, including AI-enabled tools.

Such guidance could address the relevance and reliability of information produced by, processed through, or analyzed using AI-enabled tools; the impact of AI on risk assessment and the auditor's understanding of the entity and its environment; considerations for evaluating controls over AI-enabled systems used by management; supervision and review expectations when engagement teams use AI-enabled tools; documentation expectations; and governance considerations for firm-developed, vendor-provided, or embedded AI tools.

As the PCAOB evaluates this area, we encourage an approach that (1) supports innovation while maintaining appropriate safeguards and (2) avoids creating unnecessary barriers that could discourage the development and adoption of technologies capable of enhancing audit quality. The PCAOB should evaluate guidance that has already been developed by other standard-setters, regulators, and stakeholders in this area (*e.g.*, COSO, FEI, UK FRC).

We also believe the PCAOB could benefit from establishing a dedicated working group focused on AI in the audit environment. The group could provide a structured forum for the Board to obtain timely input as AI tools and related audit methodologies continue to develop, including from various stakeholders in the financial reporting ecosystem (*e.g.*, auditors, preparers, audit committee members, investors, academics, technology professionals, and representatives of relevant regulatory or standard-setting bodies). Through that process, the PCAOB could better understand emerging practice issues, identify where existing standards may require clarification, and evaluate practical considerations associated with both auditor and management use of AI-enabled tools before determining whether guidance or future standard setting is needed.

The PCAOB might also explore whether a more formal process for identifying and addressing emerging implementation and practice issues would benefit stakeholders, such as the FASB's Emerging Issues Task Force (EITF) to promote consistency and provide stakeholders with greater clarity in a timely manner.

Potential areas for standard-setting projects

Fraud We support the PCAOB continuing to consider whether targeted updates or guidance may be appropriate related to fraud in light of changes in the business environment, including increased use of information technology, AI, automation, data analytics, complex third-party systems, and evolving fraud schemes. We support consideration of relevant developments in IAASB standard setting to promote consistency where appropriate, while preserving requirements necessary for the U.S. public company audit environment. Given the potential overlap between fraud-related auditor responsibilities and auditor responsibilities related to noncompliance with laws and regulations, we encourage the PCAOB to consider these projects concurrently to promote consistency in scope, terminology, and implementation expectations.

Noncompliance with laws and regulations. We support the PCAOB continuing to evaluate NOCLAR given stakeholder feedback that noncompliance with laws and regulations remains important to investor protection and audit quality. At the same time, any future project should be carefully scoped so that auditor responsibilities remain focused on matters that could reasonably have a material effect on the financial statements. The PCAOB should avoid creating expectations that would move the auditor into a broader legal, regulatory, or compliance monitoring role that is outside the purpose of a financial statement audit. We believe further research, stakeholder outreach, and consideration of existing PCAOB, SEC, and other relevant requirements would be appropriate before advancing broad standard-setting changes. In addition, as noted above, this project should be considered concurrently with fraud.

Auditor independence. We support a PCAOB project focused on improving alignment between PCAOB and SEC independence requirements, provided the project is carefully scoped to avoid duplicative, overlapping, or conflicting requirements. In our view, a project in this area would be most useful if it clarifies the interaction between PCAOB and SEC requirements and helps reduce complexity in application where possible.

No action recommended unless further research is performed

Critical audit matters. We support continued monitoring and, where appropriate, targeted research regarding implementation of the critical audit matters standard. Based on our experience, however, the existing standard is generally clear and meeting its intended purpose, and we would not prioritize a separate standard-setting project in this area absent evidence of a need for additional requirements. If the PCAOB identifies diversity in practice or concerns regarding the usefulness of CAM communications, we believe those matters may be better addressed initially through outreach, research, or targeted guidance rather than amendments to the standard.

Firm and engagement performance metrics. We do not believe the PCAOB should prioritize a standard-setting project related to firm or engagement performance metrics at this time. While transparency can be valuable when information is relevant, reliable, and appropriately contextualized, prescriptive metric requirements could create unintended consequences, including an overemphasis on measures that may not be directly correlated with audit quality. Consistent with the views expressed in our comment letter response to the original Firm and Engagement Metrics rule proposal, we believe audit committees are generally best positioned to evaluate engagement-specific information within the context of their oversight responsibilities and the particular facts and circumstances of the audit. Firms that choose to communicate information regarding their practices, processes, or performance should do so within a framework of quality control policies and governance processes designed to promote accuracy, reliability, and appropriate context, rather than through prescriptive PCAOB disclosure requirements. Further, standardized disclosure requirements could impose meaningful costs and administrative burdens for firms associated with collecting, maintaining, validating, and reporting the required information. In our view, those costs would likely outweigh the potential benefits.

Question 4

Any reconsideration of interim standards should be grounded in clear evidence of deficiencies in current standards, where the benefits have been weighed against the costs.

We believe going concern may be an appropriate standard-setting project because the current PCAOB standard is an interim standard that predates more recent financial reporting requirements for management's going concern assessment and related disclosures. A project in this area could provide an opportunity to better align the auditor's responsibilities under PCAOB standards with management's responsibilities under the applicable financial reporting framework. A project in this area also could provide an opportunity to consider alignment with recent work by the IAASB and ASB, while preserving requirements appropriate for audits performed under PCAOB standards.

Question 5

Comment periods should provide sufficient time for firms of varying sizes to evaluate proposed requirements, assess operational impacts, consult with engagement teams and subject matter specialists, and develop thoughtful feedback. At least 90 days should be the default comment period for significant PCAOB standard-setting proposals, with longer periods, such as 120 days, when the proposal is complex or overlaps with other major projects. The PCAOB should also consider the timing of issuance when establishing comment periods. For example, a 90-day comment period may be considerably less effective when a proposal is issued during year-end reporting, audit busy season, or other periods when stakeholder resources are more limited.

Question 6

Effective dates should provide firms of varying sizes with sufficient time to translate new requirements into methodology, tools, templates, training, consultation processes, quality control responses, and engagement-level supervision and review practices. Limited, targeted amendments may be implementable approximately 12 months after SEC approval, while more significant standards typically require more time, such as 18 to 24 months. Standards that require substantial changes to firm systems, technology resources, quality control processes, or documentation expectations may require 24 months or more, and in some cases phased implementation. The PCAOB should also consider the cumulative effect of overlapping standards and avoid effective dates that require firms to implement multiple significant changes within the same audit cycle.

Question 7

The PCAOB should explicitly assess economic benefits, costs, competitive effects, and unintended consequences as part of prioritizing potential standard-setting and research projects and other regulatory actions, including how any proposed action may affect smaller and mid-size firms. That assessment should consider not only direct implementation costs, but also the cumulative impact of new requirements on methodology development, technology changes, training, consultation resources, quality control processes, and engagement execution. Meaningful assessment of implementation costs, operational impacts, and unintended consequences requires direct outreach to and consultation with firms that will be responsible for implementing the requirements.

Data and Technology

Questions 8 through 10

As noted in our response to Questions 1 through 3, we believe the PCAOB's current standards remain fundamentally sound in an AI-enabled audit environment. Existing standards continue to provide an appropriate principles-based foundation with concepts that remain relevant regardless of whether audit procedures are performed manually or with the assistance of AI-enabled tools. Given the pace of technological change, we believe the application of those principles is best addressed through staff guidance, research, and stakeholder outreach rather than broad standard setting at this time.

Question 11

We believe auditor considerations related to digital assets are best addressed through staff guidance at this time, given the pace of change and the range of fact patterns that may arise. The PCAOB should consider existing guidance developed by stakeholders, including the AICPA, and perform outreach to identify areas where additional PCAOB guidance would be most beneficial. Potential focus areas include evaluating sufficient appropriate audit evidence for existence, rights and obligations, access to or control over private keys, transaction completeness, valuation, restrictions on assets, and the reliability of blockchain data. Guidance also should address considerations related to smart contracts, internal controls, specialists, and service organizations in the digital asset ecosystem.

Section II – Approach to Standard Setting

Question 12

We support development of a transparent conceptual framework for PCAOB standard setting. A well-designed framework could improve transparency, consistency, prioritization, and stakeholder engagement by explaining how the PCAOB identifies issues, evaluates evidence, considers alternatives, assesses costs and benefits, and determines whether standard setting, staff guidance, research, outreach, or other activities are appropriate. In doing so, we encourage the PCAOB to consider the best practices and approaches of other major standard setters.

A “Conceptual framework” may be interpreted to mean different things by different stakeholders. The PCAOB should define what the framework is and how the conceptual framework will be used to govern standard setting activities, which may include:

- Establishing transparent criteria for adding, removing, or reprioritizing projects based on evidence obtained through research, inspection findings, enforcement matters, advisory group feedback, investor input, market developments, concept releases, and other relevant sources of information.
- Describing how the PCAOB communicates the identified issue, including the problem to be addressed, and how the Board determined the appropriate course of action after evaluating the available evidence.
- Providing criteria for determining the range of potential responses to identified issues, including full-scope standard-setting projects, targeted amendments, staff guidance, direct outreach, virtual webinars, continued research, pilot programs, implementation guidance, or illustrative examples.

At the same time, the framework should preserve the Board’s ability to respond to emerging audit quality risks and should not become a checklist or process requirement that delays necessary action. The framework should be subject to public comment and should be designed to support better standard-setting decisions, not to create additional procedural burden.

The conceptual framework should also address the period after a standard is issued, including how the PCAOB will help promote consistent and effective application of new requirements. After adoption, firms and engagement teams often need practical resources to understand the Board’s expectations and apply new requirements across varied engagement circumstances. Tools such as staff guidance, practical examples, and educational sessions could help reduce unnecessary variation in practice. The PCAOB also should evaluate how recurring implementation questions can be shared more broadly with practitioners so that common issues are addressed in a consistent and timely manner. We support the PCAOB’s recent announcement of a consultation program and believe the Board could use that program to identify areas where additional staff guidance or other implementation support would be beneficial.

The framework also should contemplate a disciplined process for evaluating standards after they have been implemented. We recognize that the PCAOB performs post-implementation reviews, and we believe that process could serve an important function in identifying where firms and engagement teams would benefit from more timely guidance, clarification, or implementation support, in addition to evaluating whether the requirements remain appropriately scalable in practice or where targeted revisions may improve consistent execution. Including this feedback mechanism would support standards that remain effective, practical, and aligned with audit quality and investor protection objectives as market practices and audit methodologies evolve.

Question 13

Scalability should be a core qualitative characteristic of PCAOB standards. Standards should be capable of consistent application across engagements and firms of different sizes while allowing the nature, timing, and extent of procedures to respond to the risks, facts, and circumstances of the engagement. PCAOB standards should be linked to a demonstrated audit quality or investor protection need, clearly define auditor responsibilities, be responsive to risk, materiality, complexity, and engagement facts and circumstances, preserve professional judgment, and be capable of practical implementation and consistent inspection. The PCAOB should also consider whether standards will remain durable as technology and business practices evolve.

Questions 14 and 15

A conceptual framework should govern how standard-setting projects are pursued and prioritized based on demonstrated issues. We encourage the PCAOB to increase early-stage outreach before issuing proposals, including field testing, roundtables, and targeted discussions with firms and audit committees, and to enhance transparency by publishing feedback summaries that describe the input received and how it informed the Board's standard-setting decisions.

Economic analyses should evaluate expected audit-quality and investor-protection benefits in relation to the degree of change required in firm methodology, systems, technology, training, supervision, consultation, quality control processes, and engagement execution. These analyses should consider effects across firms of different sizes and business models, including smaller and mid-size firms that may have fewer resources to absorb multiple concurrent implementation efforts. The PCAOB also should consider the cumulative burden of overlapping standards and other regulatory demands, include practical implementation scenarios, and assess whether proposals could create barriers to entry or expansion in the issuer and broker-dealer audit markets.

Question 16

A conceptual framework should address alignment of PCAOB standards with those of other standard setters. Alignment should be treated as an important consideration, but not as an objective in itself. The PCAOB should align with other standard setters when doing so improves consistency, reduces unnecessary complexity, and supports high-quality execution of audits performed in accordance with PCAOB standards, while preserving the ability to establish PCAOB-specific requirements when warranted. The framework should include criteria for evaluating when differences are appropriate, including the PCAOB's statutory mission, SEC issuer and broker-dealer reporting requirements, integrated audit requirements, independence considerations, and the PCAOB inspection and enforcement environment.

Questions 17 through 21

Alignment should be considered prospectively as part of each future standard-setting project. Prospective alignment allows firms to incorporate changes into planned methodology updates and training cycles, while retrospective alignment could require firms to revisit standards that have already been implemented, increasing cost and execution risk without a clear incremental audit quality benefit.

The PCAOB should evaluate relevant developments at other standard setters, identify whether comparable requirements or concepts already exist, and explain whether alignment is appropriate in light of the PCAOB's investor protection mandate and the U.S. public company audit environment. Alignment, where appropriate, can reduce risk and cost for firms that maintain audit methodologies designed to support engagements performed under multiple auditing frameworks, including PCAOB standards, AICPA standards, and ISAs. Avoiding unnecessary differences in terminology, structure, and requirements can reduce the risk of inconsistent execution, training complexity, methodology maintenance costs, and engagement-level confusion, while still allowing the PCAOB to retain differences necessary for issuer and broker-dealer audits.

We support formal means for the PCAOB to work collaboratively with other standard setters when doing so would improve consistency and reduce unnecessary divergence. This could include recurring staff-level meetings, joint or coordinated roundtables, project coordination plans, and mapping proposed PCAOB requirements to comparable international requirements so stakeholders can understand where requirements align, differ, or intentionally diverge. Where divergence is necessary, the PCAOB should clearly explain the rationale and, where possible, preserve alignment in terminology, structure, and core concepts.

Section III – Potential Impact of Optional Semiannual Reporting on AS 6101

Questions 22 through 24

We do not believe amendments to AS 6101 are necessary to accommodate optional semiannual reporting, as the current standard provides a framework that can be applied based on the timing of the auditor's most recent audit or review procedures and the circumstances of the requested comfort letter. The existing 135-day limitation has historically served as a guardrail linking the auditor's assurance to a relatively recent period that has been subject to audit or review procedures. As the period from the most recent audit or review increases, the risk of significant transactions, events, changes in internal control, or changes in the issuer's financial condition occurring during the intervening period also increases, which could affect the auditor's ability to provide meaningful negative assurance.

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Conclusion

In closing, we appreciate the Board's willingness to gather stakeholder feedback on its standard-setting and research agenda and on potential improvements to the standard-setting process. We believe this dialogue is important to ensuring that PCAOB standards continue to promote audit quality and investor protection while remaining principles-based, scalable, and capable of effective implementation by firms serving issuers and broker-dealers of varying size and complexity. We encourage the Board to continue engaging with firms, investors, audit committees, issuers, broker-dealers, and other stakeholders as it evaluates potential future projects.

We appreciate the opportunity to comment and are pleased to discuss any questions the Board or its staff may have concerning our comments. If you have any questions related to this response and would like to discuss further, please email Angela Donnelly, Professional Standards Group Partner, at Angela.Donnelly@us.forvismazars.com, or Will Neeriemer, Chief Quality Officer, at Will.Neeriemer@us.forvismazars.com.

Regards,

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