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# Request for Public Comment on PCAOB Standard Setting

PCAOB Release No. 2026-005  
June 23, 2026

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## SUMMARY

The Public Company Accounting Oversight Board (“PCAOB” or “the Board”) is seeking public comment on (1) updating the [standard-setting and research agendas](#), (2) revisiting our approach to standard setting, and (3) considering the impact of the recent proposal by the U.S. Securities and Exchange Commission (“SEC”) regarding semiannual reporting. These matters are discussed below in sections entitled *Standard-Setting and Research Activities*, *Approach to Standard Setting*, and *Potential Impact of Recent SEC Proposal to Allow Optional Semiannual Reporting*. This Request for Public Comment on PCAOB Standard Setting (“Standard Setting RFC”) is designed to promote transparency and help ensure that the PCAOB’s standard-setting and research priorities take into account stakeholder views. In relation to potentially revisiting our approach to standard setting, we are interested in stakeholder views about the need for, priority of, and potential scope of such an undertaking.

All interested parties are encouraged to comment. Comments should be submitted through one of the following methods:

- By email – [comments@pcaobus.org](mailto:comments@pcaobus.org);
- Through the PCAOB’s website – [www.pcaobus.org](http://www.pcaobus.org); or
- By postal mail – Office of the Secretary, PCAOB, 1666 K Street, NW, Washington, DC 20006-2803.

All comments should refer to “*Request for Public Comment on PCAOB Standard Setting*” on the subject or reference line and should be submitted no later than **August 7, 2026**. All comments received in response to this Standard Setting RFC will be made available to the public and posted on the PCAOB website.

Questions regarding this Standard Setting RFC should be directed to: Barbara Vanich, Chief Auditor, Office of the Chief Auditor (202/207-9363, [vanichb@pcaobus.org](mailto:vanichb@pcaobus.org)); or to Dima Andriyenko, Deputy Chief Auditor, Office of the Chief Auditor (202/207-9130, [andriyenkod@pcaobus.org](mailto:andriyenkod@pcaobus.org)).

# 1. STANDARD-SETTING AND RESEARCH ACTIVITIES

## Introduction

In support of the PCAOB’s mission to protect investors and further the public interest in the preparation of informative, accurate, and independent audit reports, we seek to establish and maintain high-quality auditing and related professional practice standards for audits of public companies and registered broker-dealers (“PCAOB standards”).

As part of establishing and maintaining PCAOB standards, the PCAOB considers current and emerging audit issues and determines the need for engaging in standard setting or conducting research on standards-related issues.

On March 31, 2026, the PCAOB issued a [request for public comment](#) on PCAOB strategic priorities (“Strategic Priorities RFC”),<sup>1</sup> which sought feedback to help inform the development of the PCAOB’s 2026-2030 Strategic Plan and guide the PCAOB’s focus areas for future standard-setting activities.

Having considered the [comments received](#),<sup>2</sup> the PCAOB is issuing this Standard Setting RFC to seek further input on certain aspects of developing our standard-setting and research agendas. While we have developed specific questions for feedback, commenters should feel free to provide any views they believe would be helpful for the Board to consider in developing our standard-setting and research agendas. Commenters may also provide views on any rulemaking activities they believe should be considered by the PCAOB.<sup>3</sup>

This Standard Setting RFC has also been informed by our engagement with investors and other stakeholders through the PCAOB’s advisory groups; discussions with SEC staff; activities of other regulators and standard setters; and other relevant information. In addition, the Strategic Priorities RFC was discussed in the respective public meetings of the PCAOB’s Investor Advisory

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<sup>1</sup> See Request for Public Comment, *PCAOB Strategic Priorities*, PCAOB No. 2026-001 (March 31, 2026), available on the PCAOB’s website at <https://pcaobus.org/about/strategic-plan-budget>.

<sup>2</sup> The comment letters received are available on the PCAOB’s website at <https://pcaobus.org/about/strategic-plan-budget/public-comments-on-pcaob-strategic-priorities>.

<sup>3</sup> The current standard-setting, research, and rulemaking agendas reflect ongoing staff activities, including: (i) considering targeted changes to QC 1000, *A Firm’s System of Quality Control*, (ii) considering amendments to PCAOB auditing standards to align with proposed SEC amendments to periodic reporting requirements, (iii) continuing the PCAOB’s data and technology research project, and (iv) finalizing a broker-dealer inspection program. While this Standard Setting RFC does not specifically seek comment on all of these topics, ongoing staff activities include the consideration of comments received on these topics in response to the Strategic Priorities RFC.

Group (“IAG”)<sup>4</sup> on April 29, 2026,<sup>5</sup> and the PCAOB’s Standards and Emerging Issues Advisory Group (“SEIAG”)<sup>6</sup> on May 6, 2026.<sup>7</sup>

## Determining Standard-Setting and Research Priorities

Comments submitted in response to the Strategic Priorities RFC by more than 50 commenters, representing a diverse group of stakeholders, including investors and investor advocates, audit firms, academics, professional groups, and individuals, identified approximately 20 topics for the PCAOB to consider in determining priorities for standard setting and research.

Among other things, we considered the comments received and identified potential focus areas for standard-setting and research activities. Table 1 below discusses the potential focus areas and our views on the potential scope of activities should the PCAOB determine to pursue standard setting or research in these areas.

We took into account, for example, how frequently certain areas were raised by commenters and any themes across comment letters regarding the rationale for or scope of standard setting or research in a given area. While the areas described in the below table featured prominently in the comments received, not all commenters supported standard setting or research in these areas, and not all commenters addressed these areas. Accordingly, we are seeking additional stakeholder feedback regarding these areas, and PCAOB standard-setting and research priorities in general, through the questions listed below.

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<sup>4</sup> IAG advises the PCAOB on various matters including matters related to the auditing profession of concern to investors, provides the Board with investors’ perspectives on current regulatory issues, and serves as a source of information, views, perspectives, and recommendations to the Board on matters regarding the PCAOB’s oversight activities from the point of view of investors. See <https://pcaobus.org/about/advisory-groups/investor-advisory-group>.

<sup>5</sup> A playback of the live IAG meeting is available on the PCAOB’s website (see <https://pcaobus.org/news-events/events/event-details/pcaob-investor-advisory-group-meeting-april-2026>).

<sup>6</sup> SEIAG advises the PCAOB on various matters including standards and matters other than standards, such as emerging issues, that are of significance to the PCAOB in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports. See <https://pcaobus.org/about/advisory-groups/standards-and-emerging-issues-advisory-group>.

<sup>7</sup> A playback of the live SEIAG meeting is available on the PCAOB’s website (see <https://pcaobus.org/news-events/events/event-details/pcaob-standards-and-emerging-issues-advisory-group-meeting-may-2026>).

**Table 1 – Potential Focus Areas**

Potential Focus Area Identified by PCAOB	PCAOB’s Views on Potential Scope of Standard-Setting and Research Activities
<b>Data and Technology</b> <sup>8</sup>	<p>Consider changes related to data and technology, including artificial intelligence and digital assets, as a critical emerging issue relevant to the development of the PCAOB’s strategic priorities.</p> <p>(Data and Technology is a project on the PCAOB’s current research agenda.<sup>9</sup> Refer to the next section for further discussion of this topic.)</p>
<b>Fraud</b> <sup>10</sup>	<p>Consider whether AS 2401, <i>Consideration of Fraud in a Financial Statement Audit</i>, should be revised and, if so, how.</p> <ul style="list-style-type: none"> <li>• Consider how AS 2401 could better align an auditor’s responsibilities for addressing intentional acts that result in material misstatements in financial statements with the auditor’s risk assessment, including addressing matters that may arise from developments in the use of technology.</li> <li>• Consider how ISA 240 (Revised), <i>The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements</i>, which was revised by the International Auditing and Assurance Standards Board (“IAASB”) in 2025, could be leveraged in considering amendments to AS 2401.</li> <li>• Consider potential amendments to AS 2401 in conjunction with potential amendments to AS 2405, <i>Illegal Acts by Clients</i> (see “Noncompliance with Laws and Regulations” below), given the interrelationship between the two topics.</li> </ul>

<sup>8</sup> More than 40 comment letters from a diverse group of stakeholders, including investors and investor advocates, audit firms, academics, companies, professional groups, and individuals included discussion related to one or more aspects of technology; therefore, individual letters are not cited herein.

<sup>9</sup> See <https://pcaobus.org/oversight/standards/standard-setting-research-projects>.

<sup>10</sup> Comment letters mentioning this area include, e.g., letters from AICPA (May 15, 2026); California State Teachers’ Retirement System (May 15, 2026) (“CALSTRS”); CPA Club Inc. (May 14, 2026); Grant Thornton LLP (May 15, 2026) (“GT”); KPMG LLP (May 14, 2026) (“KPMG”); Members of the Audit Committee Council (May 11, 2026) (“ACC”); and R.G. Associates, Inc. (May 1, 2026).

Potential Focus Area Identified by PCAOB	PCAOB’s Views on Potential Scope of Standard-Setting and Research Activities
<b>Critical Audit Matters<sup>11</sup></b>	<p>Consider whether AS 3101, <i>The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion</i>, should be revised in respect of critical audit matters (“CAMs”) and, if so, how.</p> <ul style="list-style-type: none"> <li>• Perform further research to understand why there has continued to be a decrease in the average number of CAMs included in the auditor’s report over time and determine if enhancements to the information reported through CAMs may be warranted.</li> <li>• Evaluate whether there is a need for guidance, changes to PCAOB standards, or other regulatory action to address these matters.</li> <li>• Perform further research in response to stakeholders’ views that some areas that are particularly challenging to audit may fall outside the definition of what constitutes a CAM.</li> </ul>
<b>Noncompliance with Laws and Regulations<sup>12</sup></b>	<p>Consider whether AS 2405, <i>Illegal Acts by Clients</i>, should be revised and, if so, how.</p> <ul style="list-style-type: none"> <li>• Consider stakeholder feedback regarding the 2023 standard-setting proposal on noncompliance with laws and regulations.</li> <li>• Consider the requirements of other standard setters when considering amendments to AS 2405.</li> <li>• Consider potential amendments to AS 2405 in conjunction with potential amendments to AS 2401 (see</li> </ul>

<sup>11</sup> Comment letters mentioning this area include, e.g., letters from American Bankers Association (May 15, 2026) (“ABA”); Americans for Financial Reform Education Fund (May 15, 2026) (“AFREF”); ASML Netherlands B.V. (May 11, 2026); Jathin Bandari, M.D. (April 9, 2026); Council of Institutional Investors (May 15, 2026) (“CII”); International Corporate Governance Network (May 13, 2026) (“ICGN”); Members of the Investor Advisory Group (May 13, 2026) (“MIAG”); and S&P Global Ratings (April 23, 2026).

<sup>12</sup> Comment letters mentioning this area include, e.g., letters from Ernst & Young LLP (May 15, 2026) (“EY”); Investment Company Institute (May 15, 2026) (“ICI”); PricewaterhouseCoopers LLP (May 13, 2026) (“PwC”); Tapestry Networks (May 15, 2026) (“Tapestry”); Texas Society of Certified Public Accountants (May 11, 2026) (“TXCPA”); The Center for Audit Quality (May 11, 2026) (“CAQ”); U.S. Chamber of Commerce (May 15, 2026) (“Chamber”); ACC; CALSTRS; GT; and KPMG.

Potential Focus Area Identified by PCAOB	PCAOB’s Views on Potential Scope of Standard-Setting and Research Activities
	“Fraud” above), given the interrelationship between the two topics.
<b>Firm and Engagement Performance Metrics<sup>13</sup></b>	<p>Consider whether to pursue amendments to rules and reporting forms to require the reporting of specified firm-level metrics and/or specified engagement-level metrics and, if so, how.</p> <ul style="list-style-type: none"> <li>Consider whether further research, including additional outreach to audit committees and investors, would be beneficial to understand what specified metrics, if any, about audit firms and individual audits would, if publicly reported, advance investor protection and promote public interest.</li> <li>Perform additional outreach to firms (i) to further understand the cost of public reporting of metrics; and (ii) to identify metrics that are most consistently determined and monitored by firms and that would be strong indicators of audit quality.</li> </ul>
<b>Auditor Independence<sup>14</sup></b>	<p>Consider whether to update the interim ethics and independence standards and, if so, how.</p> <ul style="list-style-type: none"> <li>Consider whether the interim ethics and independence standards, as adopted upon the establishment of the PCAOB, are necessary to retain in their current form, given the potential overlap with provisions in SEC’s Rule 2-01 of Regulation S-X.</li> <li>Consider whether other amendments are necessary to the PCAOB’s independence rules.</li> </ul>

Other topics discussed by commenters include materiality, use of specialists, audit committee communications, auditing internal controls, going concern, substantive analytical procedures, auditing estimates, inventory, use of service organizations, use of internal auditors, the auditor’s report, attestation standards, and the structure and governance of accounting firms. While one or more commenters recommended focusing PCAOB’s standard-setting or research

<sup>13</sup> Comment letters mentioning this area include, e.g., letters from Eldar Maksymov et al. (May 15, 2026); Lark Research (May 15, 2026); Robert A. Conway (May 15, 2026); AFREF; CALSTRS; CAQ; CII; ICGN; ICI; MIAG; PwC; and TXCPA.

<sup>14</sup> Comment letters mentioning this area include, e.g., letters from Deloitte & Touche LLP (May 15, 2026) (“Deloitte”); ACC; CAQ; EY; KPMG; and Tapestry.

activities in these areas, these topics were not identified by us as potential focus areas. In addition, some commenters encouraged the PCAOB to prioritize modernization of the remaining “interim” PCAOB standards.<sup>15</sup> Some of these topics could be relevant to our research on data and technology discussed below.

### ***Questions for Commenters***

**Question 1** – Do you believe that the PCAOB should focus our standard-setting and research activities in areas discussed in the table above? How would you approach these areas (e.g., conduct further research, issue staff guidance, or advance to standard setting)? How would you prioritize these areas? Are there areas not listed in the table above that the PCAOB should prioritize?

**Question 2** – Do you have any views not previously shared regarding the scope and objectives of potential standard setting or research in areas discussed in the table above? If yes, what specifically should the PCAOB focus on in each of these areas?

**Question 3** – In areas where you believe issuing staff guidance would be preferable to amending PCAOB standards, what matters should guidance specifically address?

**Question 4** – In addition to performing standard-setting or research activities in the potential focus areas, should the PCAOB undertake modernization of the remaining “interim” PCAOB standards (including those discussed by commenters, e.g., going concern, inventory, use of service organizations, use of internal auditors)? If the standards were to be updated on an individual basis, which standards should we prioritize?

**Question 5** – Some users of PCAOB standards have expressed concern about the accelerated pace of standard setting and length of comment periods to react to proposals. What would be the preferred length of comment periods to enable stakeholders to fully analyze and respond to proposals? What factors should be taken into account when determining the length of the comment period?

**Question 6** – When setting the effective dates of new standards, what factors should be taken into account to provide a sufficient period of time for implementation? Recognizing that implementation timelines will vary depending on the nature and complexity of a standard, what range of time do firms typically need to implement a new standard, including updating audit methodologies and technological resources and training staff?

**Question 7** – When prioritizing potential standard-setting or research projects, including those outlined above, how and to what degree should the PCAOB consider economic

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<sup>15</sup> In April 2003, the Board adopted, on an interim basis, certain standards of the American Institute of Certified Public Accountants (collectively, the “interim standards”). A number of these standards have since been updated or replaced through the Board's standard-setting initiatives. The remaining interim standards, which are listed in a table in Appendix 1 for reference, continue to be in effect substantially in the form adopted. The PCAOB's 2022 – 2026 Strategic Plan included a goal of modernizing standards including interim standards.

benefits, costs, competitive effects, and unintended consequences? Should such analyses involve an assessment of how any regulatory action may affect smaller firms, including potential barriers to entry or scalability concerns?

## Data and Technology

### Artificial Intelligence<sup>16</sup>

In response to the Strategic Priorities RFC, AI-related views were provided by a wide range of commenters including academics, auditors, investors, preparers, and professional groups.<sup>17</sup> The commenters noted that AI is changing how audits are performed, including how audit evidence is generated and evaluated, and recommended that AI-related developments be addressed by the PCAOB.

For example, commenters suggested addressing the impact of the company's use of AI on identifying and assessing the risk of material misstatement, auditing internal controls, and determining what constitutes sufficient appropriate audit evidence. In addition, commenters suggested addressing documentation of AI-assisted audit procedures and the extent of human involvement in and supervision of such work; they also cautioned against deploying AI-enabled audit tools without the necessary governance and relying on the output of such tools without appropriate human review. There was no consensus about whether AI-related developments should be addressed through staff guidance or standard setting.

We acknowledge that many commenters provided detailed views on AI-related matters in response to the Strategic Priorities RFC. Having considered the commenters' views, we are soliciting further input in this Standard Setting RFC, in Questions 8 through 10 below, regarding certain aspects of potential PCAOB standard-setting and research activities relating to AI. Additional detailed input would enable the PCAOB to more precisely calibrate the scope of our activities in this area. Commenters whose letters in response to the Strategic Priorities RFC already address items discussed in these questions need not repeat their responses.

As noted above, the PCAOB has an existing Data and Technology research project designed to assess whether there is a need for guidance, changes to PCAOB standards, or other regulatory actions in light of the increased use of technology-based tools by auditors and preparers. We plan to consider relevant AI-related developments in this research project.

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<sup>16</sup> Artificial Intelligence ("AI") was discussed in the respective public meetings of the IAG on April 29, 2026 and the SEIAG on November 5, 2025. Playbacks of the live IAG and SEIAG meetings are available on the PCAOB's website (see <https://pcaobus.org/news-events/events/event-details/pcaob-investor-advisory-group-meeting-april-2026> and <https://pcaobus.org/news-events/events/event-details/pcaob-standards-and-emerging-issues-advisory-group-meeting-november-2025>, respectively).

<sup>17</sup> See, e.g., letters from Auditing Standards Committee of the Auditing Section of the American Accounting Association (May 11, 2026); Baker Tilly US, LLP (May 15, 2026); BDO USA, P.C. (May 15, 2026) ("BDO"); Financial Executives International Committee on Corporate Reporting (May 15, 2026) ("FEI CCR"); Jake Sigler, Ph.D. (May 5, 2026); Chamber; CII; Deloitte; GT; KPMG; PwC; and Tapestry.

### Questions for Commenters

**Question 8** – In your view, should the PCAOB pursue standard setting and research to address the matters previously identified by commenters (e.g., addressing the impact of the use of AI on identifying and assessing the risk of material misstatement, auditing internal controls, determining what constitutes sufficient appropriate audit evidence, documentation, supervision, and governance of AI-enabled tools)? Alternatively, are these matters best addressed through the issuance of staff guidance?

**Question 9** – In light of rapid advancements in data and technology, including AI, are there additional matters the PCAOB should consider addressing?

**Question 10** – Are there specific areas of the PCAOB’s current standards that you believe are not fit for purpose in an AI environment? If so, what are those areas and what changes may be necessary to address the impact of AI on auditing?

### Digital Assets

In response to the Strategic Priorities RFC, some commenters recommended that the PCAOB address certain matters relating to digital assets.<sup>18</sup> The matters were generally consistent with those discussed in 2025 by the PCAOB’s SEIAG,<sup>19</sup> including access, ownership, control, and testing the existence of digital assets when they are held by a third party.<sup>20</sup> There was no consensus among commenters, however, about whether these matters should be addressed through staff guidance or standard setting.

### Question for Commenters

**Question 11** – Do you believe there is a need for the PCAOB to address this topic? If so, should the PCAOB pursue standard setting and research to address matters related to auditing digital assets (e.g., access, ownership, control, and existence when held by a third party)? Alternatively, are these matters best addressed through the issuance of staff guidance? In addition to matters discussed in comments provided on the Strategic

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<sup>18</sup> See, e.g., letters from Auditchain Labs AG (May 12, 2026); Johnson Global Advisory (May 15, 2026); National Association of State Boards of Accountancy (May 12, 2026); Pennsylvania Institute of Certified Public Accountants (May 12, 2026); BDO; and PwC.

<sup>19</sup> Digital assets including cryptocurrency was discussed at the November 5, 2025 meeting of the PCAOB’s SEIAG. A playback of the live SEIAG meeting is available on the PCAOB’s website (see <https://pcaobus.org/news-events/events/event-details/pcaob-standards-and-emerging-issues-advisory-group-meeting-november-2025>).

<sup>20</sup> In addition, matters relating to auditing guidance and standards in this area were discussed in the report of the President’s Working Group on Digital Asset Markets (see The White House, [Strengthening American Leadership in Digital Financial Technology](#) 59 (2025)) and [written input](#) submitted to the Crypto Task Force of the U.S. Securities and Exchange Commission (see, e.g., [Center for Audit Quality](#) (May 2, 2025); [Deloitte & Touche LLP](#) (May 7, 2025); [Ernst & Young U.S. LLP](#) (May 28, 2025); [KPMG LLP](#) (April 24, 2025); and [PricewaterhouseCoopers LLP](#) (May 2, 2025)).

Priorities RFC, what questions should be specifically addressed through either guidance or standard setting?

## 2. APPROACH TO STANDARD SETTING

### Introduction

The Sarbanes-Oxley Act directs the Board to establish auditing and related professional practice standards for registered public accounting firms to follow in the preparation of audit reports for public companies, other issuers, and broker-dealers. In addition to discussing areas for PCAOB standard setting and research (see *Standard-Setting and Research Activities* above), commenters on the Strategic Priorities RFC provided views on various aspects of the PCAOB's existing standard-setting process including priorities, approach, and stakeholder involvement.

### Conceptual Framework

Taking into account comments received and other considerations, we are weighing whether to develop a conceptual framework for PCAOB standard setting. A conceptual framework could promote greater transparency, consistency of standards, and efficient use of our resources. In addition, within a conceptual framework, we could articulate a structured, principles-based approach to standard setting—similar to those of certain other auditing and accounting standard setters—while remaining firmly grounded in the PCAOB's statutory mandate to protect investors and further the public interest in the preparation of informative, accurate, and independent audit reports.<sup>21</sup>

As a means of furthering the Board's statutory mandate, the framework could define an objective of PCAOB standard setting as enhancing audit quality and the reliability of audit reports by establishing clear, enforceable, and risk-focused requirements for auditor performance, while also setting out core qualitative characteristics of effective standards (e.g., clarity, operability, scalability, and inspectability). The framework could also help us establish the optimal level of prescriptiveness of our standards.

Further, taking into account the PCAOB's statutory authority, the framework could also clarify how the PCAOB considers alignment with other standard setters where appropriate but not at the expense of U.S. legal and regulatory requirements (see *Areas of Potential Alignment with International Auditing Standards* below). In addition, the SEC could leverage the PCAOB's conceptual framework when evaluating quality and consistency across PCAOB standard-setting projects in connection with its oversight activities.

### Standard-Setting Process

Commenters on the Strategic Priorities RFC indicated that stakeholders would value more transparency regarding the PCAOB standard-setting process, including criteria used to prioritize standard-setting projects, key considerations for determining whether to issue staff guidance or

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<sup>21</sup> See, e.g., letters from BDO; KPMG; and RSM US LLP (May 15, 2026) ("RSM").

amend PCAOB standards, stakeholder engagement in standard-setting activities, and evaluating and addressing stakeholder feedback.<sup>22</sup> In light of this feedback, we are considering establishing explicit criteria for identifying and prioritizing projects based on evidence from oversight activities, investor impact, and stakeholder input, and a consistent approach for evaluating alternatives (e.g., standard setting vs. guidance).

By doing so, we could promote transparency, consistency, objectivity, and timeliness in our decision making while helping ensure that PCAOB standard setting remains appropriately scoped, evidence-based, and anchored in its investor protection and public interest mission.

With additional transparency and insight into the PCAOB's standard-setting process, stakeholders could feel more empowered to provide more timely input, thus expanding the PCAOB's means for identifying and addressing stakeholder concerns before a new standard is finalized and adopted by the Board.

## Other Standard Setters

A number of other auditing and accounting standard-setting bodies have published frameworks that they use to guide their approach to standard setting. However, we have observed that there is diversity in how such frameworks are structured, documented, and adopted by various jurisdictions. As we consider revising our own approach to standard setting, we will continue to study key elements in frameworks of other standard setters, including IAASB, AICPA's Auditing Standards Board ("ASB"), Canada AASB, Australia AUASB, UK FRC, and FASB.

### Questions for Commenters

**Question 12** – Should we develop and adopt a conceptual framework for PCAOB standard setting? What would be the advantages and disadvantages of establishing such a framework?

**Question 13** – What qualitative characteristics should be considered when developing PCAOB standards that could be included in a new framework?

**Question 14** – How should a conceptual framework be integrated with the PCAOB [standard-setting process](#) and what improvements, if any, could be made to the standard-setting process?

**Question 15** – The PCAOB conducts economic analysis and gathers stakeholder input, both before and after our standards take effect.<sup>23</sup> Should a conceptual framework include criteria or factors for evaluating economic benefits, costs, competitive effects, and unintended consequences? If so, what criteria or factors should be considered for inclusion?

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<sup>22</sup> See, e.g., letters from Agentic CPA Inc. (May 14, 2026); Dennis R. Beresford, CPA (April 3, 2026); CBIZ CPAs P.C. (May 15, 2026); Forvis Mazars, LLP (May 15, 2026); Yount, Hyde & Barbour, P.C. (May 15, 2026); ABA; BDO; CAQ; Chamber; CII; Deloitte; EY; FEI CCR; GT; ICI; KPMG; MIAG; PwC; and RSM.

<sup>23</sup> See [https://assets.pcaobus.org/pcaob-dev/docs/default-source/documents/pcaob-use-economic-analysis-stakeholder-spotlight.pdf?sfvrsn=9cb7e4d0\\_2](https://assets.pcaobus.org/pcaob-dev/docs/default-source/documents/pcaob-use-economic-analysis-stakeholder-spotlight.pdf?sfvrsn=9cb7e4d0_2).

**Question 16** – Should a conceptual framework address alignment of PCAOB standards with those of other standard setters?

## Areas of Potential Alignment with International Auditing Standards

The IAASB sets international standards for auditing, assurance, and quality management.<sup>24</sup> PCAOB oversight activities indicate that certain aspects of audit methodologies of some public accounting firms registered with the PCAOB (particularly some of the largest firms that belong to global networks) are based substantially on the requirements of IAASB standards and include certain other procedures for audits conducted under PCAOB or other standards. As a general practice, the PCAOB has historically considered the analogous IAASB standards in our standard-setting activities.

The Strategic Priorities RFC asked about aligning PCAOB standards with international auditing standards. Overall, commenters were supportive of greater alignment with IAASB standards where appropriate, especially where unnecessary divergence between requirements and definitions can be avoided. Commenters also encouraged the PCAOB to seek earlier and deeper engagement with the IAASB, as well as with the ASB, throughout the standard-setting cycle as a way to reduce unnecessary divergence.

The PCAOB is considering greater alignment between PCAOB standards and those of other standard setters to the extent appropriate. Nevertheless, we note that certain differences between PCAOB standards and other standards may continue to be necessary to:

- Consider relevant requirements of U.S. federal securities law, including SEC regulations, and other PCAOB standards and rules;
- Meet the needs of investors in U.S. publicly listed companies;
- Retain requirements in current PCAOB standards that are not covered in standards of other standard setters; and
- Address specific emerging risks and problems observed through our oversight activities that impact U.S. public companies and registered broker-dealers.

We plan to consider alignment with standards of other standard setters while considering a framework for PCAOB standard setting. In particular, we plan to consider whether such a framework should address situations where:

- i. Another standard setter is concurrently working on a similar standard-setting project;
- ii. Another standard setter has already addressed a similar matter through prior standard setting or guidance; or
- iii. Neither the PCAOB nor another standard setter has recently addressed the matter through standard setting or guidance.

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<sup>24</sup> See <https://www.iaasb.org/about-iaasb>.

**Questions for Commenters**

**Question 17** – What topics should be the highest priority for alignment and why? Should alignment with IAASB standards be given higher priority than alignment with standards of other standard setters and why?

**Question 18** – Should alignment be considered prospectively, i.e., when conducting future standard-setting projects, or should the PCAOB also examine previously completed standard-setting projects to determine if additional alignment would be feasible and appropriate? Should the PCAOB prioritize aligning its standard-setting agenda with those of other standard setters (as opposed to seeking to align specific standards)?

**Question 19** – Should the PCAOB establish formal means to work collaboratively with other standard setters, such as seeking to develop certain projects jointly?

**Question 20** – In addition to potential differences between PCAOB standards and those of other standard setters that are mentioned above, are there any other reasons for potential divergence between PCAOB standards and those of other standard setters that may be necessary to consider?

**Question 21** – Would alignment with international standards create any unique challenges or have disproportionate impact on smaller firms (e.g., costs to change guidance, policies and procedures, training)?

### 3. POTENTIAL IMPACT OF RECENT SEC PROPOSAL TO ALLOW OPTIONAL SEMIANNUAL REPORTING

On May 5, 2026, the SEC proposed rule and form amendments that, if adopted, would give public companies the option of filing semiannual reports in lieu of quarterly reports to meet their interim reporting obligations under the federal securities laws (“SEC Proposal”).<sup>25</sup> Under the SEC Proposal, the existing financial statement requirements for periodic reports, registration statements, and proxy statements in Regulation S-X that govern the age of financial statements would be simplified and amended to reflect the new semiannual reporting option.<sup>26</sup>

AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*, addresses the auditor’s responsibilities for performing engagements to issue comfort letters. Certain provisions of AS 6101, specifically those that establish limitations on the auditor’s ability to provide negative assurance on subsequent changes in specified financial statement items, are based on the most recent audited or reviewed period and the existing SEC requirements for determining the age of financial statements, which assumes a quarterly filing cadence, and would change if the SEC Proposal were adopted. In conjunction with the SEC Proposal, the PCAOB is considering whether to make narrow, conforming amendments to AS 6101 to accommodate the changes the SEC may adopt to its reporting requirements.<sup>27</sup>

#### **Questions for Commenters**

**Question 22** – Under AS 6101, auditors may provide negative assurance regarding subsequent changes in specified financial statement line items as of a date less than 135 days from the end of the most recent period for which an audit or review has been performed. In light of the SEC’s proposed revisions to the rules regarding the age of financial statements, should AS 6101 provisions related to negative assurance be amended?

**Question 23** – If narrow, conforming amendments related to the negative assurance provisions of AS 6101 were to be considered, should we, for example permit the auditor to provide such negative assurance as of a date subsequent to the end of the most recent audited or reviewed period *and prior to the next date that the issuer is required to file periodic financial statements*? Would establishing a permissible period for providing negative assurance that is based on the issuer’s next required financial statement reporting date, rather than the existing 135-day threshold, give rise to

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<sup>25</sup> See SEC Proposal on *Semiannual Reporting*, SEC Rel. No. 33-11414 (May 5, 2026). <https://www.sec.gov/files/rules/proposed/2026/33-11414.pdf>.

<sup>26</sup> See Fact Sheet, *Semiannual Reporting*, [33-11414-fact-sheet.pdf](#).

<sup>27</sup> The SEC Proposal seeks comment on whether the nature and extent of procedures performed in an interim review would need to change as a result of the proposed changes to reporting requirements (Question 24). The PCAOB will consider these comments in determining whether amendments to AS 4105, *Reviews of Interim Financial Information*, are warranted, should the SEC adopt the changes, as proposed.

unintended consequences? Is a longer period during which negative assurance is permitted appropriate for a semi-annual filer vs. a quarterly filer? Should there be different limitations on the period during which negative assurance is available depending on whether the next period is subject to an audit or a review? What alternative approaches, if any, should the PCAOB consider?

**Question 24** – Under AS 6101, auditors are limited to reporting procedures performed and findings obtained—and may not provide negative assurance—as to subsequent changes in specified financial statement items as of a date 135 days or more subsequent to the end of the most recent period for which an audit or review has been performed. If AS 6101 is amended to permit the auditor to provide negative assurance as of a date up to the issuer’s next required financial statement reporting date (as described in Question 23), the existing limitation will no longer apply. Are there circumstances that should limit the auditor’s ability to provide negative assurance as to subsequent changes in specified financial statement items? Should those circumstances be addressed in the standard? If so, how?

## APPENDIX 1

The following interim standards<sup>28</sup> are currently in effect substantially in the form adopted:

PCAOB Interim Standards
AS 2305, <i>Substantive Analytical Procedures</i>
AS 2315, <i>Audit Sampling</i>
AS 2401, <i>Consideration of Fraud in a Financial Statement Audit</i>
AS 2405, <i>Illegal Acts by Clients</i>
AS 2415, <i>Consideration of an Entity's Ability to Continue as a Going Concern</i>
AS 2505, <i>Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments</i>
AS 2510, <i>Auditing Inventories</i>
AS 2601, <i>Consideration of an Entity's Use of a Service Organization</i>
AS 2605, <i>Consideration of the Internal Audit Function</i>
AS 2610, <i>Initial Audits – Communications Between Predecessor and Successor Auditors</i>
AS 2705, <i>Required Supplementary Information</i>
AS 2710, <i>Other Information in Documents Containing Audited Financial Statements</i>
AS 2801, <i>Subsequent Events</i>
AS 2805, <i>Management Representations</i>
AS 2905, <i>Subsequent Discovery of Facts Existing at the Date of the Auditor's Report</i>
Standards related to auditor reporting in specified circumstances: AS 3105, <i>Departures from Unqualified Opinions and Other Reporting Circumstances</i> ; AS 3305, <i>Special Reports</i> ; AS 3310, <i>Special Reports on Regulated Companies</i> ; AS 3315, <i>Reporting on Condensed Financial Statements and Selected Financial Data</i> ; AS 3320, <i>Association with Financial Statements</i>
AS 3110, <i>Dating of the Independent Auditor's Report</i>
AS 4101, <i>Responsibilities Regarding Filings Under Federal Securities Law</i>

<sup>28</sup> Interpretations of the interim standards have not been included in Appendix 1 for brevity.

## PCAOB Interim Standards

AS 4105, *Reviews of Interim Financial Information*

AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*

AS 6105, *Reports on the Application of Accounting Principles*

AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*

Interim Attestation Standards: AT Section 101, *Attest Engagements*; AT Section 201, *Agreed-Upon Procedures Engagements*; AT Section 301, *Financial Forecasts and Projections*; AT Section 401, *Reporting on Pro Forma Financial Information*; AT Section 601, *Compliance Attestation*; and AT Section 701, *Management's Discussion and Analysis*

Interim Ethics and Independence Standards: ET Section 101, *Independence*; ET Section 191, *Ethics Rulings on Independence, Integrity, and Objectivity*; ISB No. 2, *Certain Independence Implications of Audits of Mutual Funds and Related Entities*; and ISB No. 3, *Employment with Audit Clients*<sup>29</sup>

<sup>29</sup> As part of *A Firm's System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms*, PCAOB Release No. 2024-005 (May 13, 2024), ET 102, *Integrity and Objectivity*, was superseded by a new standard, EI 1000, *Integrity and Objectivity*. As such, ET 102, although it will not be rescinded until December 15, 2026, is not included in Appendix 1. The same rulemaking made conforming amendments to and rescinded certain paragraphs of ET 191; however, portions of ET 191 related to independence were not substantively updated through the rulemaking. As such, ET 191 is included in Appendix 1.