March 3, 2023
By email: comments@pcaobus.org

Ms. Phoebe W. Brown
Office of the Secretary, PCAOB
1666 K Street, NW
Washington, DC 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 046, *A Firm's System of Quality Control and Other Proposed Amendments to PCAOB Standards, Rules, and Forms*

Dear Secretary Brown:

CohnReznick LLP appreciates the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB or Board) Release No. 2022-006, *A Firm's System of Quality Control and Other Proposed Amendments to PCAOB Standards, Rules, and Forms* (the Proposals).

CohnReznick is the 15th largest leading advisory, assurance, and tax firms in the US, with origins dating back to 1919. While our domestic and international capabilities (including through our Nexia International membership) allow us to serve a broad array of clients, we are a significant provider of services to the smaller and middle market. Our desire is that our feedback will provide perspectives on the impact that the Proposals might have on audits of issuer[1] entities that are non-accelerated filers and small reporting companies (SRCs).

At CohnReznick, we are committed to the highest levels of audit quality and support the PCAOB in its overall mission. We commend the Board on progressing this important project and fully support its decision to build on the recently revised quality control (QC) standards issued by the International Auditing and Assurance Standards Boards (IAASB) and the American Institute of Certified Public Accountants (AICPA). Such alignment helps to promote consistent QC systems within firms and across international networks.

In addition to our overall observations below, we respond to some of the specific questions on which the PCAOB is seeking comment in the Appendix to this letter.

OVERALL OBSERVATIONS

General Support

We generally support the Board's Proposals and believe that the PCAOB's QC project is a timely response to the developments affecting audit practice, including the increased use of technology by firms, auditees, and other parties. This accelerated use of technology, particularly in response

[1] As defined in the Proposals.

to the COVID-19 pandemic, has shifted and will continue to shift the way firms audit and manage their teams. Therefore, we believe the PCAOB's future QC standard should be drafted in a principles-based manner that will allow for it to be appropriately adaptable as technologies, business and firm practices evolve.

QC 1000 Versus ISQM 1[2] and SQMS 1[3]

We observed that the IAASB and AICPA have generally adopted a converged set of quality management standards that is resulting in a robust "fresh look" at, and updates to, many firms' systems of quality control. These revised standards were informed by extensive stakeholder input including regulators, firms, and other US and global stakeholders.[4]

We commend the PCAOB's decision to structure its proposed QC 1000 in a similar manner as the IAASB's ISQM 1 and the AICPA's SQMS 1, thereby using a common basic structure with other audit standard setters. However, we seek additional clarification regarding the differences. In this regard, we welcome the staff-prepared comparison of proposed QC 1000 with ISQM 1 and SQMS 1 and believe that the document could be enhanced by providing a rationale for the different PCAOB requirements.

We note that the PCAOB's 2019 Concept Release established an approach for revising the PCAOB QC standards that involved a system of "quality management" versus the extant "quality control," an approach that would have resulted in proposed QC 1000 being more closely aligned to the IAASB's and AICPA's robust and well vetted standards (i.e., ISQM 1 and SQMS 1). Due to the foundational nature of QC systems, we believe that unnecessary differences will present implementation challenges for firms, their affiliates, and their network partners and that it will be inefficient for firms and their networks to be required to comply with fundamentally different QC standards. As such, we suggest that the Board carefully revisit the areas where its proposals might result in alternative QC objectives or responses to those set out in ISQM 1 and SQMS 1.

Need for Collaboration with Other Standard Setters, Including AICPA and IAASB

We recommend the PCAOB collaborate with other standards setters, including the AICPA and the IAASB to consider the practical challenges brought on by the dual standard setter structure in the United States. In particular, a firm's quality control is impacted by the standards that are promulgated by the PCAOB, AICPA, SEC, U.S. Department of Labor (DOL), IAASB, and International Ethics Standards Board for Accountants (IESBA). While these standards have similar objectives aimed at driving high quality audits, there are differences (e.g., terminology, structure and level of granularity for certain topics) that bring about inconsistencies in application and use across firms and their networks.

The need to accommodate the nuances and varying levels of granularity in different standards result in firms needing to maintain different or overlapping methodologies, practices and procedures. This puts pressure on the already limited firm resources at all levels (i.e., from staff

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2 International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

3 Statement on Quality Management Standards (SQMS 1), *A Firm's System of Quality Management*

4 For example, see comment letter responses to the IAASB's and the AICPA's analogous proposals at: https://www.iaasb.org/publications-resources/exposure-draft-international-standard-quality-management-1-quality and https://us.aicpa.org/research/exposuredrafts/accountingandauditing/comment-letters-on-proposed-quality-management-standards.html.

through partner level, both at the engagement team and national office levels). We believe that audit quality could be negatively impacted when engagement teams and other firm personnel are focused on analyzing the differences and similarities in different standards instead of complex audit matters. We also believe that having different sets of standards for private and public companies contribute to issues that could erode audit quality (many of the same risks of material misstatement in private companies affect public companies and vice versa). In addition, the lack of robust collaboration between standard setters (in particular, the PCAOB and the AICPA's Auditing Standards Board (AICPA ASB)) prevents brainstorming and information sharing that would benefit audit quality. Therefore, we suggest that the PCAOB and other standard setters collaborate to:

(a) Minimize unnecessary differences in the ethics, independence, QC and auditing standards that apply to firms.

(b) Develop tools and resources to explain the similarities and necessary differences that currently exist across such standards.

Doing so will help drive consistency in the use and application of the standards across firms and networks, thereby enhancing audit quality in the public interest.

If you have any questions concerning our comments or would like to discuss any of our responses or recommendations in more detail, please feel free to contact Steven Morrison, Partner, National Director of Audit, at steven.morrison@cohnreznick.com or Diane Jules, Director, Audit Quality Group, at diane.jules@cohnreznick.com.

Yours truly,

CohnReznick LLP

APPENDIX – RESPONSES TO SPECIFIC QUESTIONS

Definitions and Terminology

Q3: Are the proposed definitions of "firm personnel," "other participants," and "third-party providers" sufficiently clear and comprehensive, or is additional direction necessary? Please explain what additional direction may be necessary.

Response:

No, the definition of "other participants" is unclear. In particular, the proposed definition does not make a distinction between:

(1) other participants whose responsibilities include assisting with the performance of the firm's engagements; and

(2) other participants whose responsibilities include assisting with the design, implementation, or operation of the firm's QC system, including engagement quality reviews.

We believe that these roles differ significantly in the context of a firm's QC system and that firms will need to consider different quality risks and responses. We recommend the PCAOB use an approach similar to ISQM 1 when addressing individuals obtained from external sources (ISQM 1, paragraph 32c).

Design, Implementation and Applicability

Q5: Is it appropriate for the proposed standard to require firms that have not and do not plan to perform engagements pursuant to PCAOB standards to design a QC system in accordance with QC 1000? Why or why not? Would this requirement impose disproportionate costs on small firms? Please provide data or estimates, if available, on such costs.

Response:

We do not believe it appropriate for the proposed standard to require firms that have not and do not plan to perform engagements pursuant to PCAOB standards to design a QC system in accordance with QC 1000. While we do believe the potential benefits of the proposed QC standards would be an overall enhancement to audit quality, in part, by figuratively "refocusing" multiple personnel at firms as to their roles and responsibilities in terms of QC, we note such will already be accomplished as such firms will already be implementing ISQM 1 and/or the AICPA's SQMS 1. Also, we note that certain aspects of the proposed QC 1000 is overly prescriptive and not scalable (e.g., certain proposed monitoring, evaluation and related documentation standards) and will be challenging to implement in a small and medium-sized firm environment and will result in disproportionate costs with undeterminable incremental benefit over what is already accomplished by implementing ISQM 1 and/or SQMS 1.

From the PCAOB's perspective, we question whether inspection resources will be applied to such firms merely to test the QC 1000 environment and whether PCAOB has the appropriate resources to do so.

Scalability of Proposed Standards

Q9: We intend the proposed standard to be scalable for all firms based on their nature and circumstances. Are there additional factors we should consider so that the proposed standard is scalable for all firms? If so, what are those factors? Should the standard be revised to make it more scalable? If so, how?

Response:

We appreciate and support the PCAOB's focus on scalability. We support having a principles-based approach built on an integrated risk-based QC framework and believe that such an approach makes the standard inherently scalable to the differing facts and circumstances of each firm. However, we observe several aspects of the Proposals that are overly prescriptive, which results in making the standard less scalable, especially for small firms if such requirements differ from those in the IAASB's and the AICPA's analogous standards. Not only should a future PCAOB QC standard be developed as principles-based to accommodate firms of all sizes and structures, but the Board's inspection and oversight function should also contemplate varying firm sizes and structures. Consideration should be given to understanding what is necessary and appropriate for larger firms versus what may not be necessary or appropriate for smaller and medium-sized firms.

Below we offer additional considerations regarding convergence and operationality.

- Operationality especially in the Case of Small and Medium-Sized Firms. Although the PCAOB's proposed standard appropriately contemplates scalability, we note that the concept of "operationality," although similar to scalability, is slightly different. Being operational includes a focus on the individual firms and the concept of a proposed quality standard being understandable and applied in an intuitive and consistent manner across a firm's QC system and engagements without the need for extensive interpretation and training.

  We note the extensive efforts of the PCAOB, including with its Proposals in terms of outreach and providing guidance on standards, and we encourage these efforts to continue. To augment its already-robust process, we recommend the Board add a more-formalized focus on operationality. In considering how best to allow for feedback from firms on the operationality of PCAOB standards, we encourage the PCAOB to consider that while the larger firms have the resources to identify and deliberate on multiple potential outcomes of various aspects of proposed standards, many firms do not and thus the operational difficulties of a proposed future PCAOB QC standard may not be proactively communicated to the PCAOB by all firms during the comment letter period.

  We believe the PCAOB should consider specific practical examples for small and medium-sized firms. While such expanded outreach might add additional time to the development process, we feel such time may provide noticeable benefits to the consistent implementation across firms/networks of all sizes. In addition, we suggest that the Board formulate examples and scenarios to assist in explaining the appropriate application of its QC standard.

Appropriateness of Objective and Proposed Requirements

Q10: Is the reasonable assurance objective described in the proposed standard appropriate? If not, why not? Are there additional objectives that a QC system should achieve? If so, what are they?

Response:

We believe the reasonable assurance objective described in the proposed standard is appropriate and that there does not need to be additional objectives that a QC system should achieve.

Clarity of Roles and Responsibilities

Q12: Are the proposed requirements related to roles and responsibilities described in the standard clear and appropriate? If not, how should they be clarified or modified?

Response:

We believe the roles and responsibilities described in the Proposals are appropriate. In particular, we agree that the firm's principal executive officer (i.e., the highest-ranking executive, regardless of formal title) is ultimately responsible and accountable for a firm's QC system and that the firm should:

- Assign specific responsibilities to firm personnel who have the experience, competence, authority, and time to carry out such responsibilities.
- Establish direct lines of communication between individuals assigned with operational responsibilities and the individual assigned with the ultimate responsibility and accountability for the QC system as a whole.

We support the principles-based nature of the Proposals and the emphasis placed on accountability while also acknowledging the need for involving additional individuals with operational roles, including responsibilities for adequate staffing and independence, monitoring and remediation. We support the Board's position to put forward scalable provisions that provide firms the ability to add additional roles and responsibilities, as appropriate, and the flexibility to assign one individual to more than one of the roles specified.

We support requiring individual certification of the firm's report to the PCAOB on its annual evaluation of its QC system. However, we suggest that the standards clarify that such certification relates to the "firm's evaluation" of its quality management system, and not a specific individual's evaluation on the quality management system. While we support having an individual assigned ultimate responsibility and accountability for a firm's QC system as a whole, we question whether the individual(s) certifying should be treated the same as an individual(s) taking responsibility for an audit by signing the auditor's report.

Definition of Proposed Quality Risks

Q14: Are the proposed definitions of "quality risks," "quality objectives," and "quality responses" sufficiently clear and comprehensive? If not, why not?

Q17: In the proposed definition of "quality risks" should the threshold of "reasonable possibility of occurring" also apply to all risks, including risks of intentional misconduct by firm personnel and other participants? If so, why?

Response:

We support the PCAOB's proposed definitions of quality objectives and quality responses and applaud the alignment to the IAASB's and the AICPA's standard. However, we note and question the rationale for the PCAOB having a different definition of "quality risk."[5] We suggest that the PCAOB elaborate on the difference between risks with a "reasonable possibility of occurring," and those with "any possibility of occurring."

In addition, we question the inclusion of "other participants" as part of the consideration of "…risks of intentional acts by firm personnel…;" and wish to point out that in some situations it might be not possible for firms to implement this aspect of the Proposals because access to certain information may be legally restricted (e.g., certain human resources files).

Firm Risk Assessments, Requirements to Identify, Assess and Respond to Quality Risks

Q19: Are the proposed requirements sufficient to prompt firms to appropriately identify, assess, and respond to quality risks, or is supplemental direction needed? If supplemental direction is needed, what would assist firms in identifying, assessing, and responding to quality risks?

Response:

Overall, we believe that the principles-based requirements in the Proposals are sufficient to prompt firms to appropriately identify, assess, and respond to quality risks and support the Board's decision to avoid requiring firms' use of quantifiable performance metrics in their monitoring activities or suggest the use of any particular performance metrics. If the PCAOB does want specific metrics to be used, we encourage the PCAOB to include such in the standard itself as opposed to being indicated to firms solely in the inspection process.

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[5] **PCAOB definition**: Quality risks – Risks that, individually or in combination with other risks, have a reasonable possibility of adversely affecting the firm's achievement of one or more quality objectives if the risks were to occur, and are either:

(1) Risks that have a reasonable possibility of occurring; or

(2) Risks of intentional acts by firm personnel and other participants to deceive or to violate applicable professional and legal requirements.

IAASB/AICPA definition: Quality risks – risk that has a reasonable possibility of:

(i) Occurring; and

(ii) Individually, or in combination with other risks, adversely affecting the achievement of one or more quality objectives.

Governance and Leadership, Including Oversight and Monitoring

Q21: Are the proposed quality objectives for governance and leadership appropriate? Are changes to the quality objectives necessary for this component? If so, what changes?

Q23: Is the proposed specified quality response to incorporate an oversight function for the audit practice for firms that issue auditor reports with respect to more than 100 issuers appropriate? If not, why not?

Response:

We support the proposed quality objectives for firm governance and leadership in the Proposals and agree that the firm should establish and maintain clear lines of responsibility and supervision— including defining authorities, responsibilities, accountabilities, and supervisory and reporting lines for roles within the firm, up to and including the principal executive officer(s) or equivalent—within the QC system. We also support having in place quality objectives that recognize and reinforce the firm's role in protecting the interests of investors and the public interest by meeting the firm's responsibilities, the importance of adhering to appropriate standards of conduct; the importance of professional ethics, values, and attitudes; and expected behavior and responsibility of firm personnel for quality both in QC-related activities and the performance of engagements.

However, we have concerns about specifying a single quantitative threshold (i.e., for firms that issued audit reports with respect to more than 100 issuers during the prior calendar year) for putting in place such an oversight function for the audit practice. Given the diversity in the size of firms performing audits of entities under the jurisdiction of the PCAOB and the potential for unintended consequences, we do not recommend specifying a threshold in the final standard for independent oversight over firms' QC systems. Rather, we recommend that firms be given appropriate discretion in regard to designing the oversight of their QC systems, taking into account PCAOB-specified considerations. Such discretion will enable flexibility as appropriate and over time will reinforce responsibility for quality among senior leaders. If the PCAOB does want a specific threshold to be used, we encourage the PCAOB to: (1) include such in the standard itself as opposed to being indicated to firms solely in the inspection process: and (2A) to apply a single quantitative metric threshold no lower than 500 issuers, or (2B) apply a dual quantitative threshold based on count of issuer audits and market capitalization of audited issuers.

Since the PCAOB's primary mission is to protect investors in the US public capital markets through regulating the quality of work of financial auditors, we believe investors will perceive as very relevant any PCAOB's use of issuer market capital in differentiating its specific expectations about the systems of quality control at the various-size audit firms. This is particularly relevant to the proposed oversight function for the PCAOB audit practice that includes at least one person that is not a partner, shareholder, member or employee of the firm. The appointment of such a professional would add a cost of both internal professional time and financial compensation, which would ultimately have to be passed through increased level of audit fees charged to audit clients. Investors in smaller issuers (i.e., those that qualify for SRC status) are unlikely to support the additional cost for firms that have a small PCAOB audit practice as defined under either proposed quantitative threshold 2A or 2B above, particularly when the cost is spread over a small amount of invested public capital in the firm's issuer audit clients.

In that regard, we recommend the PCAOB consider the insights and board participation gained from its past outreach and other initiatives aimed at engaging with issuer boards.

Ethics and Independence

Q28: Is the proposed specified quality response to have an automated process for identifying direct or material indirect financial interests appropriate? If not, why not? Is the proposed threshold (firms that issued audit reports with respect to more than 100 issuers during the prior calendar year) appropriate? If not, why not?

Response:

In general, we support the PCAOB's proposed quality objectives for ethics and independence and the specified quality responses and believe that it is appropriate to have the same set of independence requirements apply for all firms. However, we believe that the threshold set in the requirement for having an automated process for identifying direct or material indirect financial interests should be increased. We believe that establishing a threshold makes the requirement less scalable.

We note that the SEC already has certain automated independence requirements for firms that audit more than 500 issuers in SEC Regulation S-X Rule 2-01(d)(4).[6] Implementing and maintaining an automated independence monitoring system is very costly for smaller firms, which audit predominantly privately held companies and which have not previously been subjected to the automated independence system requirement in SEC Regulation S-X Rule 2-01(d)(4). Therefore, we recommend that the PCAOB align its QC 1000 requirements with the existing SEC requirement by increasing the threshold for putting in place an automated system to 500 issuers. Firms below the 500-issuer threshold could still be encouraged to implement this quality response based on their risk assessment, but it should not be mandatory for them.

Objectives and Quality Reponses for Resources, Including Technological Resources

Q37: Does the proposed quality objective and specified quality response related to technological resources provide sufficient direction to enable the appropriate use of emerging technologies? If not, what additional direction is necessary?

Response:

We support the PCAOB's decision to avoid including prescriptive requirements specifically related to how firms address emerging technologies in proposed QC 1000. We agree with the approach taken to address the use of emerging technologies in QC systems or engagements implicitly by remaining principles based. We suggest that the PCAOB consider elaborating on the extent to which maintaining professional competence should include an understanding of technology-related developments that are relevant to planning and performing the audit.

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[6] Regulation S-X Rule 2-01(d)(4)(ii) states:

For an accounting firm that annually provides audit, review, or attest services to more than 500 companies with a class of securities registered with the Commission under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l), a quality control system will not provide such reasonable assurance unless it has at least the following features: … (ii) With respect to partners and managerial employees, an automated system to identify their investments in securities that might impair the accountant's independence; …

Objectives and Quality Responses for Monitoring and Remediation

Q46: Is the proposed requirement to inspect engagements for each engagement partner on a cyclical basis appropriate? If not, why not?

Response:

We recommend that proposed paragraph 62[7] be amended to permit the legacy flexibility of extant QC 20[8] for a firm to do pre-issuance **or** post-issuance, or both, monitoring programs, depending on the individual firm's risk assessment. There are smaller firms that have already implemented robust pre-issuance quality monitoring reviews on substantially all issuer audits (as defined in the Proposals). In many of these smaller firm cases, such pre-issuance quality monitoring reviews are conducted by highly experienced professionals, who are members of the firm's national assurance group, and their purpose is to provide an objective check (to benefit those charged with firm quality oversight) on the review performed by the EQR under PCAOB AS 2201. We observe through our work with issuer boards and audit committees/ those charged with governance, a strong preference for firms with smaller issuer audit practices to place their best and highest qualified resources on preventing financial reporting and audit quality issues, rather than detecting them through a post-issuance program. Accordingly, our firm, and others in our category, have scaled our national assurance groups to cater to such board preferences.

Inspection of Engagements and QC Activities, Including Monitoring and Evaluation of the QC System

Q57: Is November 30 an appropriate evaluation date for firms to conclude on the effectiveness of the QC system? Is there another specific date that would be more appropriate and if so, what date? Should firms be permitted to choose their own evaluation date?

Response:

No. We do not believe that November 30 is an appropriate evaluation date for firms to conclude on the effectiveness of their QC system. Many firms have chosen their fiscal year-end as the evaluation date because quality management processes and response structures are aligned to the firm's fiscal year-end and business cycle. If firms were required to evaluate their QC system as of November 30, the responses and monitoring and remediation efforts would not be as effective due to cross reporting periods and may create unnecessary complexity or impact audit quality.

Moreover, we do not agree that the PCAOB should mandate an evaluation date. Rather, we believe that firms should be allowed the discretion to select their own annual evaluation due date and evaluation report date, as is allowed under ISQM 1 and SQMS 1. Firms will be able to select a date that fits best with their business cycle, allowing them to align to compensation and

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[7] Proposed paragraph 62 states:

"The firm should:

a. Monitor completed engagements; and

b. As one element of its engagement monitoring, inspect on a cyclical basis at least one completed engagement for each engagement partner.

Note: A firm that uses a cycle longer than three years should demonstrate how that cycle is adequate to provide a reasonable basis for detecting engagement deficiencies and QC deficiencies, taking into account the factors in paragraph .64. Firms should consider incorporating a level of unpredictability in their selection of completed engagements, such that an engagement partner would not be certain which engagement would be selected or when an engagement would be selected."

[8] QC Section 20, *System of Quality Control for a CPA Firm's Accounting and Auditing Practice*

performance decisions, inspections cycles, and engagement performance, monitoring and remediation activities, among other benefits. We believe that this would enhance a QC system's effectiveness and further the public interest.

Evaluation, Certification and Reporting of the QC System

Q63: Is the proposed date for reporting on the evaluation of the QC system (January 15) appropriate? Is there another specific date that would be more appropriate and if so, what date? Is 45 days after the evaluation date an appropriate reporting date?

Response:

No. We do not believe that the proposed reporting date of January 15 – 45 days after the proposed evaluation date – is appropriate. This timeframe will not allow firms, especially small and medium-sized firms, with sufficient time to: complete their evaluations; compile and report any related QC deficiencies and related remedial actions to the PCAOB and audit committees; and document this process. In addition, the proposed timing overlaps with year-end holidays, a period in which many firms are closed a portion of the time.

Audit Committee Communications

Q70: Are the proposed amendments to AS 1301 that require the auditor to communicate to the audit committee about the firm's most recent annual evaluation of its QC system appropriate? If not, why not?

Response:

We agree with the proposed amendment to AS 1301 to require the auditor to communicate to the audit committee about the firm's most recent annual evaluation of its QC system. Audit committees are interested in a firm's overall quality controls, especially those relevant to their company. Receiving an oral report about the outcome of the firm's most recent annual evaluation of its QC system will be an important part of the audit committee's annual assessment of the independent auditor relationship.

Proposed Amendments to Other PCAOB Standards

Q74: Is the proposal to expand the scope of AS 2901 to include engagement deficiencies on ICFR audits appropriate? If not, why not?

Response:

We agree with the proposed amendments to AS 2901, *Consideration of Omitted Procedures After the Report Date* to include engagement deficiencies on Internal control over financial reporting (ICFR) audits. Such will not likely be a change in practice but will provide clarity for smaller auditor firms that work on much fewer integrated audits.

Potential Impacts of Proposals, Including Benefits and Potential Costs

Q81: Are there additional academic studies or data related to the baseline for measuring the potential impacts of the proposed requirements? If so, what are they?

Q90: Are there other potential unintended consequences of the proposal that we have not identified? If so, what are they?

Response:

We are not aware of any academic studies or data, other than what the PCAOB has already identified. Although the PCAOB's proposed QC standard is exposed to allow for public feedback on operationality, we encourage the Board to consider that while the larger firms have the resources to consider and identify the potential outcomes of various aspects of its proposed standards, other firms do not, and thus, the PCAOB may not yet have visibility of the impact of its proposals on small and mid-sized firms. We suggest that the PCAOB consider undertaking different approaches to deepen its engagement with small and medium-sized firms, and stakeholders they serve.

Effective Date

Q93: Would the effective date as described above provide challenges for auditors? If so, what are those challenges, and how should they be addressed?

Response:

Yes. A PCAOB effective date that is before the AICPA's SQMS 1 effective date of December 15, 2025, would be particularly challenging for a number of firms, particularly those that did not have to implement ISQM 1, and thus, have not gone through a somewhat similar process to the PCAOB's QC standards. Audit quality and the public interest would benefit from quality management standards that are aligned between public and private company audits and with similar timing. A longer implementation period would also have the advantage of allowing the PCAOB additional time to socialize its new QC requirements and develop application resources and tools to assist firms' implementation. We also point out that there are existing QC standards so a 2025 implementation date would not be a detriment to audit quality.