

PCAOB Issues Quality Control Concept Release

Washington, Dec. 17, 2019

The Public Company Accounting Oversight Board today voted to issue a [concept release](#)  on a potential approach to revising the PCAOB's quality control standards. The release [solicits public comment](#) to inform the Board on the approach and what changes it might propose in the future to strengthen the PCAOB's requirements for audit firms' quality control systems.

The PCAOB's current quality control standards were originally adopted by the PCAOB in 2003. The auditing environment has changed significantly since that time, and the PCAOB's current quality control standards do not reflect relevant developments affecting audit and assurance practices and firms' quality control systems.

"The Board is committed to promoting consistent, high-quality audits," said PCAOB Chairman William D. Duhnke. "An effective quality control system within an audit firm can serve to prevent, identify, and remediate audit quality deficiencies, which is why I believe it is prudent to strengthen our related standards."

"The input we receive from the public through this concept release will play an important role in the Board's consideration of an approach to revising our quality control standards," added Chairman Duhnke. "We encourage all interested parties to review our release and share their views with us."

Information gathered through the PCAOB's oversight, outreach, and research activities signals that future revisions to the PCAOB's quality control standards should be built on an integrated risk-based framework. The Board is considering using the recently proposed International Auditing and Assurance Standards Board's analogous firm-level quality control standard, International Standard on Quality Management 1, as a starting point for a future PCAOB quality control standard.

The concept release explains that many firms that follow PCAOB standards also follow the IAASB standards (or standards based on IAASB's standards), and therefore, the Board believes that it would not be practical to require firms to comply with fundamentally different quality control standards. The concept release also describes certain incremental or alternative requirements to ISQM 1 that may be appropriate for firms performing engagements under PCAOB standards.

The Board requests comments on the concept release by March 16, 2020. All comments should refer to PCAOB Rulemaking Docket No. 046 and can be shared in any of these ways:

- By mail: Office of the Secretary, PCAOB, 1666 K Street, NW, Washington, DC 20006-2803
- By email: comments@pcaobus.org
- Through the PCAOB website: www.pcaobus.org.

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Fact Sheet on Quality Control Concept Release

