



May 15, 2026

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803
comments@pcaobus.org

Re: PCAOB No. 2026-001

Dear Board Members:

The Audit and Assurance Services Committee of the Illinois CPA Society (“Committee” or “we”) appreciates the opportunity to provide feedback concerning the development of the PCAOB’s 2026-2030 strategic plan. The organization and operating procedures of the Committee are reflected in Appendix A attached to this letter. These comments and recommendations represent the position of the Audit & Assurance Services Committee of the Illinois CPA Society rather than any members of the Committee, the organizations with which such members are associated, or the ICPAS Board.

GENERAL COMMENTS:

The Committee appreciates the Board’s desire to involve stakeholders in the strategic planning process. Overall, the Committee would encourage the Board to consider how the PCAOB’s activities can offer value to its stakeholders. The Board should consider how the PCAOB can distinguish itself as a steady and dependable yet relevant and forward-looking regulatory institution that promotes a strong audit ecosystem to maintain investor confidence.

PCAOB QUESTIONS AND COMMITTEE RESPONSES:

Question 2 - What changes should the PCAOB make to its inspections program including, but not limited to, changes in light of its new quality control standard (QC 1000)?

Response – We believe the PCAOB should modernize its inspection program to address the following concerns.

- **Inspection Timing** – Performance of inspection procedures during peak audit periods (typically January 1 through April 30) can lead to resource constraints and allocation issues for firms, particularly in the current environment with a known shortage in accounting professionals, posing a threat to audit quality for calendar year-end audit engagements.
- **Comment Significance** – At times it can be unclear the extent to which the nature and severity of engagement-level inspection comments may impact the ability of whether the financial statements can be relied upon by stakeholders. The binary presentation of findings does not fully reflect the nuanced nature of an audit engagement and may lead to conclusions and deviation rates that are misleading to the public. A more transparent framework that distinguishes between audit quality issues that would significantly impact the issued audit opinion and less significant technical or documentation matters would be helpful. Such a framework could allow for scaling of the severity of findings instead of a binary evaluation based on risk, materiality, relative importance to the users of the financial statements, and the standard of reasonable assurance.
- **Constructive Feedback** – Inspections can provide timely and specific insights that help firms identify improvement opportunities and begin remediation promptly. This type of feedback supports continuous enhancement of audit quality through a collaborative and forward-looking approach. Firms are committed to improving and making good-faith efforts to remediate identified matters; however, when expectations are not clearly articulated, aligning remediation efforts can be challenging. Greater clarity would enhance remediation effectiveness and support the shared goal of advancing audit quality. Furthermore, we believe that this type of constructive feedback can play a key role in strengthening



quality control systems, as it enables firms to more effectively leverage inspection findings in training their engagement teams.

- Impact on Firms & Ecosystem – Due to the concerns noted above, the inspection process can, at times, be discouraging – often inspection findings merely state a deficiency in the audit process and/or compliance with auditing standards, but do not provide insights into best practices or expectations for remediation - even for firms and professionals that are highly committed to and demonstrate quality work. As a result, well-equipped firms and dedicated professionals that perform high-quality work may choose to exit the marketplace, unintentionally further contributing to market consolidation and talent shortages in the profession.

Question 3 – What inspection information would be most useful to stakeholders, and how could inspection reporting be enhanced under a quality control-focused inspection program?

Response - To enhance inspection reporting, the nature and significance of inspection findings should be more clearly translated for a broader group of stakeholders, including investors and audit committees.

The connection between Part 1A inspection findings and their practical impact on the ability of stakeholders to rely on financial statements can be difficult for those outside the audit community to interpret, limiting the usefulness and impact of inspection reports. Greater clarity around the nature and severity of inspection issues (further described in our response to Question 2), particularly their implications for audited financial statements and other key financial measures, would improve transparency and better demonstrate the value of the inspection process to stakeholders.

Additionally, while timeliness of inspection findings is important, we recommend the distribution of statistics that provide insight by reconciling the number of deficiencies that resulted in 1) restatements of previously issued financial statements, and 2) instances where previously issued audit reports (either of the financial statements or internal control) could no longer be relied upon.

Question 5 - How can the PCAOB achieve greater alignment of its auditing standards with international auditing standards?

Response – We believe this strategic planning process is an opportunity for the Board to reconsider the idea of convergence with other standard-setting bodies on a larger scale. The auditing standards landscape itself should not become a barrier to entry for either entities or their auditors. For this reason, standards should be scalable and the Board should evaluate alternatives for continued convergence that may serve the marketplace more effectively, such as the following:

- Timing & Alignment – Work to harmonize with other standard-setting bodies (ASB, IAASB) to align project plans, addressing the same or comparable topics on common timelines. This would allow the bodies to solicit thoughts on similar proposals simultaneously and naturally foster convergence.
- Convergence Reconsideration – Realign with U.S. GAAS, adding ‘PCAOB-only’ requirements to that framework as deemed necessary. Selecting a standard-setting body to align with more fully would simplify the standards landscape, particularly as the ASB already considers how, or if, it should align U.S. GAAS with international auditing standards.

Question 6 - In what ways should the PCAOB consider deploying technology, including AI, to help further its investor-protection mission?

Response – We believe the PCAOB could leverage AI as a tool to compare the financial statements of an SEC registrant with those of its peers, identifying anomalies and determining potential areas of audit, as well as helping inform the inspection selection process. In turn, this information could be leveraged in the inspection risk assessment process to further tailor inspection procedures. This leveraging of AI in an inspection could serve as a “targeted” inspection theme similar to others in the past such as group audits. However, we do



acknowledge that every SEC registrant is different, and given the need for professional judgment, human oversight would continue to remain a critical component.

Lastly, it is relevant to note that confidentiality of the information shared with any AI engine is paramount. At the same time any AI engine leveraged for this purpose should be trained on a wide range of trusted sources to ensure meaningful results. In addition, we recommend utilizing a mode of AI which has been successfully used in complex legal and medical systems rather than any common Large Language Models (LLMs), which may not have been trained on sufficient, trustworthy, or appropriate data.

Question 7 - How can the PCAOB enhance transparency with its stakeholders?

Response – The PCAOB serves a broad range of stakeholders in fulfilling its mission to protect investors through audit oversight. Effectively carrying out this mission means reinforcing auditor commitments to quality audit work that sustains thriving capital markets, strengthens a flourishing economy and protects the public interest through reliable financial information. In this regard, we recommend the PCAOB, SEC, FASB, and other standard setters work more closely to monitor and address issues across the financial reporting ecosystem. We believe increased transparency and conversation enable firms to continue to improve audit quality proactively before formal inspection feedback is received.

The Committee appreciates the opportunity to express its opinion on this matter. We would be pleased to discuss our comments in greater detail if requested.

Sincerely,

Jon Roberts, CPA

Chair, Audit and Assurance Services Committee

Erik De Vries, CPA

Vice Chair, Audit and Assurance Services Committee



APPENDIX A

AUDIT AND ASSURANCE SERVICES COMMITTEE ORGANIZATION AND OPERATING PROCEDURES 2026 – 2027

The Audit and Assurance Services Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members. The Committee seeks representation from members within industry, education, and public practice. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of audit and attestation standards. The Committee's comments reflect solely the views of the Committee, and do not purport to represent the views of their business affiliations.

The Committee usually operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of audit and attestation standards. The Subcommittee develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times includes a minority viewpoint. Current members of the Committee and their business affiliations are as follows:

Public Accounting Firms:

National:

Rajat Bhansali, CPA	BDO USA, P.C.
Cody Bowman, CPA	CBIZ CPAs P.C.
Kelly Buchheit, CPA	Citrin Cooperman
Scott Cosentine, CPA	Ashland Partners & Company LLP
Timothy Delany, CPA	RSM US LLP
Tee Duncan, CPA	Grant Thornton LLP
Erik De Vries, CPA	CohnReznick
Kara Fahrenbach, CPA	Plante Moran, PLLC
Jennifer Goettler, CPA	Sikich CPA LLC
Emily Hoaglund, CPA	KPMG LLP
Jack Klage, CPA	Forvis Mazars LLP
Kelly McCabe, CPA	Grant Thornton LLP
Alek Michali, CPA	Aprio, LLP
Michael Potoczak, CPA	CBIZ CPAs P.C.
Jon Roberts, CPA	BDO USA, P.C.
Amber Sarb, CPA	RSM US LLP

Regional:

Andy Kamphuis, CPA	Vrakas CPAs + Advisors
Joshua Bream, CPA	Porte Brown LLC
Matthew Osiol, CPA	Topel Forman LLC
Michael Ploskonka, CPA	Selden Fox, Ltd.

Local:

Shannon Bachara, CPA	Mathieson Moyski Austin & Co
Lorena C. Engelman, CPA	CJBS LLC
Mary Laidman, CPA	

Industry/Consulting:

Sean Kruskol, CPA	Cornerstone Research
Yigal Rechtman, CPA	Rechtman Consulting

Educators:

Meghann Cefaratti, PhD	Northern Illinois University
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Staff Representative:

Heather Lindquist, CPA	Illinois CPA Society
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