

March 15, 2024

Erica Y. Williams, Chair, Public Company Accounting Oversight Board
Office of Secretary, PCAOB
Submitted to: Comments@pcaobus.org

Re: PCAOB Rulemaking Docket Matter No. 051

Dear Ms. Williams:



The Indiana CPA Society (Society) acknowledges the importance of enhancing auditing standards to safeguard investors and ensure the integrity of financial reporting. As a professional association working to enhance the professional success of our members while protecting the public we represent nearly 7000 CPAs and accounting professionals across various sectors in Indiana. We recognize and support the need for clarity and practicality in regulatory requirements. To that end, we appreciate the work of the Board and the opportunity to provide the following comments for consideration.

As many CPA firms and state societies have noted and extensively outlined in comments, we believe there are still key issues to be addressed by the Board:

- **Scope of auditor's responsibilities is too broad:** Requiring consideration of a company's noncompliance with all laws and regulations (NOCLAR) that could have a material effect on financial statements represents a drastic shift in standards and poses an unachievable task.
- **Increased costs and potentially unlimited liability:** The complexity and uncertainty surrounding the determination of legal liability that an auditor/firm could incur are challenging to assess as they would need to engage various legal and subject matter experts for each audit to comply with the standard.
- **Proposed standards effectively increase the level of assurance:** Under the proposed standards the intent of a financial statement audit is altered, resembling a specialized/compliance audit. Requirements under the proposed standard impose burdensome responsibilities on the auditor and encroach into management's domain relative to internal controls and knowledge and identification of potential fraud.

While the Society supports initiatives aimed at enhancing auditing standards, we urge the PCAOB to carefully consider the practical implications and feasibility of the proposed standards. Clear guidance and alignment with existing frameworks are crucial to ensure that auditors can effectively fulfill their responsibilities without excessive burden or uncertainty. We remain committed to collaborating with regulators and stakeholders to promote transparency, integrity, and professionalism of financial reporting.

Sincerely,

A handwritten signature in black ink that reads "Courtney J. Kincaid". The signature is written in a cursive, flowing style.

Courtney J. Kincaid, CAE, IOM
President & CEO
Indiana CPA Society