February 3, 2014

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Dear Board Members:

The Audit and Assurance Services Committee of the Illinois CPA Society ("Committee") is pleased to comment on the PCAOB's Proposed Rule on *Improving the Transparency of Audits: Proposed Amendments to PCAOB Auditing Standards to Provide Disclosure in the Auditor's Report of Certain Participants in the Audit* (Docket Matter No. 29) dated December 4, 2013. The organization and operating procedures of the Committee are reflected in the attached Appendix A to this letter. These comments and recommendations represent the position of the Illinois CPA Society rather than any members of the Committee or of the organizations with which such members are associated.

The Board is soliciting comments on a series of amendments to PCAOB Auditing Standards that would:

- Require the audit report to disclose the name of the Engagement Partner responsible for the most recent period's audit, and
- Require an explanatory paragraph in the audit report about other persons and independent public accounting firms that took part in the most recent period's audit.

General Comments

We agree with the Board's goal to provide additional transparency to investors and other financial statement users. However, there is an underlying assumption in the proposal that publishing the name of the audit partner will in turn increase the accountability of the engagement partner for the audit report, thereby adding more transparency that would increase investor protection. We believe that the proposed changes in the Release will diminish the understanding of investors and other financial statement users by distorting the role of the engagement partner and that of the audit firm. We also believe that the inclusion in the audit report of all participants in the audit process will reduce the perceived responsibility of the firm issuing the audit report and the perceived overall quality of the audit, and we believe the proposed disclosures should not be required.

In issuing the Release, the Board states that its inspections show that there is significant room for improvement by auditors in compliance with PCAOB standards, including those that require auditors to perform an audit with due professional care and professional skepticism. While the Committee does not take issue with respect to these conclusions, we do not believe that lack of accountability by either the audit firm or the engagement partner for the quality of work performed is a significant cause of noted non-compliance. Survey after survey has demonstrated that auditors are among the most trusted professionals. Independence, objectivity and professional skepticism are qualities that audit firms require in their engagement partners on all issuer and non-issuer engagements, and these qualities are routinely evaluated through internal inspections, peer reviews, PCAOB inspections and other quality control practices within those firms. Accordingly, we believe that the audit firms and engagement partners already feel themselves highly accountable for the quality of the work they control, perform and supervise, and therefore identification of the engagement partner in the audit report will not meaningfully heighten accountability or provide additional investor protection. Similarly, we believe audit firms, conscious of the litigation and reputational exposure incurred if audit work is found to be substandard, already assign more experienced and capable partners to public company engagements. Thus, we do not believe the identification of the engagement partner in the audit report will meaningfully impact partner assignments. A better location should the identification of the engagement partner be deemed an important disclosure would be in the proxy statement, though we acknowledge that this is outside the jurisdiction of the PCAOB.

The Committee is pleased to answer the 25 specific questions posed by the Board.

PCAOB QUESTIONS:

1. Would the reproposed requirements to disclose the engagement partner's name and information about other participants in the audit provide investors and other financial statement users with useful information? How might investors and other financial statement users use the information?

We believe that the disclosure of the engagement partner's name and information about other participants in the audit will not provide truly useful information to investors and other financial statement users. While the information may be "used" for numerous purposes (ie. statistics on an engagement partner's association with going-concern opinions, restatements, etc), the how, why or to what extent that information may really be "useful" is not evident. It would likely be more "useful" to the investors and other financial statement users for the audit report to disclose the name of the lead attorney who is opining on the status of the significant legal action or the name of the actuary who performed the calculation of the significant benefit obligation. Those activities of legal counsel and the actuary, perhaps having a material impact on the actual financial statements being issued, may be more significant to the user than the name of the engagement partner who performed the audit at a later date.

Investors and other financial statement users will likely believe that the additional information provided is useful to them. However, as investors and users are not as sophisticated as to the nuts and bolts of performing and reviewing an audit, we have significant concerns over how they would use this information. As noted in the Release, the Board has heard concerns that a "rating or 'star' system" could be formed on engagement partners. We agree with this concern and believe that this would in fact occur. Issuers may try to avoid engagement partners that have issued a larger number of material weaknesses, going concern opinions or restatements. In fact, the reporting of these findings may likely have resulted from a highly skeptical, high quality audit engagement. The existence of such items may be a reflection of poor management, but they also may be a reflection of an audit partner acting with due professional care and professional skepticism by raising such issues with management and those charged with governance.

The Board noted that "the underlying principle that consumers of professional services could make better decisions with more information still applies". The users of the information as referenced in the Release are not truly the consumers, as they are not paying directly for the services rendered. Those involved in making the decision as to what audit firm and audit partner are engaged to perform the audit are typically those involved in the proposal process, such as the audit committee. These individuals will be aware of the name and background of the engagement partner through their due diligence performed during the proposal process. It seems investors and other users would only need this level of detailed information if that due diligence was not properly performed, which is a governance and not an audit issue. Including the additional disclosures will not address this problem.

Interestingly, throughout the entire Exposure Draft, the Board repeatedly indicates they believe that the disclosure of the engagement partner's name and other information about other participants in the audit would be "useful" to investors and other financial statement users. However, the Board's belief offers no insight or discussion as to why or how or to what extent this "usefulness" would occur. Indeed, in the United Kingdom, where the naming convention has been required for a number of years, there have been as many or more financial failures, forced acquisitions and the like as there were in the United States since the financial crisis began. Despite knowledge of

this and the existence of the signing requirement, there have been a number of auditor negligence scandals in the UK since then.

2. Would the name of the engagement partner or the extent of participation of other participants be useful to shareholders in deciding whether to ratify the company's choice of registered firm as its auditor? If so, how?

We believe that the disclosure of the engagement partner's name and the extent of participation of other participants would not be of much use to shareholders when ratifying the company's choice of auditor – less sophisticated users would not be using this information, and more sophisticated, larger users have alternate sources of information for their due diligence. Furthermore, we believe that such information may misrepresent the true role of the engagement partner and that of the primary audit firm to most users, who do not have clear understandings of the audit process. The primary audit firm is responsible for the audit and the engagement partner is one of several individuals representing the primary audit firm. The extent of participation by other participants may be misinterpreted as to indicate that a higher participation means a lower quality audit than an audit with a lower percentage of participation of others. The extent of the participation may also be erroneously perceived to suggest there is shared responsibility for the audit.

3. Over time, would the reproposed requirement to disclose the engagement partner's name allow databases and other compilations to be developed in which investors and other financial statement users could track certain aspects of an individual engagement partner's history, including, for example, his or her industry expertise, restatement history, and involvement in disciplinary proceedings or other litigation?

The proposed changes would likely encourage databases and other compilations to be developed to track engagement partners' history. As noted above, such information would only be truly meaningful if those charged with governance did not perform their duties adequately. Additionally, these databases may provide misleading audit statistics as certain information (e.g., material weaknesses identified) can indicate a highly skeptical auditor, which may dissuade certain unscrupulous audit committees from selecting the audit partner.

a. Would such databases or compilations be useful to investors and other financial statement users? If so, how?

As described above, such information may likely be used, but whether it would be used for any "useful" purpose is doubtful. There are readily available sources for information about an engagement partner's industry expertise (ie. partner profile included on audit firm website) or involvement in disciplinary proceedings or other litigation (ie. State Department of Professional Regulation). The tracking of an engagement partner's "restatement history" can be misleading since the restatement may not be related in any way, directly or indirectly, to the engagement partner's professional performance. Indeed, as the financial statements are the responsibility of management and those charged with governance, it is arguably true that restatements are not the responsibility of an auditor but that they are the responsibility of the issuer.

While it was stated in the Release that the quality of an audit varies among engagement partners, it is ultimately the audit firm that is responsible for audit quality. If there is a lack of quality in the performance of an engagement by a given engagement partner, the firm should have adequate quality control procedures – including but not limited to Engagement Quality Control Review – to ensure that only the highest quality audit is allowed to be released. By requiring disclosure of the name of the engagement partner and stating that this will help users assess the quality of the audit based on that information, it implies that the engagement quality rests solely with an engagement partner rather than the firm signing the report. We believe that it is the firm that is ultimately responsible for ensuring audit quality, not only the individual engagement partner.

b. Would they provide investors and audit committees with relevant benchmarks against which the engagement partner could be compared? If so, how?

Such a comparison to a benchmark, if created, would not be relevant but it would be misleading as so many individuals are involved in the audit process, and there are many ways for management's financial statements to require a restatement. No audit is exactly the same as another audit and to establish a standard or point of reference against which an engagement partner would be measured would be confusing and could lead to unintended consequences to both the engagement partner and the profession. Users outside the reporting entity will likely not be those involved in the decision making process of engaging an audit firm and rather the information will likely be used only to enhance post-audit litigation efforts.

4. Over time, would the reproposed requirement to disclose the other participants in the audit allow investors and other financial statement users to track information about the firms that participate in the audit, such as their public company accounts, size of the firms, disciplinary proceedings, and litigation in which they have been involved? Would this information be useful to investors and if so, how?

As described above, such information may likely be developed and used, but to be used for any "useful" purpose is doubtful. The audit report is issued in the name of the audit firm and it is the audit firm that bears the ultimate responsibility for the quality of the work performed. The requirement to disclose other participants may prompt some firms to stop providing the services to primary auditors so as not to be named in the audit report.

5. Is the ability to research publicly available information about the engagement partner or other participants in the audit important? If so, why, and under what circumstances?

We believe all members of the audit team are important to the overall quality of the engagement, including but not limited to the audit staff members and engagement quality control review partner, not just the individual engagement partner. The audit report is issued in the name of the firm. We also note that the engagement partner's name could change, for example, when a partner gets married. There is no indication of how this would be handled)

6. Would the reproposed requirement to disclose the engagement partner's name promote more effective capital allocation? If so, how? Can an engagement partner's history provide a signal about the reliability of the audit and, in turn, the company's financial statements? If so, under what circumstances?

We believe that disclosing the engagement partner's name will not promote more effective capital allocation. We are not aware of evidence supporting a claim that the audit firm makes a significant difference in capital allocation, other than perhaps as to the general size of the firm, much less at the more granular engagement partner level. We believe that to even raise such a question highlights an interesting underlying assumption of the proposal about the Board's perception of the influence, power and impact of an engagement partner's name. To further illustrate, Section V, Subsection A the Release includes the following sentence. "Although the names of the engagement partner and certain other participants in the audit are known to company management, they are not known to investors and other financial statement users *despite their potential value in making economic decisions, including investment decisions to buy, hold, or sell shares* [emphasis added]". We question how all of these crucial decisions will be affected simply by knowing the engagement partner's name. Capital allocation does not seem to have been affected by the disclosure of material weaknesses; we do not believe disclosure of the engagement partner would have an effect.

From a different perspective, the Committee notes that despite being audited by an extremely small audit firm, investors flocked into Bernard Madoff's investment funds. They were buying Madoff and not the auditor, though that firm's name was on all the audit reports. In addition, even though the auditor's name was in the news frequently over a long period of time, we doubt there are more than a few people that could name that auditor.

The reliability of the audit is dependent upon the independence, objectivity and professional skepticism that audit firms require in their personnel, including engagement partners. These qualities are routinely evaluated through internal inspections, peer reviews, PCAOB inspections and other quality control functions within those firms.

7. Would the reproposed requirements to disclose the engagement partner's name and information about other participants in the audit either promote or inhibit competition among audit firms or companies? If so, how?

We believe that the proposal to disclose the engagement partner's name and information about other participants in the audit would not necessarily promote or inhibit competition, but it would shift the focus of competition among audit firms. As stated above, the information would be used, but most likely not in a useful manner and most likely not in the best interests of the profession as a whole. The focus would shift to specific names and it would most likely get personal rather than professional.

The Release states as an example of information to be tracked the inclusion of a going concern modification. This is not the result of a lack of quality in the audit performed, and indeed is often a sign of a well-performed audit; this should not be a consideration when selecting an engagement partner for an audit. If this is the type of information that will be accumulated as a result of the disclosure of the engagement partner's name, rather than affect competition in a positive way, engagement partners may be incentivized to take a less conservative approach to audit procedures to avoid issues that may inappropriately damage the engagement partner's perceived reputation because of the specific association of the engagement partner with that issue.

8. Would the reproposed disclosure requirements mislead investors and other financial statement users or lead them to make unwarranted inferences about the engagement partner or the other participant in the audit? If so, how? Would there be other unintended consequences? If so, what are those consequences, and how could they be mitigated?

As discussed above, the proposed disclosure requirements would be misleading. Unwarranted inferences could be made, such as disclosure of the engagement partner's name promoting more effective capital allocation, and the assumption that a going concern opinion or a restatement are the "fault" of the engagement partner.

To avoid all misleading disclosures, unwarranted inferences and unintended consequences, for the reasons described above, disclosing the name of the engagement partner and information about other participants in the audit should not be mandated.

9. What costs could be imposed on firms, issuers, or others by the reproposed requirement to disclose the name of the engagement partner in the auditor's report? Please provide any available empirical data. Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

Whatever the costs imposed on firms to disclose the name of the engagement partner in the auditor's report, it will exceed the benefit. To possibly increase a named engagement partner's liability or the audit firm's possible exposure to liability cannot be justified by "the potential benefit of greater transparency" or that it "might provide investors with some additional comfort about the engagement partner's work on the audit". We would request the Board to revisit the prior comments and views on the potential liability effects of its 2009 and 2011 Releases and once again consult with legal counsel.

We do not have empirical data; however, EGCs may be more likely to have other than unqualified or unmodified audit opinions, which may create much higher risk for the engagement partners and therefore much higher fees to the clients. The SEC implemented smaller reporting company rules with scaled disclosure requirements that are applicable to EGCs. Requiring the additional disclosures may have the opposite impact in that it will increase costs to EGCs much more dramatically than for other public companies.

10. What costs could be imposed by the application of the consent requirement to an engagement partner who is named in the auditor's report? Please discuss both administrative costs to obtain and file consents with the SEC, as well as any indirect costs that might result. How could insurance or other private contracts affect these costs?

The primary cost would be time. Unless a statement is filed immediately upon issuance, an updating consent would be required. This would also divert a partner's attention from current engagements with an administrative task rather than a core audit task. We do believe there would also be an increase in litigation costs. The engagement partner would also need greater protection of personal resources. This increase in costs of protection for the engagement partner and the firm, insured or otherwise provided by private contracts, would result in higher audit fees.

11. Would application of the consent requirement to an engagement partner named in the auditor's report result in benefits, such as improved compliance with existing auditing requirements? Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

If the PCAOB requires an individual Partner to be named, we do not see a benefit to adding a consent requirement, certainly not to the extent of the costs required. Engagement partners are currently accountable for the quality of the audit and act as a representative of their firm and not as an individual. As noted above, naming the individual Partner could worsen compliance in that Partners may look to ways of avoiding restatements, going concern modifications or other things that may create a negative record for them. The impact would be greater for EGCs since they may have a greater tendency for modifications.

12. Would the reproposed amendments increase the engagement partner's or the other participants' sense of accountability? If so, how? Would an increased sense of accountability for engagement partners or other participants have an impact on audit quality? If yes, please provide specifics.

The implication of this question is that an auditor would not be paying close attention to his/her engagement unless his/her name is in the auditor's report. Given the requirements to obtain and keep a CPA license as well as relevant PCAOB requirements, we do not see that CPAs are not committed or accountable for their work. Each audit firm already has internal and external systems of controls and inspections to ensure the accountability of each engagement partner and other participants. Both the engagement partner and audit firm already have the responsibility to comply with professional standards. Disclosing the name of the engagement partner or other participants will not impact accountability. See also our response to question number one.

13. What costs could be imposed on firms, issuers, or others by the reproposed requirement to disclose the information about other participants in the auditor's report? Please provide any available empirical data. Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

Several concepts in the Release are not defined. For example, interim hours, where work might be used in the year-end audit, theoretically should count to the annual disclosure total but this is not clear. Obtaining the complete information from other firms or individuals involved in the audit might not even be possible. It is also

important to note that hours are not always indicative of audit significance. There could be inefficiencies or over-auditing that would inflate the hours and imply a greater significance than warranted. Also, total hours can be distorted by the use of internal auditors, whose hours are not to be counted according to the Release. It is also unclear if the hours of other participants would need to be audited in order to be included in the disclosures; if so, that would significantly increase both costs and the time to issue an auditor's report. It would be more significant to a user to indicate the areas audited, whether it is a subsidiary or a specific area such as inventory, as opposed to the hours spent by other audit participants.

Also, the Release discusses identifying the home office of the other participants without discussing how that information is more relevant than the location of the office performing the work.

There will be indirect costs associated with the disclosures as a result of the participating firms being more cautious of potential liability. Litigation related costs will increase. It will be perceived that the disclosure of information about other participants will increase the risk of liability to those other participants and additional protection measures will be deemed necessary by the other participants. This will raise audit costs.

Either there will be pass-through costs affecting audit fees or the participating firms will not be as willing to perform a portion of the audit, requiring the primary auditor to incur the additional costs to perform that portion of the audit which may be far away or require specialized expertise. In addition, it is not clear if the participating audit firms would need to become registered with the PCAOB.

The Board notes an assumption that the participating accounting firm would only be liable for misstatements associated with the work performed by the participating audit firm. However, disclosure of the percent of total hours does not provide any information regarding the portion or significance of work performed. As a result, while the participating firm may not ultimately be held liable, they will most certainly be brought into any lawsuits filed. Litigation is extremely costly, and often settlements are paid in order to avoid a trial. As a result, there could be increased exposure and settlement costs to participating firms simply because their names are disclosed.

We do not believe there would be a difference for ECGs.

14. What costs could be imposed by the application of the consent requirement to other firms that are named in the auditor's report? Please discuss both administrative costs to obtain and file consents with the SEC, as well as any indirect costs that might result. How could insurance or other private contracts affect these costs?

We believe that litigation related costs will increase. It will be perceived that the other audit firm shares responsibility for the audit rather than the current requirement that the principal auditor perform procedures sufficient to place reliance on the work of the other audit firm. This will raise audit costs. See also comments above.

15. Would application of the consent requirement to other firms named in the auditor's report result in benefits, such as improved compliance with existing requirements? Will there be greater or lesser effects on EGCs or auditors of EGCs than on other issuers or auditors of other issuers?

All audit firms are accountable for compliance with existing requirements, regardless of any consent requirement. See also comments above.

16. Would disclosure of the extent of other participants' participation, within a range rather than as a specific number, provide sufficiently useful information to investors and other financial statement users? Why or why not? Would the reproposed requirement to disclose the extent of other participant participation within ranges impose fewer costs than a specifically identified percentage?

A range is likely better and less costly than a specific number. A range will also be more useful than a specific number. The interpretation of specific percentages may vary by user, whereby some users may consider a few percentage points as significant, while other users will only find significance in higher percentages. Also, some interpret specific numbers to be at a higher level of precision; as indicated above, there are factors that can keep percentages from being precise. Ranges will help to provide a basis for the level of significance and create consistency among user interpretations.

We further note that audit firms in other countries, typically with much lower professional labor rates, use significantly more professionals on an engagement – to perform the same general level of aggregate audit effort – than are used in other countries. This phenomenon will distort the information provided by disclosing hours as the metric for other's participation in an audit.

17. Would increasing the threshold for individual disclosure of other participants to 5% from the originally proposed threshold of 3% improve the relevance of the disclosure? Would it reduce potential costs? Would another threshold, such as 10%, be more appropriate? If so, why?

While we believe that the disclosure is not appropriate, if it is determined that this will be imposed, then the higher threshold would be more appropriate, with 10% being more significant and representing more useful information than even 5%. This will effectively limit the number of other participants to be disclosed and eliminate from disclosure those participants performing insignificant parts of the audit.

18. Under the reproposed amendments disclosure would not be required when audit work is offshored to an office of the firm that issues the auditor's report (even though that office may be located in a country different from where the firm is headquartered), but disclosure would be required when audit work is performed by a foreign affiliate or other entities that are distinct from the accounting firm issuing the auditor's report.

a. Should all arrangements whether performed by an office of the firm issuing the auditor's report in a country different from where the firm is headquartered, a foreign affiliate or another entity that is distinct from the accounting firm issuing the auditor's report be disclosed as other participants in the audit? Why or why not?

If this will be imposed, then this should not be part of the equation. For example, due to office staff sharing and optimization, this could become difficult to determine. If another office of the same firm is used, presumably the same processes and procedures are in place as at the primary office. The concerns behind this Release and expressed by users pertain to other individuals and firms, not other offices of the primary firm. Such disclosure does not address these concerns.

b. Is it sufficiently clear how the disclosure requirement would apply in the context of offshoring? If not, how could this be made clearer?

Yes, it is sufficiently clear.

19. Are there special considerations for alternative practice structures or other nontraditional practice structures that the Board should take into account regarding the reproposed requirement to disclose other participants in the audit?

There may be situations where an alternative practice structure would result in a portion of an audit being performed by a specialist employed by a different but related company than the signing audit firm; however, the related company may be closely connected to the audit firm via common management and/or control. If the disclosure requirement does not apply when multiple offices of the same firm perform the audit, then it should also exclude alternative structures for certain related companies.

20. Under the reproposed amendments, the auditor would be required to include the extent of participation of persons engaged by the auditor with specialized skill or knowledge in a particular field other than accounting and auditing ("engaged specialists") in the total audit hours and to disclose the location and extent of participation of such persons. The engaged specialists would not be identified by name, but would be disclosed as "other persons not employed by the auditor."

a. Is it appropriate to require disclosure of the location and extent of participation of engaged specialists? If not, why?

An auditor is to use tools necessary to complete the audit. If the auditor deems it necessary to employ an “engaged specialist”, then that auditor would be assuming responsibility for the work performed. The disclosure of such information likely would only serve to confuse more than assist. In fact, as indicated above, the names of the “engaged specialist” could be more relevant to the user than the name of the engagement partner; if the engagement partner is required to be named, then so too should be the “engaged specialists”.

We suggest that the Board consider adding a clarification comment that the proposed rule does not apply to specialists engaged by management per AU 336, Section .03a and .03b, but only applies to specialists engaged by the auditor under AU 336, Section .03c.

If specialists engaged by management are intended to be covered by this proposed requirement, we suggest that the Board consider that in certain circumstances, this requirement may result in the auditor needing to disclose management's engagement of attorneys to conduct a privileged investigation that under current requirements would not require disclosure.

b. Would there be any challenges in or costs associated with implementing this requirement for engaged specialists? If so, what are the challenges or costs?

See comments above. It is unclear how the use of an “engaged specialist” by an “other participant” would be handled under this Release. It may be challenging to clearly understand the meaning of the terms “persons engaged by the auditor” and “other persons employed by the auditor”. Clarification could be added that the Release’s requirement in this area does not apply to specialists engaged by management but only applies to specialists engaged by the auditor.

21. In the case of other participants that are not public accounting firms (such as individuals, consulting firms, or specialists), is the participant’s name a relevant or useful piece of information that should be disclosed? Does disclosure of the participant’s location and the extent of the participant’s participation provide sufficient information?

As described above, there may be occasions that the name of a participant may be more useful to investors and other financial statement users than that of the engagement partner’s name. For example, the name of the entity’s real estate appraiser for significant real estate holdings or the name of the entity’s investment advisor for significant investment holdings may be considered useful to investors and other financial statement users. The participant’s location is not meaningful.

ILLINOIS CPA SOCIETY

22. If the Board adopts the reproposed amendments for auditors to disclose the name of the engagement partner and certain information about other participants in the audit in the auditor's report, should the Board also require firms to disclose the same information on Form 2 or another PCAOB reporting form? Why or why not?

> Duplication of effort and reporting does not seem to be an effective use of time or resources. We believe that public disclosure of the name of the engagement partner and other participants would not provide any meaningful additional investor protection.

23. Are the reproposed amendments to disclose the engagement partner's name and information about other participants in the audit appropriate for audits of brokers and dealers? If yes, are there any considerations that the Board should take into account with respect to audits of brokers and dealers?

> The reproposed amendments are not appropriate for brokers and dealers that would not otherwise require SEC filing. Such information is readily obtainable by management and the primary users of the financial statements and the time, cost and effort to obtain the necessary information does not seem warranted.

24. Should the reproposed disclosure requirements be applicable for the audits of EGCs? Are there other considerations relating to efficiency, competition, and capital formation that the Board should take into account when determining whether to recommend that the Commission approve the reproposed amendments to disclose the engagement partner's name and information about other participants in the audit for application to audits of EGCs?

> See comments above. Regardless of the industry or status as an EGC, we believe that public disclosure of the name of the engagement partner and information about other participants would not provide any meaningful additional investor protection.

25. Are the disclosures that would be required under the reproposed amendments either more or less important in audits of EGCs than in audits of other public companies? Are there benefits of the reproposed amendments that are specific to the EGC context?

> See comments above. Regardless of the industry or status as an EGC, we believe that public disclosure of the name of the engagement partner and information about other participants would not provide any meaningful additional investor protection.

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

Sincerely,

James J. Gerace, CPA
Chair, Audit and Assurance Services Committee

Elizabeth J. Sloan, CPA
Vice Chair, Audit and Assurance Services Committee

APPENDIX A

AUDIT AND ASSURANCE SERVICES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2013 – 2014

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. These members have Committee service ranging from newly appointed to almost 20 years. 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:

Scott Cosentine, CPA	Ashland Partners & Company LLP
Eileen M. Felson, CPA	PricewaterhouseCoopers LLP
Angela Francisco, CPA	McGladrey LLP
Robert D. Fulton, CPA	Baker Tilly Virchow Krause, LLP
James J. Gerace, CPA	BDO USA, LLP
Jon R. Hoffmeister, CPA	CliftonLarsonAllen LLP
James R. Javorcic, CPA	Mayer Hoffman McCann P.C.
Matthew G. Mitzen, CPA	Plante & Moran, PLLC
Elizabeth J. Sloan, CPA	Grant Thornton LLP
Kevin V. Wydra, CPA	Crowe Horwath LLP

Regional:

Jennifer E. Deloy, CPA	Frost, Ruttenberg & Rothblatt, P.C.
Barbara F. Dennison, CPA	Selden Fox, Ltd.
Andrea L. Krueger, CPA	Corbett, Duncan & Hubly, P.C.
Stephen R. Panfil, CPA	Bansley & Kiener LLP

Local:

Scott P. Bailey, CPA	Bronner Group LLC
Matthew D. Cekander, CPA	Doehring, Winders & Co. LLP
Lorena C. Johnson, CPA	CJBS LLC
Loren B. Kramer, CPA	Kramer Consulting Services, Inc.
Carmen F. Mugnolo, CPA	Mugnolo & Associates, Ltd.
Geoff P. Newman, CPA	Weiss & Company LLP
Steven C. Roiland, CPA	FGMK, LLC
Jodi Seelye, CPA	Jodi Seelye, CPA
Richard D. Spiegel, CPA	Steinberg Advisors, Ltd.
Timothy S. Watson, CPA	Benford Brown & Associates, LLC

Industry:

George B. Ptacin, CPA	The John D & Catherine T MacArthur Foundation

Educators:

David H. Sinason, CPA	Northern Illinois University

Staff Representative:

Ryan S. Murnick, CPA	Illinois CPA Society