



July 1, 2019

Mr. Willie Botha
International Auditing and Assurance Standards Board
529 Fifth Avenue
New York, New York 10017

Dear Mr. Botha:

The Illinois CPA Society (ICPAS) is a statewide membership organization, with over 24,000 professionals, dedicated to enhancing the value of the CPA profession. Founded in 1903, ICPAS is one of the largest state CPA societies in the United States of America. ICPAS represents Illinois CPAs in public accounting and consulting, corporate accounting and finance, not-for-profit, government and education organizations as well as affiliate member groups for students, educators, international professionals and related non-CPA finance professionals.

The ICPAS Audit and Assurance Services Committee (the “Committee” or “we”) is pleased to comment on the proposed International Standard on Auditing (ISA) 220 (Revised), Quality Management for an Audit of Financial Statements. The organizational 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 Committee rather than any individual members of the Committee, the organizations with which such members are associated, or the ICPAS Board.

Questions

- 1) Do you support the focus on the sufficient and appropriate involvement of the engagement partner (see particularly paragraphs 11–13 and 37 of ED-220), as part of taking overall responsibility for managing quality on the engagement? Does the proposed ISA appropriately reflect the role of other senior members of the engagement team, including other partners?

Response: Yes, we believe the engagement partner should take overall responsibility for managing the audit engagement, including taking responsibility for creating an environment for the engagement that emphasizes the firm’s culture and expected behavior of engagement team members in achieving audit quality.

We believe the ISA does reflect the roles of other senior members appropriately. Further, we believe it is important that all members of the engagement team perform high quality audits with appropriate professional skepticism.

- 2) Does ED-220 have appropriate linkages with the ISQMs? Do you support the requirements to follow the firm’s policies and procedures and the material referring to when the engagement partner may depend on the firm’s policies or procedures?

Response: We believe the linkages with the ISQMs will enhance the importance of the engagement partner’s and engagement team’s role in promoting audit quality.

Yes, we support the requirements to follow the firm’s policies and procedures and when the engagement partner may depend on the firm’s policies and procedures.

- 3) Do you support the material on the appropriate exercise of professional skepticism in managing quality at the engagement level? (See paragraph 7 and A27–A29 of ED-220)

Response: Yes, we support the material on the appropriate exercise of professional skepticism in managing quality at the engagement level. However, the list of impediments in A27 does not mean appropriate professional skepticism cannot be applied if these instances exist. These issues are not new and can be resolved in the manner recommended in this exposure draft.

- 4) Does ED-220 deal adequately with the modern auditing environment, including the use of different audit delivery models and technology?

Response: Overall, we believe ED-220 deals with the modern auditing environment, including the use of different delivery models and technology. However, we are concerned that some technologies may be cost prohibitive for small firms and sole practitioners.

- 5) Do you support the revised requirements and guidance on direction, supervision and review? (See paragraphs 27–31 and A68–A80 of ED-220)

Response: Yes, we support the revised requirements and guidance on direction, supervision and review

- 6) Does ED-220, together with the overarching documentation requirements in ISA 230, include sufficient requirements and guidance on documentation?

Response: Yes, overall, we believe the documentation requirements in ED-220 together with the overarching documentation requirements in ISA 230 include sufficient requirements and guidance on documentation. However, small firms and sole practitioners who perform mainly reviews and some audits could view the documentation as burdensome for the size and nature of their practice.

- 7) Is ED-220 appropriately scalable to engagements of different sizes and complexity, including through the focus on the nature and circumstances of the engagement in the requirements?

Response: No, we believe specifically small firms and sole practitioners will have difficulty implementation ED-220, see 6 above.

Scott Cosentine, CPA

Chair, Audit and Assurance Services Committee

Genevra D. Knight, CPA

Vice Chair, Audit and Assurance Services Committee



ILLINOIS CPA SOCIETY

APPENDIX A

AUDIT AND ASSURANCE SERVICES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2019 – 2020

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:

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|-------------------------|--------------------------------|
| Todd Briggs, CPA | RSM US LLP |
| Scott Cosentine, CPA | Ashland Partners & Company LLP |
| Jennifer E. Deloy, CPA | Marcum LLP |
| James J. Gerace, CPA | BDO USA, LLP |
| Michael R. Hartley, CPA | Crowe LLP |
| James R. Javorcic, CPA | Mayer Hoffman McCann P.C. |
| Huong Nguyen, CPA | PricewaterhouseCoopers LLP |
| Elizabeth J. Sloan, CPA | Grant Thornton LLP |
| Amber Sarb, CPA | RSM US LLP |
| Richard D. Spiegel, CPA | Wipfli LLP |
| Timothy Van Cott, CPA | Sikich LLP |
| Daniel Voogt, CPA | Grant Thornton LLP |

Regional:

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|------------------------|------------------|
| Michael Ploskonka, CPA | Selden Fox, Ltd. |
| Genevra D. Knight, CPA | Porte Brown LLC |
| Andrea L. Krueger, CPA | CDH, P.C. |

Local:

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| Timothy Delany, CPA | Pier & Associates, Ltd. |
| Arthur Gunn, CPA | Arthur S. Gunn, Ltd. |
| Lorena C. Johnson, CPA | CJBS LLC |
| Mary Laidman, CPA | DiGiovine, Hnilo, Jordan & Johnson, Ltd. |
| Carmen F. Mugnolo, CPA | Mugnolo & Associates, Ltd. |
| Jodi Seelye, CPA | Mueller & Company LLP |



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