



August 31, 2023

The Honorable Susana A. Mendoza  
Illinois State Comptroller  
555 W. Monroe Street, Suite 1400S-A  
Chicago, IL 60661

*In re:* Information Letter-Compliance Audit Filings

Dear Comptroller Mendoza:

Today I am writing this informational letter on behalf of the Illinois CPA Society regarding the availability of auditors to perform State of Illinois financial audits. Specifically, Illinois' large number of local governments, significant increases in federal and state funding due to the pandemic and federal infrastructure legislation coupled with the changing demographics of the accounting profession and the economics of the audit process have directly impacted the supply of CPAs to perform audits. The compressed supply of available auditors and the number of governmental audits required to be performed has created a significant strain on governmental entities, grant recipients and charitable organizations.

The dynamics outlined above are not unique to Illinois but are rather a nationwide trend. *Governing* magazine recently highlighted the issue of the shortage of auditors to perform government audits in an article entitled "Budding Accountants: Governments Need You." I have attached a copy of this piece for your reference. As I am sure you are aware, this national issue is even more acute in Illinois with our state's large number of local governments required to make audit compliance filings.

Recognizing the challenges of Illinois CPAs to fulfill the audit requirements of the State of Illinois and auditees, the Illinois CPA Society Government Relations Office has had preliminary discussions with the Illinois Comptroller's Local Government Division and the Illinois Municipal League to provide available resources for remediation of this issue. Additionally, we have worked with the Illinois Attorney General to pass legislation to increase the audit threshold for charitable organizations and have provided suggestions to satisfy compliance oversight of charities beyond an audit.

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Moving forward, we would ask that you and your staff consider alternatives to the current audit requirements that would still allow your agency to fulfill its oversight responsibilities. Some alternatives may include consideration of :

- The development of an Agreed Upon Procedures Engagement that could be performed in lieu of an audit
- Random or risk-based audits versus an annual audit
- Supplemental attest filings to augment audits
- Adjusting thresholds and standards requiring the performance of an audit

These are just a few suggestions you and your staff may wish to consider. We understand in some instances that statutory or administrative changes may need to occur to reflect implementation of audit alternatives.

As the premier professional organization representing Certified Public Accountants, we are committed to the highest professional standards of executing audits and attest services. We would look forward to a larger discussion on this issue and exploring alternatives for compliance. Aside from the attest resource sheet we have attached, our professional standards staff are available for further discussion and to respond to technical questions you may have.

Thank you for your consideration of this issue. Please feel free to contact our Sr. Vice President & Legislative Counsel, Martin Green, at 217.789.7914 or by email at [greenm@icpas.org](mailto:greenm@icpas.org) for further discussions or if we can be of assistance.

Sincerely,

ILLINOIS CPA SOCIETY



Geoffrey E. Brown, CAE  
President & CEO

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