

Briefing on Data and Technology

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October 12, 2022



chantico
global

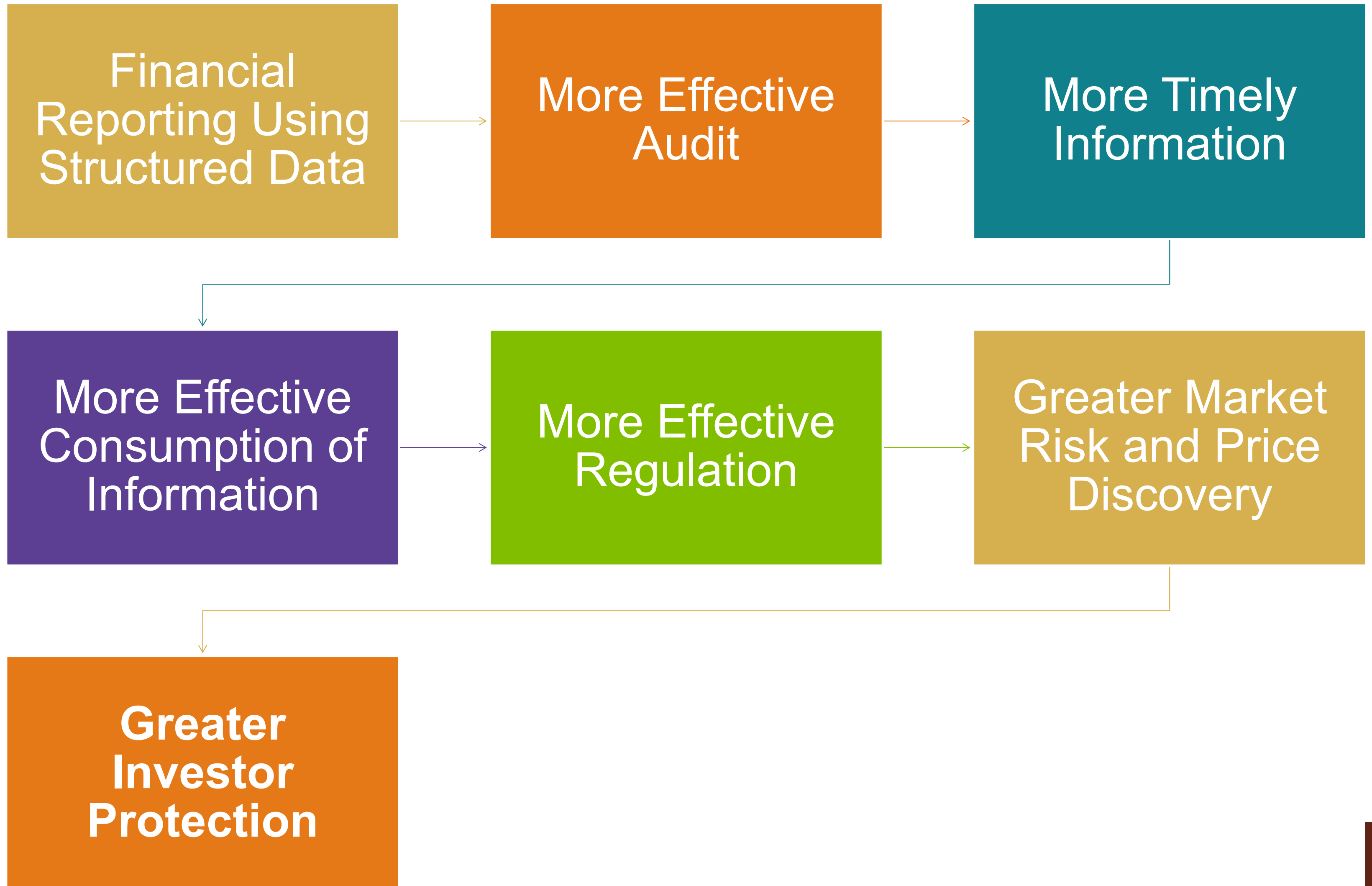
A Road Map to Digital Transformation

From an Investor Perspective

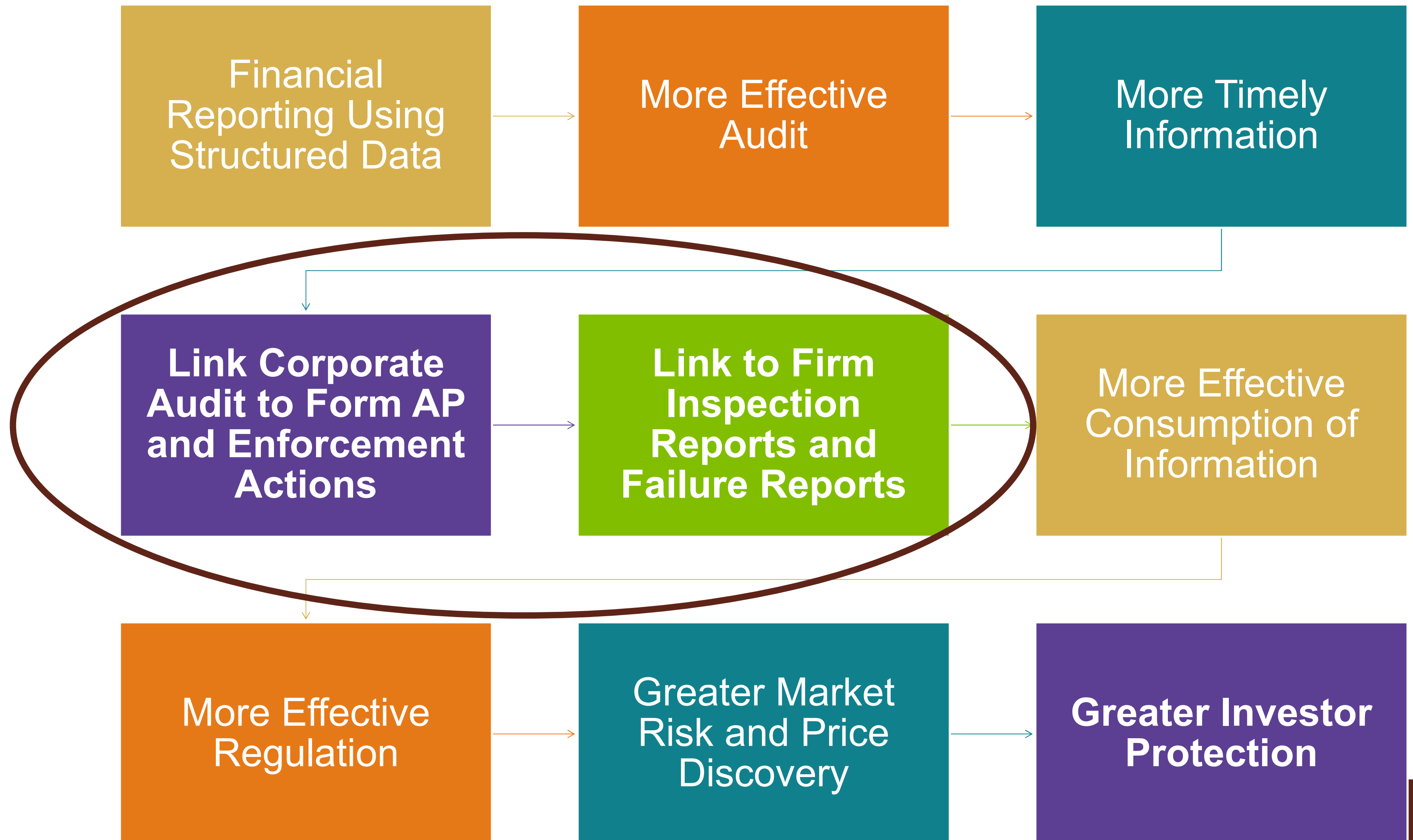
Agenda

- I. Why Digitize*
- II. Current State of Information Flow*
- III. PCAOB Information Potential Uses*
- IV. Lessons from EDGAR*
- V. Technology Options*
- VI. Key Takeaways*

Why Digitize



How the PCAOB Can Improve Investor Protection



Current State of Information Flow

Source

Tax Preparation

Inourced or Outsourced XBRL or iXBRL Preparation

Auditor Information Disclosure (Firm, Opinion, Fee, etc.)

Intermediate Users

Data Aggregation Platforms (Bloomberg, FactSet, Reuters, etc.)

Ratings Agencies (S&P, Moody's, ISS, etc.)

Auditors

Investor Users

Direct Investors (Fund Management or Individual Investors)

Creditors (Banks, Credit Funds, etc.)

Fund Investors (Pensions, Foundations, Endowments, Fund of Funds, RIA's)

PCAOB Information Potential Uses

Firm Registrations

- Currently available through Registered Firms Search
- Discloses all issuer audits (Form AP)
- Disciplinary Proceedings
- Inspections

Firm Inspections

- Currently available through Inspection Reports Search
- Connects Firms to Inspection Approach and Findings
- Remediation Failures connects to Firm Response

Form AP

- Currently available through Auditor Search
- Connects Firm to Engagement Partner
- Connects Engagement Partner to Issuer

Enforcement Actions

- Currently available through Enforcement Actions Search
- Connects Firm and Engagement Partner to Enforcement Actions

Lessons from EDGAR

- *Created a cottage industry for the outsourcing of XBRL compliance, making this a cost center and challenging for small companies*
- *Because it was an after thought to statement preparation, the XBRL tagging remain unaudited and error-prone*
- *Although EDGAR created an XBRL to API link and data portal, it was not easy to use and primarily used by data aggregators, limiting the investor audience for the information and undermining the ultimate goal of investor protection*
- *Further standardization of XBRL tagging taxonomy and curtailing use of extensions through generic tagging can improve data*
- *Encouragement of in-house tagging can potentially improve data available for audit.*

Technology Options: XBRL/iXBRL

- *XBRL (eXtensible Business Reporting Language) and iXBRL (inline XBRL) was primarily developed to deal with unstructured information, often in PDF format*
- *PDF documents are not technology friendly*
- *Tagging requires a well throughout taxonomy and the ability to consider generic tags to avoid similar information entered under different tagging extensions*
- *XBRL and iXBRL automation is still dependent on manual report creation by accountants and is highly specific to the issuer, so process implementation is key (tagging at the source)*

Technology Options: Digital Form Portal/Database

- *Where information is truly standardized, creating a digital form or csv upload capability into a database remains the best way to ensure clean information is captured for redistribution to interested users*
- *Costs of cloud data storage continue to fall*
- *Cost to build user portal and API layers are also falling*
- *Advantage of taking data from the source creates greater usability by the user audience*

Key Takeaways

- *Current form of PCAOB information is only useful on a one-off basis*
- *PCAOB information in a digitized form can be very useful for studying patterns across audit firms, engagement partners and issuer relationships which can increase confidence in auditor quality*
- *PCAOB enforcement actions, registration disapprovals and remediation failures can be more easily connected to audits as potential risks*
- *Greater visibility into PCAOB data will generate further use cases*
- *Ensuring that information going into the PCAOB system is properly audited by virtue of process or by mandate will greatly increase the usability of the data*
- *The usefulness of PCAOB data is impacted by the usefulness of EDGAR data*



Appendix

PCAOB Information – Registered Firms

Registered Firms

Find firms currently registered with the PCAOB by name, location or audit report activity. This information is reported by the firms in their most recent annual reports to the PCAOB.

View the **Firm Summary** page to see a firm's registration, annual and special report filings, inspection reports, or disciplinary actions. View the **AuditorSearch Profile** to see a name of a firm engagement partner for a specific audit of a public company.

Search

Sort By Firm (A-Z) < 1 of 70 > 24 Items Per Page Total Results: 1668

Firm State

Quick Lookup

- None (1)
- 04050 (1)
- Alabama (6)
- alberta (1)
- Alberta (1)
- Almaty (3)
- Amazonas (1)
- ANGUS (1)
- Arizona (4)
- Arkansas (4)

(+) Show 297 More

Firm City

Quick Lookup

- 92200 NEUILLY SUR SEINE (1)
- Aarhus (1)
- Aberdeen (1)
- ABERDEEN (1)
- Abington (1)
- Abu Dhabi (1)
- Accra (2)
- Aghia Paraskevi (1)
- Agia Paraskevi (1)
- Ahmedabad (3)

(+) Show 749 More

Audit Report Activity

- Audit report for at least one broker-dealer (312)
- Audit report for at least one issuer (479)
- No audit reports for broker-dealer, but substantial role in audit of at least one broker-dealer (9)
- No audit reports for issuers, but substantial role in audit of at least one issuer (79)
- No Form 2 filed (46)
- No reported issuer or broker-dealer audit activity (885)

"Marillion Audit" Limited Liability Company

City: Moscow
 State:
 Country: Russia
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

'Finances M' close company

City: Moscow
 State: Moscow
 Country: Russia
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

360 Advanced, Inc.

City: Saint Petersburg
 State: Florida
 Country: United States
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

AAFCPAs, Inc.

City: Westborough
 State: Massachusetts
 Country: United States
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

Abdo, Eick & Meyers, LLP

City: Edina
 State: Minnesota
 Country: United States
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

Abdulwahab Al-Ageel CPA's and Consultants

City: Riyadh
 State: Riyadh
 Country: Saudi Arabia
 No reported issuer or broker-dealer audit activity ⓘ

[Firm Summary](#)
[AuditorSearch Profile](#)

Key Information

Can create cross-check to registration status of Audit Firm

Firm summary information, methodology, etc.

List of all Issuer Audits (Form AP)

Disciplinary Proceedings

Inspection Reports

Subject to Board Determination Under the Holdings Foreign Companies Accountable Act

PCAOB Information – Registration Disapproval Notices

Registration Disapproval Notices

This page provides a list of orders disapproving registration applications, which the Board makes public pursuant to Sections 102(c) and 105(d) of the Sarbanes-Oxley Act of 2002. The inclusion of a firm in the list below does not mean that the firm cannot, or has not, subsequently become registered. To determine whether any firm listed below is currently registered, see the [list of currently registered firms](#).

| Title | Date |
|---|---------------|
| KPMG Audit SRL | Jul. 7, 2022 |
| Scott W. Smith, CPA's, Inc. | Jun. 22, 2022 |
| S S Kothari Mehta and Company | Nov. 23, 2021 |
| Ernst & Young-Middle East | Jun. 16, 2020 |
| GYL Decauwer LLP | Jun. 13, 2018 |
| BDO Italia S.p.A. | Jun. 6, 2017 |
| Stephen M. Yoda | Apr. 12, 2017 |
| Kingston Smith LLP | Dec. 13, 2016 |
| Morty Etgar, P.A. | May 18, 2015 |

Key Information

Can create cross-check to registration status of Audit Firm

Summary of key findings that support disapproval

PCAOB Information – Firm Inspection Reports

Home > Oversight > Inspections

Firm Inspection Reports

The Sarbanes-Oxley Act authorizes the PCAOB to inspect registered firms for the purpose of assessing compliance with certain laws, rules, and professional standards in connection with a firm's audit work for public companies, other issuers, and broker-dealer clients.

Registered firms that issue 100 or fewer audit reports for issuers are, in general, inspected at least once every three years. Registered firms that issue audit reports for more than 100 issuers are inspected annually. The Board also inspects registered firms that play a substantial role in audits of issuers. Many firms registered with the Board perform no audit work for issuers, and the Board does not inspect those firms.

While the information contained here focuses on our inspections of issuer audits, more information on broker-dealer inspections can be found on our dedicated page.

Search

Enter Firm Name, Country, Date/Year, or Keyword

Includes public quality control criticisms?
 Yes (320)

Country
Quick Lookup

- Argentina (23)
- Australia (40)
- Austria (1)
- Bahamas (1)
- Belize (1)
- Bermuda (22)
- Bolivia (1)
- Brazil (27)
- Canada (192)
- Cayman Islands (10)

(+) Show 44 More

International vs. U.S.
 International (832)
 U.S. (2781)

Effective Date Year
 2022 (162)
 2021 (164)
 2020 (46)
 2019 (104)

Sort By: Newest First | 1 of 151 | 24 Items Per Page | Total Results: 3613

INSPECTION REPORT

Barnes, Dennig & Co., Ltd.

COUNTRY: United States | INSPECTION REPORT DATE: Jul. 26, 2022

Download PDF

INSPECTION REPORT

Bober, Markey, Fedorovich & Company

COUNTRY: United States | INSPECTION REPORT DATE: Jul. 26, 2022

Download PDF

INSPECTION REPORT

Deloitte & Touche

COUNTRY: Cayman Islands | INSPECTION REPORT DATE: Jul. 26, 2022

Download PDF

INSPECTION REPORT

HHC

COUNTRY: United States | INSPECTION REPORT DATE: Jul. 26, 2022

Download PDF

Key Information Inspection Approach

Inspection Observations

Audits with Unsupported Observations

Other Instances of Non-Compliance

PCAOB Information – Remediation Failures

Inspections

Firm Inspection Reports

Inspection Procedures

Basics of Inspections

Remediation

Inspections of Non-U.S. Firms

Inspections-Related Board

Reports and Statements

Search

Enter Firm Name, Country, Date/Year, or Keyword

Country

Quick Lookup

- Australia (2)
- Brazil (3)
- Canada (24)
- Hong Kong (2)
- India (7)
- Israel (2)
- Japan (1)
- Malaysia (1)
- Mexico (3)
- Russia (3)

International vs. U.S.

- International (50)
- U.S. (270)

Effective Date Year

- 2021 (1)
- 2020 (1)
- 2019 (4)
- 2018 (18)
- 2017 (17)
- 2016 (18)
- 2015 (14)
- 2014 (14)
- 2013 (24)
- 2012 (33)
- 2011 (39)
- 2010 (27)
- 2009 (25)
- 2008 (23)
- 2007 (12)
- 2006 (31)
- 2005 (19)

Firms that Failed to Address Quality Control Criticisms Satisfactorily

To find current registration information on firms listed below, search the PCAOB firm filing database.

Sort By: Newest First | 1 of 14 | 24 Items Per Page | Total Results: 320

INSPECTION REPORT

KBL, LLP

COUNTRY INSPECTION REPORT DATE
United States Jun. 25, 2021

Download PDF

Includes public quality control criticisms

INSPECTION REPORT

MaloneBailey, LLP

COUNTRY INSPECTION REPORT DATE
United States Aug. 5, 2020

Download PDF

Includes public quality control criticisms

INSPECTION REPORT

BMKR LLP

COUNTRY INSPECTION REPORT DATE
United States Sep. 25, 2019

Download PDF

Includes public quality control criticisms

INSPECTION REPORT

PLS CPA A Professional Corporation

COUNTRY INSPECTION REPORT DATE
United States Jul. 25, 2019

Download PDF

Includes public quality control criticisms

INSPECTION REPORT

Armanino LLP

COUNTRY INSPECTION REPORT DATE
United States Jun. 20, 2019

Key Information

Executive Summary

Inspection Observations

Deficiencies

Audits with Unsupported Opinions

Other Instances of Non-Compliance with PCAOB Standards or Rules

Observations Related to Quality Control

Firms Response to Draft Inspection Report

PCAOB Information – Auditor Search

Home > Resources

AuditSearch™

AuditSearch is a public database of engagement partners and audit firms participating in audits of U.S. public companies.

Enter a search term

Enter Issuer (Name, CIK, Ticker), Firm (Name, ID, Country), Engagement Partner (Name)

[Advanced Search](#)

What can you do on AuditorSearch?



Search by engagement partner, audit firm, or public company.



Find the name of the engagement partner on a specific audit of a public company.



Discover the name, location or extent of participation of other audit firms.

How many people use AuditorSearch?

As of December 31, 2020, 1,880,674 unique searches (excluding PCAOB IP addresses) had been performed on AuditorSearch. The entire data set was downloaded 22,877 times.

[Download the number of searches and users by date.](#)

About the data

The data used by AuditorSearch is collected from Form APs filed by registered firms. The firms submit a Form AP for each audit report issued for a public company.

For more information, visit the [Form AP resource page](#).

Download the entire data set

[Download the entire data set](#) (updated daily) from AuditorSearch. Data in the ticker field is not available in the download. [Download the data dictionary](#).

Need help?

Contact us via the website contact form.

[Contact Us](#)

Key Information [Form AP Filings](#)

[Firm Level Search](#)

[Engagement Partner Search](#)

[Issuer Search](#)

[Engagement Partner Tenure](#)

[Firm Tenure](#)

[Issuer Relationships](#)

PCAOB Information – Enforcement Actions

Enforcement

- [Enforcement Actions](#) +
- [Tips and Referrals](#) +
- [Updated PCAOB Staff Considerations on Recommending the Identification of Issuers and/or Broker-Dealers in Settled Enforcement Orders](#)

Home > Oversight > Enforcement

Enforcement Actions

The Board imposes appropriate sanctions where justified in settled and litigated disciplinary proceedings. The PCAOB posts all publicly available opinions, orders, termination of bars, and other Board enforcement actions, as well as related SEC and court actions on review of those sanctions.

If a respondent in a litigated disciplinary proceeding petitions for SEC review of a Board-imposed sanction (or the SEC elects to review the sanction on its own), by law the sanction is stayed pending further action by the SEC. The Board is prohibited from publicly reporting the sanction unless and until the SEC lifts the stay. Consequently, the Board does not publish its opinions, orders, and other final actions imposing sanctions until the SEC has ordered that the stay be lifted or the opportunity for SEC review has passed. Because of the stay, the effective date of the sanctions imposed by the Board is different from the date of the Board action imposing the sanctions.

All parties against whom the Board has initiated proceedings have the right to a hearing. Hearings may be conducted in person or, in some circumstances, may consist solely of the submission of written materials.

Office of the Hearing Officers

- [Guide to Proceedings before a PCAOB Hearing Officer](#)
- [Office of Hearing Officers Charter](#): A collection of requirements, policies, and practices the PCAOB has in place to promote and protect the impartiality of PCAOB hearing officers, the Charter itself gives rise to no rights or remedies.

Search

Enter Respondent Name, Country, Date/Year, or Keyword

Enforcement Document Type

- Settled Disciplinary Order (345)
- Adjudicated Disciplinary Order (24)
- Termination of Bars (17)

Respondent

Quick Lookup

- Acquavella, Chiarelli, Shuster, Berkower & Co., LLP (1)
 - Adam M. Sanderson (1)
 - Ahmed & Associates CPA P.C. and Rizwan Ahmed, CPA (1)
 - Ahmed Mohidin, CPA (1)
 - Akiyo Yoshida, CPA (1)
 - Alan J. Goldberger, CPA and William A. Postelnik, CPA (1)
 - Albert Thomas (1)
 - Aldo Hidalgo de la Rosa (1)
 - Alexander Thompson Arnold PLLC (1)
 - Alexandria Yi, CPA (1)
- (+) Show 190 More

Country

Quick Lookup

- Argentina (1)
 - Australia (4)
 - Bermuda (1)
 - Brazil (19)
 - Canada (10)
 - China (4)
 - Colombia (2)
 - Denmark (1)
 - Hong Kong (11)
 - Hungary (1)
- (+) Show 16 More

Effective Date Year

Sort By: Effective Date (Newest First) < 1 of 17 > 24 Items Per Page Total Results: 386

ENFORCEMENT DOCUMENT

Alexandria Yi, CPA

| TYPES | COUNTRY | RELEASE DATE |
|---------------------|---------------|--------------|
| Termination of Bars | United States | Oct. 4, 2022 |

[Download PDF](#)

ENFORCEMENT DOCUMENT

James Pai CPA PLLC

| TYPES | COUNTRY | EFFECTIVE DATE |
|----------------------------|---------------|----------------|
| Settled Disciplinary Order | United States | Oct. 4, 2022 |

[Download PDF](#)

ENFORCEMENT DOCUMENT

Liebman Goldberg & Hymowitz LLP

| TYPES | COUNTRY | EFFECTIVE DATE |
|----------------------------|---------------|----------------|
| Settled Disciplinary Order | United States | Oct. 4, 2022 |

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ENFORCEMENT DOCUMENT

Shanghai Perfect C.P.A. Partnership

| TYPES | COUNTRY | EFFECTIVE DATE |
|----------------------------|---------|----------------|
| Settled Disciplinary Order | China | Oct. 4, 2022 |

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ENFORCEMENT DOCUMENT

Yarel + Partners

| TYPES | COUNTRY | EFFECTIVE DATE |
|----------------------------|---------|----------------|
| Settled Disciplinary Order | Israel | Oct. 4, 2022 |

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Key Information

By Enforcement Type (Settled, Adjudicated, Terminated)

At the Engagement Partner Level and Firm Level



**Building Investment
Excellence**