



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors & the Markets

Affiliated with the American Institute of CPAs

The Center for Audit Quality

**A Presentation to the
AICPA National Conference on
Current SEC and PCAOB Developments**





December 10, 2007

The Center for Audit Quality

Founded in January 2007

Mission: Foster confidence in the audit process and aid investors and the capital markets by advancing constructive suggestions for change

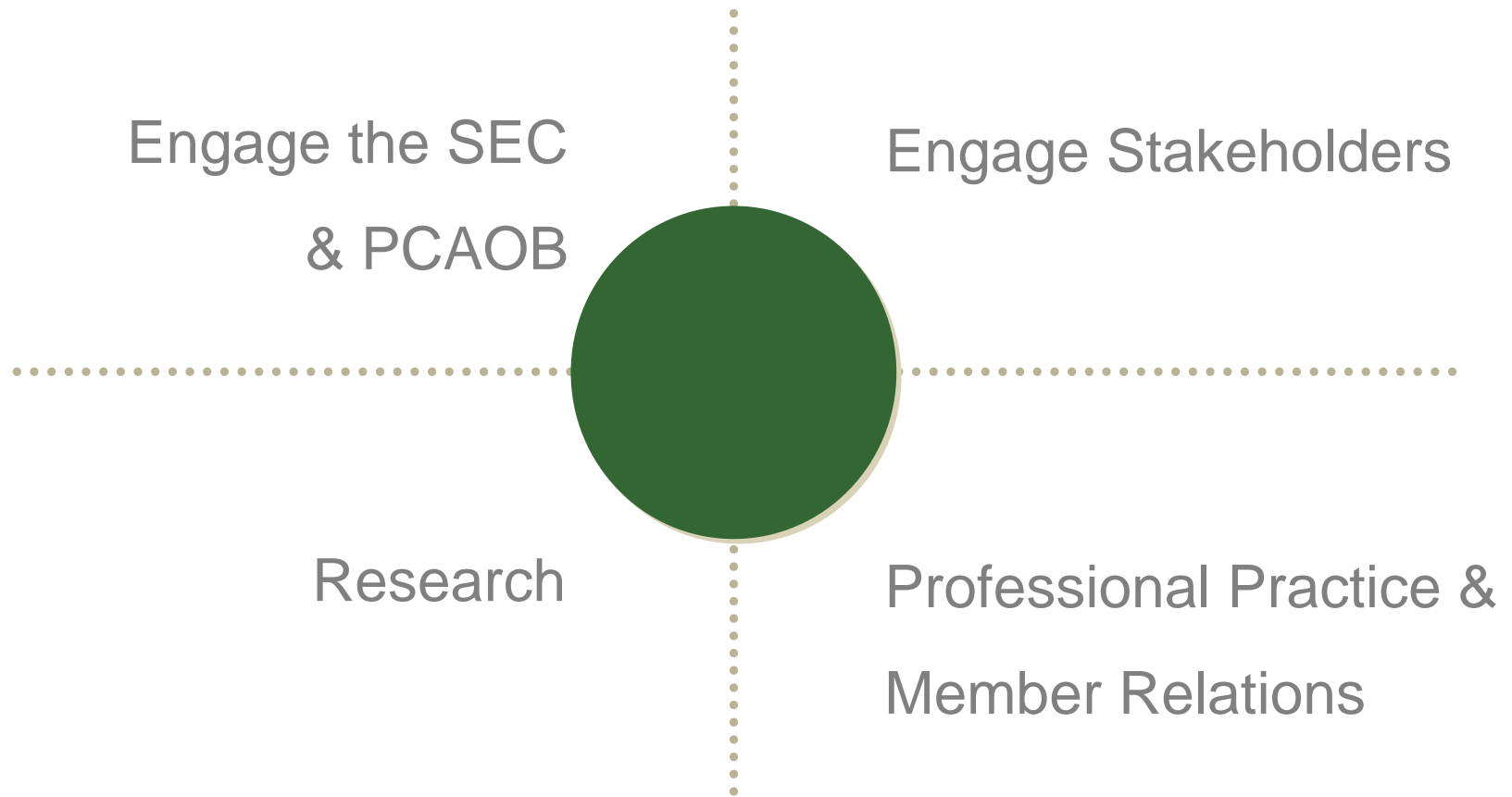
Core Values:

	Integrity		Objectivity
	Honesty		Trust

Who We Are

- Membership of nearly 800 public company auditing firms
- Governing Board: 9 chief executives of 8 public company audit firms and the CEO of the AICPA
- Appointments of public board members to CAQ Governing Board bring *outside* thinking *into* the profession

Achieving the CAQ's Mission: How We Do It



SEC's Advisory Committee on Improvements to Financial Reporting (CIFiR)

- Goals: Reduce unnecessary complexity
Make information more useful and understandable for investors
- Examining Substantive Complexity, Standard-Setting Process, Audit Process and Compliance, and Delivery of Financial Information
- Recommendations expected by August 2008

Treasury's Advisory Committee on the Auditing Profession

- Mission: Improving the quality of the audit process and ensuring the profession's viability and resilience
- Profession representatives include KPMG's Tim Flynn and AICPA's Barry Melancon
- Final report due in late June 2008

The Public Dialogue Tour



Events in 10 cities to discuss modernizing financial reporting providing feedback from a diverse range of stakeholders

Emerging Themes

- Adequacy of financial reporting
 - Quantity vs. Quality
 - Go behind the numbers
 - How do we satisfy all investors?
- Role of auditors
 - A vital ally
 - Fraud detection
 - The Expectations Gap
- Impact of technology
 - Little support for real-time reporting

Remarks by Rob McKenna

Washington State Attorney General

Seattle Public Dialogue Event - June 28, 2007



SOX 5th Anniversary Event

National Press Club - July 30, 2007



Remarks by SEC Chairman Christopher Cox

SOX Fifth Anniversary Event



SOX 5th Anniversary: Investor Survey

84%

Express confidence in U.S. capital markets

80%

Have confidence in audited financial information

56%

Believe Sarbanes-Oxley was a good idea



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