



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors & the Markets

Affiliated with the American Institute of CPAs

U.S. Developments on the Role of the Auditor

**Cindy Fornelli
Executive Director
Center for Audit Quality**

**NASBA'S 4th Annual International Forum
July 25, 2011**



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The Role of the Auditor

- ❖ **CAQ's Role of the Auditor Discussion Series**
- ❖ **PCAOB's Concept Release on Auditor's Reporting Model**
- ❖ **CAQ initial comment letter**
 - **Overarching principles to guide revisions**



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Auditor Independence and Mitigants to the Company Pay Model



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Investor Education

- ❖ ***In-Depth Guide to Public Company Auditing***
- ❖ **“For Investors” section of www.theCAQ.org**



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Global Accounting Standards

- ❖ **CAQ supports adoption of a single set of high-quality global accounting standards**
- ❖ **SEC's "condorsement" framework**

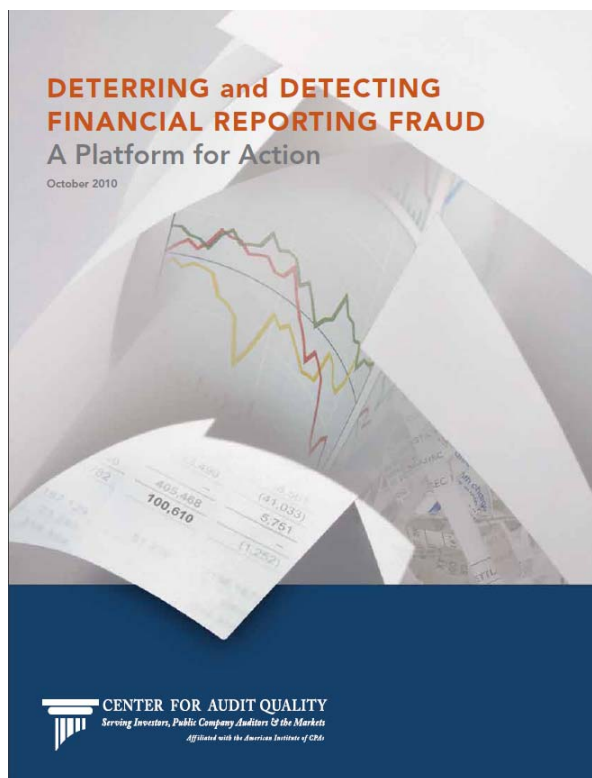


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The CAQ's Anti-Fraud Initiative





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Commitment to Research

- ❖ **“Main Street Investor Survey”**
- ❖ **Funding scholarly research**
- ❖ **Annual Auditing Symposium**



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2011 Academic Research Projects

- ❖ **“A Field Investigation of Auditing Fair Values”** by Jean Bedard and Nate Cannon, Bentley University
- ❖ **“Why and How do Mid-Level Accounting/Finance Managers Perpetrate Financial Reporting Fraud?”** by Ikseon Suh , Marquette University, Kristina Linke, University of Groningen, and Joseph Wall, Carthage College
- ❖ **“Confident Matters: The Effect of Expressed Client Confidence on Auditor Judgment”** by Sanaz Aghazadeh, University of Oklahoma
- ❖ **“The Influence of Social Costs and Strategy on Auditor-Auditor Consultations”** by Tammie Rech, University of South Carolina
- ❖ **“Professional Skepticism and Auditing Fair Value: Effects of Task Structure, Time Pressure and Procedure Framing”** by Mark Nelson and Eldar Maksymov, Cornell University



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