



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors & the Markets

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CAQ Thanks Treasury Advisory Committee for Examining Auditing Profession's Critical Issues

Washington, D.C. — The Center for Audit Quality (CAQ) issued the following statement from Executive Director Cindy Fornelli in reaction to the Treasury Department's Advisory Committee on the Auditing Profession's adoption of its final report:

“The CAQ and its member firms appreciate the time and effort invested by the individuals who served on the Treasury Department's Advisory Committee on the Auditing Profession. The culmination of a 16-month process, the final report of the Committee includes a number of useful recommendations that we believe will significantly strengthen the profession and raise public confidence in the audit process. We commend Co-Chairmen Arthur Levitt and Donald Nicolaisen and the committee members for their focus and commitment.

The CAQ supports the Committee's call for creation of a National Center for Fraud Prevention and Detection. Fraud detection remains a primary focus of public company auditors and we intend to play a constructive role in identifying new approaches that will serve to improve audit performance as it relates to fraud.

We believe the Advisory Committee's recommendations in the area of Human Capital – concerning the people of the profession – provide a number of valuable suggestions for enriching the profession's talent pool, enhancing accounting curricula in our nation's colleges and universities, and building on the profession's existing efforts to further expand diversity among accounting professionals.

Given the threat to our capital markets and investors that would result from the loss of another large audit firm, we encourage those in the policy making community to use this report's acknowledgment of catastrophic liability as a starting point for further examination of the issue.”

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The Center for Audit Quality (CAQ) is an autonomous public policy organization serving investors, public company auditors and the capital markets. The CAQ's mission is to foster confidence in the audit process and to aid investors and the markets by advancing constructive suggestions for change rooted in the profession's core values of integrity, objectivity, honesty and trust. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants. For more information, visit www.thecaq.org