



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors, & the Markets

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The Center for Audit Quality Says Investor Needs Should Come First as Regulators Make Changes to the Sarbanes-Oxley Act

~~The following statement is from Cindy Fornelli, executive director of The Center for Audit Quality, in response to the Securities and Exchange Commission's open meeting on proposed changes to the Sarbanes-Oxley Act~~

Washington, D.C. -- “We were very pleased that at today’s open meeting to discuss proposed changes to Section 404 of the Sarbanes-Oxley Act, the Securities and Exchange Commission and the Public Company Accounting Oversight Board struck the right balance between making the audit both more effective and more efficient.”

“Given the importance of the public company audit, investors deserve a thorough and robust examination of the financial records of publicly traded companies, and the discussion today around the SEC and PCAOB’s proposals shows that both agencies support those important principles.”

“The discussion properly focused on scaling the audit, regardless of the size of the company, in a fashion based on the company’s specific circumstances, and on allowing the auditor to use his or her professional judgment in making that determination.”

“We were also pleased to see that auditors would be left to determine the extent to which they would rely on the work of others in rendering an audit opinion.”

“We would hope that as this process continues, regulators at the SEC and PCAOB will remain true to the spirit and intention of Sarbanes-Oxley by continuing to put the interests of investors first, even as they work to make the law more efficient.”

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