

YEAR IN REVIEW 2009



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors & the Markets

Affiliated with the American Institute of CPAs

Letter from the Executive Director



JANUARY 2010

Dear Friend of the CAQ:

The Center for Audit Quality's third year of operation took place against the backdrop of a tumultuous economic environment. As you know, the financial crisis led to an unprecedented level of scrutiny on the institutions and processes underpinning our market system. For its part, the CAQ has sought to stay abreast of the many efforts to examine and reform elements of the financial regulatory system and to engage in public discussions, where appropriate, on behalf of the public company audit profession. Our outreach to capital market stakeholders enabled us to collaborate with key business, investor and academic groups in order to proactively impact these efforts.

As interest in fair value accounting increased in the first quarter of 2009, the CAQ and investor groups remained united in promoting transparency and accuracy in financial reporting. Also, in an effort to inform the debate around the movement toward a single set of high-quality global accounting standards, the CAQ developed the *Guide to International Financial Reporting Standards*, an objective summary of key issues.

As policymakers considered potential changes that would negatively impact the independence of FASB's standard-setting process, the CAQ stood firm in its belief that maintaining that independence is essential to investor confidence and public trust in the capital markets. The CAQ was joined in this position by such groups as the U.S. Chamber of Commerce, the Council of Institutional Investors and the Investment Company Institute.

The CAQ also commissioned a series of anti-fraud events that brought together corporate leadership, investors, academics, media and other stakeholders to discuss the deterrence and detection of financial statement fraud. What we've learned from these exchanges has been instrumental as we consider next steps.

More recently, the United States Supreme Court heard oral arguments regarding the constitutionality of the PCAOB. The CAQ submitted an amicus brief in support of the regulatory functions of the PCAOB, providing context to help the Court understand the PCAOB's role in achieving the goals Congress embodied in the Sarbanes-Oxley Act.

This 2009 *Year in Review* is a look back at some of the CAQ's key educational and collaborative efforts during an extraordinary time in history for our financial markets. We look forward to continuing such productive efforts in 2010.

Sincerely,

A handwritten signature in black ink that reads "Cynthia M. Fornelli". The signature is written in a cursive, flowing style.

Cynthia M. Fornelli
Executive Director

Vision, Structure & Leadership

OUR VISION

The Center for Audit Quality is dedicated to enhancing investor confidence and public trust in the global capital markets by:

- Fostering high quality performance by public company auditors;
- Convening and collaborating with other stakeholders to advance the discussion of critical issues requiring action and intervention; and
- Advocating policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions.

OUR STRUCTURE

The CAQ is an autonomous, nonpartisan, nonprofit public policy organization based in Washington, D.C. Affiliated with the American Institute of Certified Public Accountants (AICPA), we are self-supporting and entirely funded by member dues. Membership in the CAQ is open to U.S. accounting firms registered with the Public Company Accounting Oversight Board (PCAOB). Associate membership is available for U.S. accounting firms not registered with the PCAOB. We also offer international firm subscriptions.

OUR LEADERSHIP

The CAQ receives strategic guidance from a 12-person Governing Board that includes three members from outside the profession (see page 12 for details).

"I and our other colleagues in other organizations work very closely together on public policy issues. We've come together in this country through the Center for Audit Quality and I'm honored to be the chair."

—**Jim Turley**, Ernst & Young LLP Chairman and CEO and CAQ Governing Board Chair, CNBC, October 9, 2009



The Center for Audit Quality Governing Board at work

FAIR VALUE ACCOUNTING

The support of fair value (or “mark-to-market”) accounting remained a primary focus of the CAQ’s public policy activities in 2009, through comment letters, joint letters with other key stakeholders, media interviews and Congressional testimony.

Throughout the debate, the CAQ continued its collaboration with investor groups, including the Council of Institutional Investors, CFA Institute and Consumer Federation of America.

In a joint letter in February, the four organizations applauded Congressional efforts to restore investor confidence in the U.S. capital markets, but cautioned against a retreat from fair value. “As you seek solutions, we caution against taking action that could further undermine the confidence of investors,” the groups wrote. “We appreciate the challenges of dealing with the financial instability resulting from the toxic assets held by banks. However, changing financial accounting

standards because of valuation challenges is not the way to solve regulatory capital problems.”

The profession’s leadership on the issue also resulted in Cindy Fornelli’s invitation to testify before the House Financial Services Committee’s Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises in March. Fair value accounting provides transparent financial information to investors, Fornelli told lawmakers, adding that the challenges facing financial institutions are a serious concern, but are not caused by financial accounting and reporting. “Investor confidence in the reliability and transparency of financial reporting is critical to our financial system’s long-term well being,” said Fornelli in her testimony. “We must pursue only those proposals that do not put that confidence at risk.”

“Suspending fair value or mark-to-market accounting would not solve the problems because you would have a huge loss of confidence in the investor community as to the true value of these assets.”

—Cindy Fornelli, *Nightly Business Report* (PBS), March 12, 2009



Executive Director Cindy Fornelli testifies before the House Financial Services Committee

ANTI-FRAUD INITIATIVE

The CAQ in 2009 held a series of roundtable discussions, hosted by CAQ Governing Board Co-Vice Chair Michele Hooper and Executive Director Cindy Fornelli, on the topic of fraudulent financial reporting. The series brought together a wide variety of perspectives with the goal of identifying best practices in the detection and deterrence of financial statement fraud.

Discussion participants throughout the series of events, held in the United States and the United Kingdom, represented a wide range of market stakeholders with a role or interest in deterrence and detection of fraud. Participants included company executives (CEOs, CFOs, CAOs and general counsel), audit committee chairs and members, internal auditors, current and former senior regulatory officials, investors and analysts, external audit partners, forensic auditors, former fraudsters, law enforcement, academics, and members of the financial media.

CAQ ANTI-FRAUD DIALOGUE THEMES

- The right “tone at the top” is critical to reducing incidences of fraud within public companies;
- Boards of directors and audit committees—with the aid of external auditors—must maintain some skepticism and ask management the right questions to help deter fraud; and
- The Sarbanes-Oxley Act of 2002 has been largely successful in helping corporations create environments that are less conducive to fraud.



Top: Cindy Fornelli addresses anti-fraud event participants in London



Right: Former Congressman Michael Oxley, Governing Board Co-Vice Chair Michele Hooper and Craig Greene of McGovern & Greene in Washington, DC

Common themes were sounded by participants at all five venues. First and foremost, there is widespread acknowledgement that company management has primary responsibility for deterring and detecting financial statement fraud yet all capital market stakeholders can play a role. The public company auditing profession has a significant part to play, and it is one we continue to examine. The anti-fraud series has been instrumental in informing the consideration of next steps by the CAQ’s Anti-Fraud Working Group, chaired by Michele Hooper. Possible initiatives may include partnering with other organizations in hosting conferences on the topic, development of education and training modules, and promotion of best practices.

CAQ ANTI-FRAUD DIALOGUE

DATE	LOCATION	FOCUS OF DISCUSSION
April 14	San Francisco	The motivators of fraud
May 5	New York City	The role of corporate management and boards of directors in fighting fraud
May 19	Chicago	The role of external auditors in fighting fraud
June 4	Washington, D.C.	Anti-fraud tools, research and resources
Sept. 24	London	Challenges of fraud deterrence and detection in multinational corporations

Financial Regulatory Reform

The CAQ played a constructive role in the debate over financial regulatory reform during 2009. Executive Director Cindy Fornelli set the tone for the Center's activities during a speech to attendees of the AICPA's 2008 National Conference on Current SEC and PCAOB Developments, in which she noted that, "in turbulent times, and amid calls for financial regulatory reform, there is an opportunity for the public company auditing profession" to further demonstrate its value to investors and other market participants.

In encouraging appropriate reform efforts to restore confidence and stability to the markets, the CAQ developed a set of Guiding Principles, chief among them protection of investor interests.

THE CAQ'S GUIDING PRINCIPLES FOR FINANCIAL REGULATORY REFORM

- Investor Interests Must Be Protected
- The Regulatory Framework Should Be Strengthened and Clarified to Govern Problematic Entities and Activities
- Financial Statement Transparency Should Be Increased
- Management of Systemic Risk Should Be a Priority
- Fraud Detection and Deterrence Should Be Enhanced
- The PCAOB and SEC Should Remain the Primary Regulatory Authorities for Public Company Audits
- Policymakers Should Pursue a Coordinated Global Approach to Regulation
- Accounting Standards Should Move Toward a Uniform Set of High-Quality Global Standards Through IFRS
- Auditors' Professional Judgment Should Be Respected
- Independent Standard Setting Should Be Preserved

January 2009

In a November 5th letter to leaders of the House Financial Services Committee, the CAQ joined with the Council of Institutional Investors, the Investment Company Institute and the U.S. Chamber of Commerce's Center for Capital Markets Competitiveness to discourage the Committee from taking actions that would potentially impact the independence of accounting standard setting.

Expressing concern over proposals that would realign the oversight of the Financial Accounting Standards Board (FASB) within the structure of systemic risk, the four organizations explained that, "By placing the FASB under the jurisdiction of a structure charged with managing systemic risks to the financial markets, accounting rules will be viewed through the narrow lens of a few large companies from specific industries, rather than considerate of the applicability of financial reporting policies to over 15,000 public companies. Such a narrow focus can skew standards and undermine the confidence of investors and understanding of transactions that businesses engage in on a daily basis. We believe that the SEC has and continues to be best suited to provide the oversight of the FASB for such a broad and diverse economy. As such, we strongly support an independent standards-setting process, subject to public scrutiny and free of undue pressures."

The CAQ also submitted letters to House and Senate committees expressing support for Section 404(b) of the Sarbanes-Oxley Act of 2002 and the SEC's position that there will be no further delay in compliance for smaller public companies. The CAQ pointed to feedback illustrating the significant benefits investors derive from Section 404(b) requirements, "which we believe are particularly meaningful given the fact that well over half of the financial statement restatements have traditionally been by smaller public companies, which represent over half of the public companies listed in the U.S."

Research

INDIVIDUAL INVESTOR SURVEY

For the third straight year, the CAQ conducted a survey of individual investors to measure confidence levels in the capital markets. Despite two years of tumult in the global economy, investor confidence in the U.S. capital markets leveled off in the last year after a precipitous drop between 2007 and 2008.

The year leading up to our 3rd annual individual investor survey coincided with unprecedented turmoil. Yet investor confidence in the U.S. capital markets, public companies and audited financial statements remains fundamentally strong.

According to the survey results, investors are divided on how much longer the recession will last—half believe it will end in the next year, while the other half think it will last for at least two more years. Fittingly, investors continue to adapt to the economic environment, with 61 percent saying they have changed their investment behavior in the last six months, roughly the same percentage as in 2008 (60 percent).

“Despite the volatility in the stock market and a weak economy, investor confidence in the capital markets has stabilized, according to a new survey. However, investors are split over when they think the recession is ending.

The report, released on Wednesday by the Center for Audit Quality in Washington, is based on a late-summer survey of 1,000 individual investors who had at least \$10,000 invested in the market.”

—“Survey: Investors Gaining Confidence in Markets,” *Time.com*, September 30, 2009

ACADEMIC RESEARCH FUNDING

The CAQ’s Research Advisory Board (RAB), which promotes credible and timely academic research on audit-related topics, issued a request for proposals (RFP) in March to fund research on one of four topics: audit quality, professional judgment, professional skepticism, and the value of the audit.

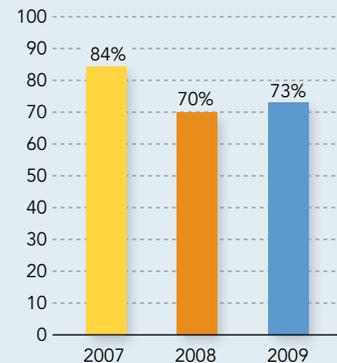
Highlighting the CAQ’s ongoing efforts to provide opportunities for active engagement between the academic community and the profession, and recognizing the importance of academic research on audit quality, the RAB received nearly 50 proposals from academics around the world. After an extensive review of the proposals, the RAB selected the following five projects for \$130,000 of funding:

- “The Collaboration Between Financial Statement Auditors and Fraud Experts in Fraud Risk Assessment,” by Stephen Asare, University of Florida, and Arnie Wright, Northeastern University
- “A Review and Model of Auditor Judgments in Fraud-Related Planning Tasks,” by Jacqueline Hammersley, University of Georgia

Investor Survey Findings



Confidence in U.S. capital markets, 2009
(Percentages do not add up to 100% due to rounding)



Confidence in U.S. capital markets, 2007–2009

Research

- “Does Context Influence Auditors’ Fair Value Judgments?” by Vicky Hoffman, University of Pittsburgh, Christine Earley, Providence College, and Jennifer Joe, Georgia State University
- “Training Auditors in Professional Skepticism,” by David Plumlee and Brett Rixom, University of Utah, and Andrew Rosman, University of Connecticut
- “Enhancing Professional Skepticism,” by Ken Trotman, University of New South Wales, Australia

The CAQ recognizes the importance of independent research to the profession and we are proud to support these outstanding academics as they embark on their robust research projects.

“The Center for Audit Quality committed to fund some \$130,000 for independent academic research projects, the first time the professional accounting public-policy organization has undertaken such an effort.”

—“Accounting group funds independent research,” *Pensions & Investments*, August 20, 2009



Above: CAQ Governing Board Chair Jim Turley and Executive Director Cindy Fornelli with CAQ grant recipients

Top right: CAQ Symposium on Academic Research in Auditing attendees

Bottom: Governing Board Chair Jim Turley welcomes Symposium attendees

RESEARCH SYMPOSIUM

In August, senior audit partners and academic researchers participated in a discussion hosted by the CAQ about the link between audit research and practice. The “Symposium on Academic Research in Auditing: Making it Relevant to Audit Practice” brought together these audit quality stakeholders to discuss the issues and challenges auditors face in pursuit of quality audits, and how scholarly research can benefit and promote audit quality.

The symposium, held prior to the American Accounting Association’s Annual Meeting in New York City, was hosted by CAQ Governing Board Chair Jim Turley of Ernst & Young LLP and moderated by Executive Director Cindy Fornelli. Two leading academic researchers, Bill Kinney of the University of Texas and Mark Peecher of the University of Illinois, led the discussion.



Professional Practice & Member Relations

WEBCASTS

CAQ members are able to stay abreast of the latest regulatory pronouncements during our interactive Webcasts. In 2009, the CAQ launched a three-part Webcast series on PCAOB Auditing Standard No. 5 (AS 5) to assist auditors of smaller public companies in preparing to comply with AS 5 for the first time.

The first Webcast in the series, “The Fundamentals,” was moderated by Executive Director Cindy Fornelli and featured Greg Wilson, Deputy Director of Inspections at the PCAOB, Scott Graham, Partner, Ernst & Young LLP and Trent Gazzaway, Partner, Grant Thornton LLP (in photo).

Part II of the series, “Testing Controls,” included William Powers, National Associate Director, Information Systems Audit Inspections, PCAOB; Jennifer Burns, Partner, Deloitte LLP; and Michael Gaynor, Partner, KPMG LLP.

The third and final Webcast, “Evaluating Deficiencies and Wrapping Up the Audit,” featured Wendy Cama, Partner, Crowe Horwath LLP; Brian Croteau, Partner, PricewaterhouseCoopers LLP; and Greg Wilson of the PCAOB.

In all, nearly 2,500 individuals registered for the three Webcasts.

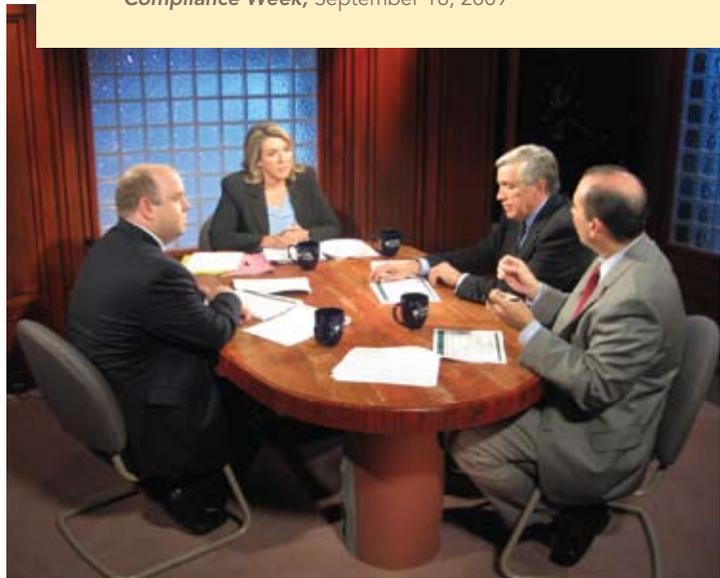
The CAQ also hosted a January Webcast featuring then-PCAOB Chief Auditor and Director of Professional Standards Tom Ray and the Board’s Associate Chief Auditor, Keith Wilson, discussing the PCAOB’s proposal to improve the existing framework for the auditor’s assessment of and response to risk in an audit.

“LESSONS LEARNED” FROM INTERNAL CONTROL AUDITS

In February, the CAQ issued a Practice Aid for public company auditors that provides lessons learned from integrated audits of internal control over financial reporting. “CAQ Lessons Learned—Performing an Audit of Internal Control in an Integrated Audit” identified 21 practical insights for auditors, including:

“In the third of its three-part Webcast series on auditing internal control over financial reporting, the Center for Audit Quality provides some expert insight into how auditors should evaluate control deficiencies and wrap up the audit process.”

—“CAQ Wraps Up AS 5 Series for Smaller Companies,” *Compliance Week*, September 18, 2009



- Understand and Use Management’s Assessment and Documentation as a Starting Point
- Identify Material Risks to Reliable Financial Reporting
- Identify Controls Necessary to Sufficiently Address Identified Risks
- Take a Risk-Based Approach to Testing Identified Controls

Among its suggestions, the Aid offers practical pointers about performing an integrated audit; the benefits of a top-down, risk-based approach to emphasize areas where material risks are most likely; and the advantages of maintaining an open line of communication between the auditor, company management and the audit committee.

Professional Practice & Member Relations

MEMBER SERVICES

CAQ Professional Practice and Member Services staff responded to approximately 1,000 technical and administrative inquiries in 2009 via the CAQ resource hotline. Members calling the hotline were directed to resources to assist them in effectively communicating with regulators and standard-setters on technical inquiries relevant to public company audits.

The CAQ issued more than 100 Alerts to our members on a variety of issues during 2009. Alerts included “FASB Issues Guidance on Measuring Liabilities at Fair Value” (September), “CAQ Summary of Accounting and Auditing Pronouncements Effective in 2nd Quarter 2009” (July), and “PCAOB Issues Guidance on Auditing Internal Control Over Financial Reporting in Smaller Public Companies” (January).

In late 2009, we introduced the *CAQ Public Policy Monitor*, an electronic publication developed to help keep our members informed on critical public policy matters with the potential to impact the public company audit profession. The *Public Policy Monitor* highlights and examines policies and broader political events shaping the public debate on public company auditing, financial reporting and related regulatory and legislative issues.

“Speaking at Financial Executives International’s annual financial reporting conference [in November], the top accountant at the SEC’s Division of Corporation Finance, Wayne Carnall, said he and his staff want to raid all the wisdom and good ideas currently posted on the website of the Center for Audit Quality’s SEC Regulations Committee, and sweep said wisdom into an updated version of the Financial Reporting Manual that should be published by fall 2010.”

—“SEC to Update Financial Reporting Manual,” *Compliance Week*, November 18, 2009

REGULATORY LIAISON ACTIVITIES

The CAQ submitted 10 comment letters to various regulatory bodies during the course of 2009. A February letter, regarding the PCAOB’s proposed risk assessment standards, noted that “[i]dentifying, assessing and responding to risks are integral to the audit process and fundamental to the conduct of high quality audits.” The current global economic crisis further demonstrates the need for a single set of high-quality global accounting standards, the CAQ stated in an April IFRS comment letter to the SEC.

Other letters shared the CAQ’s views on the SEC’s Proposed Rules on Auditing Standard No. 7, *Engagement Quality Review, and conforming Amendment* (November); proposed FASB Staff Positions Nos. FAS 115-1, FAS 124-a, and EITF 99-20-b, “Recognition and Presentation of Other-Than-Temporary Impairments,” and FAS 157-e, “Determining Whether A Market is Not Active and a Transaction is Not Distressed” (April); and the Concept Release on Possible Revisions to the *PCAOB’s Standard on Audit Confirmations* (May).

WEB RESOURCES

The CAQ expanded the professional practice resources available on its website to reflect auditors’ changing operating environment. In March, the CAQ launched *Auditing in a Changing Economy* to provide member firms and other capital market stakeholders with pertinent information on the implications of the current economic environment and events in the capital markets on financial statement audits.

In April, the CAQ launched *Resources for Integrated Audits of Non-Accelerated Filers*, a new resource for auditors of smaller public companies preparing to comply with the auditor attestation requirements under Section 404(b) of the Sarbanes-Oxley Act.

Stakeholder Outreach

In its third year of operation, the CAQ has built a robust infrastructure to support its mission of facilitating dialogue among capital market participants and is a recognized and respected entity in public company auditing issues.

The CAQ's outreach efforts with important investor, business, academic and public policy stakeholders have greatly assisted the CAQ in its ability to effectively partner with relevant stakeholders to advance the public discussion of issues of importance to the audit profession. During 2009, Cindy Fornelli reinforced the Center's growing presence by interacting with regulators and other capital market stakeholders, speaking at key events and on cable news programs and leading or moderating numerous other activities.

What began in January as a fair value-focused dialogue with investor groups, including the Council of Institutional Investors (CII), CFA Institute, Investment Adviser Association and Consumer Federation of America, evolved into an ongoing discussion of a host of financial and regulatory policy issues important to the profession. Building on this stakeholder outreach initiative, the CAQ has hosted meetings with officials of the Financial Accounting Foundation, Financial Executives International, the International Corporate Governance Network, the National Association of Corporate Directors (NACD), the Business Roundtable, the U.S. Chamber of Commerce and the Financial Services Forum.

Collaboration with these groups has resulted in important joint policy letters, speaking engagements and positions on advisory groups. During 2009, Cindy Fornelli served on the NACD's Blue Ribbon Commission on Risk Governance and was a featured speaker or panelist at events hosted by CII, the Outstanding Directors Exchange, the New York Stock Exchange, Standard & Poor's and NASDAQ OMX, among others.

In addition, the CAQ brought together members of its Governing Board with regulators and heads of capital market trade associations and investor organizations at such events as the SEC Historical Society's 75th Anniversary Celebration and the NACD Director of the Year Awards.

The CAQ also served as a valued resource for stakeholders during the Congressional debate over Section 404(b) of the Sarbanes-Oxley Act and accounting standard-setting independence. This included a November letter to Congress jointly signed by the CAQ, CII, the Investment Company Institute and the U.S. Chamber of Commerce on the importance of independence in the accounting standard-setting process.



Communications

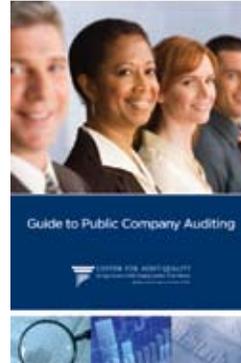
NEWS COVERAGE

A recognized source—and resource—for the nation’s financial media, the CAQ continued to make news during 2009. The Center, and Executive Director Cindy Fornelli, were the focus of, or referred to in, nearly 300 print, broadcast and on-line stories and blog entries.

Fornelli was interviewed by Fox Business News, PBS’s Nightly Business Report and *The Wall Street Journal*, among other news organizations. And guest articles with her byline were published by *Directorship* magazine, TheStreet.com and The Icahn Report.



Cindy Fornelli appears on FOXBusiness.com LIVE to discuss fair value accounting



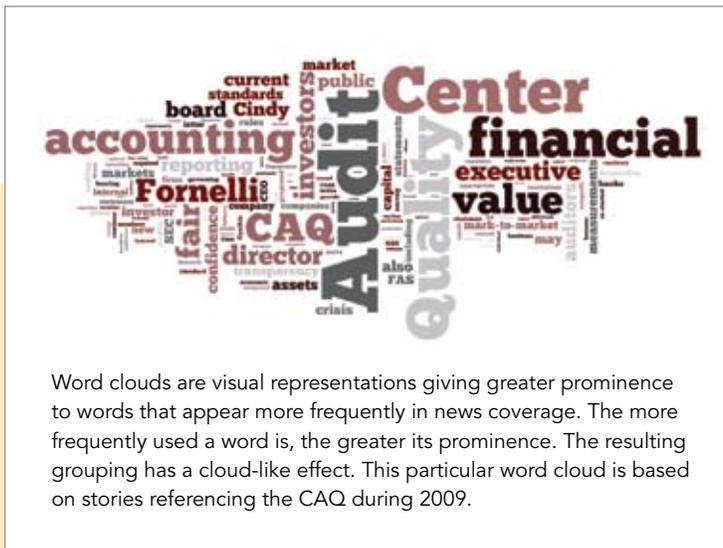
PUBLICATIONS

Guide to Public Company Auditing

The CAQ last May released a resource that illustrates for capital market stakeholders the vital role public company auditors play in providing transparency in the markets.

The *Guide to Public Company Auditing* is an introduction to and overview of the key processes, participants and issues related to public company auditing. Presented in a straightforward, easy-to-use format, the *Guide to Public Company Auditing* demonstrates to investors the important role public company auditing plays in preserving the strength and stability of U.S. capital markets.

The CAQ distributed the *Guide to Public Company Auditing* to key capital market stakeholders such as the NACD and key regulating agencies, including the SEC, the Office of Thrift Supervision, the PCAOB and the FASB.



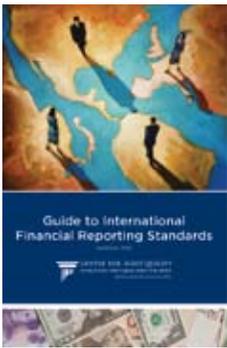
Word clouds are visual representations giving greater prominence to words that appear more frequently in news coverage. The more frequently used a word is, the greater its prominence. The resulting grouping has a cloud-like effect. This particular word cloud is based on stories referencing the CAQ during 2009.

“We are in the midst of challenging times, but challenges are usually a powerful catalyst for change. We are much more likely to get positive change if the Obama administration and the 111th Congress prioritize what is best for investors, promote transparency and try to keep politics out of the standard-setting process. As the president himself has stated, ‘I think we have to restore a sense of trust, transparency and openness in our financial system.’ I couldn’t agree more.”

—“Improving Transparency, Regaining Investors’ Trust,”
by **Cindy Fornelli**, *The Icahn Report*, January 28, 2009

Guide to International Financial Reporting Standards

In September, the CAQ released its *Guide to International Financial Reporting Standards* (IFRS), an overview of the issue of global accounting standards.



The purpose of the *Guide to IFRS* is to provide investors, policymakers and other capital market stakeholders an accessible and objective introduction to the current debate over a single set of high quality global accounting standards. In the spirit of educating stakeholders, the CAQ developed the *Guide* to

help facilitate an informed discussion among interested parties.

The CAQ promoted awareness of the issue by distributing the *Guide to IFRS* to organizations including the CII, the NACD, the National Association of State Boards of Accountancy and the Outstanding Directors Exchange.

CAQ Newsletter

The CAQ continues to produce a monthly newsletter recapping events and issues affecting the public company auditing profession. Distributed to more than 1,300 audit professionals, journalists and other capital markets stakeholders, the newsletter is also available on the CAQ's web site.

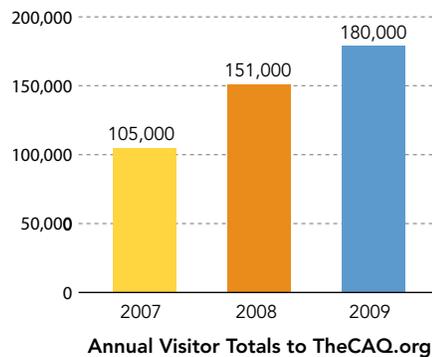
SPEAKING ENGAGEMENTS AND EVENTS

During 2009, Executive Director Cindy Fornelli was a featured participant at nearly 20 events of significance, including:

- New York Stock Exchange program “Challenges and Solutions of Managing Risk”
- Standard & Poor’s Forum “IFRS: A User’s Perspective”
- National Association of Corporate Directors Board of Directors
- National Association of State Boards of Accountancy’s Forum of International Accountancy Regulators
- Council of Institutional Investors Fall Meeting
- Outstanding Directors Exchange
- NASDAQ OMX event “The High-Performance Director: Navigating 2010”
- AICPA National Conference on Current SEC and PCAOB Developments

WEB SITE

We made further enhancements to the visual appeal and ease of navigation of thecaq.org during 2009. With monthly page views exceeding 12,000, the site has become a popular destination for stakeholders with an interest in audit quality.



Governing Board

GOVERNING BOARD CHAIR



James S. Turley
Chairman and CEO
Ernst & Young LLP

GOVERNING BOARD CO-VICE CHAIRS



Michele J. Hooper
President and CEO
The Directors' Council



Barry Melancon
President and CEO
American Institute of CPAs

GOVERNING BOARD MEMBERS



Charles M. Allen
CEO
Crowe Horwath LLP



Harvey J. Goldschmid
Former SEC Commissioner
Dwight Professor of Law
Columbia University



Robert E. Moritz
Chairman and
Senior Partner
PricewaterhouseCoopers LLP



Ed Nusbaum
CEO and Executive Partner
Grant Thornton LLP



Lynn S. Paine
Professor of Business
Administration
Harvard Business School



Barry Salzberg
CEO
Deloitte LLP



David R. Scudder
Managing Partner
McGladrey & Pullen, LLP



John B. Veihmeyer
CEO
KPMG LLP



Jack Weisbaum
CEO
BDO Seidman, LLP



Dennis Nally was succeeded by Robert Moritz on the CAQ Governing Board In June 2009. The CAQ applauds Dennis for his contributions to our organization in his role as a member of the Governing Board and we wish him well in his new role as Global Chairman of the PricewaterhouseCoopers International Network.

CAQ Staff

Cindy Fornelli

Executive Director

In 2009, Cindy Fornelli was again named one of *Directorship's* 100 most influential people in the boardroom and corporate governance community. The publication noted that she “has worked tirelessly” in promoting integrity, objectivity, honesty and trust in the public company auditing profession. Recognized as one of *Accounting Today's* most influential people in

accounting for a third consecutive year, she also has been appointed to the Securities and Exchange Commission Historical Society's Board of Advisors as a member of the class of 2012.

“With the regulatory framework poised for major change, Fornelli has been vigilant and active in making the case for sound standards and high-quality audits.”

—*Accounting Today's* 2009 “100 Most Influential People in Accounting”

Margot Cella

Director of Research

Lillian Ceynowa, CPA

Director of Professional Practice & Member Relations

Jane Cobb

Senior Director of Operations & Chief of Staff

Crystal Cooke

Project Specialist

Mary Moore Hamrick

Senior Director of External Relations & Strategic Planning

Jay Hyde

Director of Communications

Josh Jones, CPA

Senior Director of Professional Practice, Policy & Research

Marie Kallio

*Project Administrator,
Professional Practice & Member Relations*

Jake Leon

Deputy Director of Communications

Michelle McNulty, CPA

*Technical Manager,
Professional Practice & Member Relations*

Melissa Marbury

Executive Assistant

Veronica Proctor

Executive Assistant

Ajish Punnackal

IT Operations Manager

Annette Schumacher, CPA

Senior Technical Manager for Policy

Giselle Soriano

Office Manager

Kristen Sutherland, CPA

*Technical Manager,
Professional Practice & Member Relations*



CENTER FOR AUDIT QUALITY

Serving Investors, Public Company Auditors & the Markets

Affiliated with the American Institute of CPAs

601 13th Street, NW
Suite 800N
Washington, D.C. 20005
202.609.8120

www.TheCAQ.org