



Audit Quality Indicators SAG Discussion

PCAOB
Public Company Accounting Oversight Board



Disclaimer

The views expressed by each of the presenters are their own personal views and not necessarily those of the PCAOB, members of the Board, or the PCAOB staff.

Introduction: SAG Discussion of Audit Quality Indicators

Background

- Comment period ended 9/29.
- Received 47 comments letters.

Format

- Three breakout sessions addressing different aspects of the concept release.
- Each breakout group assigned specific topics and questions for discussion.

Goals

- Identify areas of general agreement.
- Discuss areas of controversy and rationale of differing views.
- New ideas

Summary and Next Steps

- Summary of SAG member views.
- SAG members requested to offer recommendation about how to move forward.

Pervasive Views in Comment Letters

Agreement

AQIs could be useful

Nature of AQIs: quantitative; portfolio; require context; inform discussion; not scorecards

Audit committees are a key user; engagement level AQIs are key

Controversial Areas

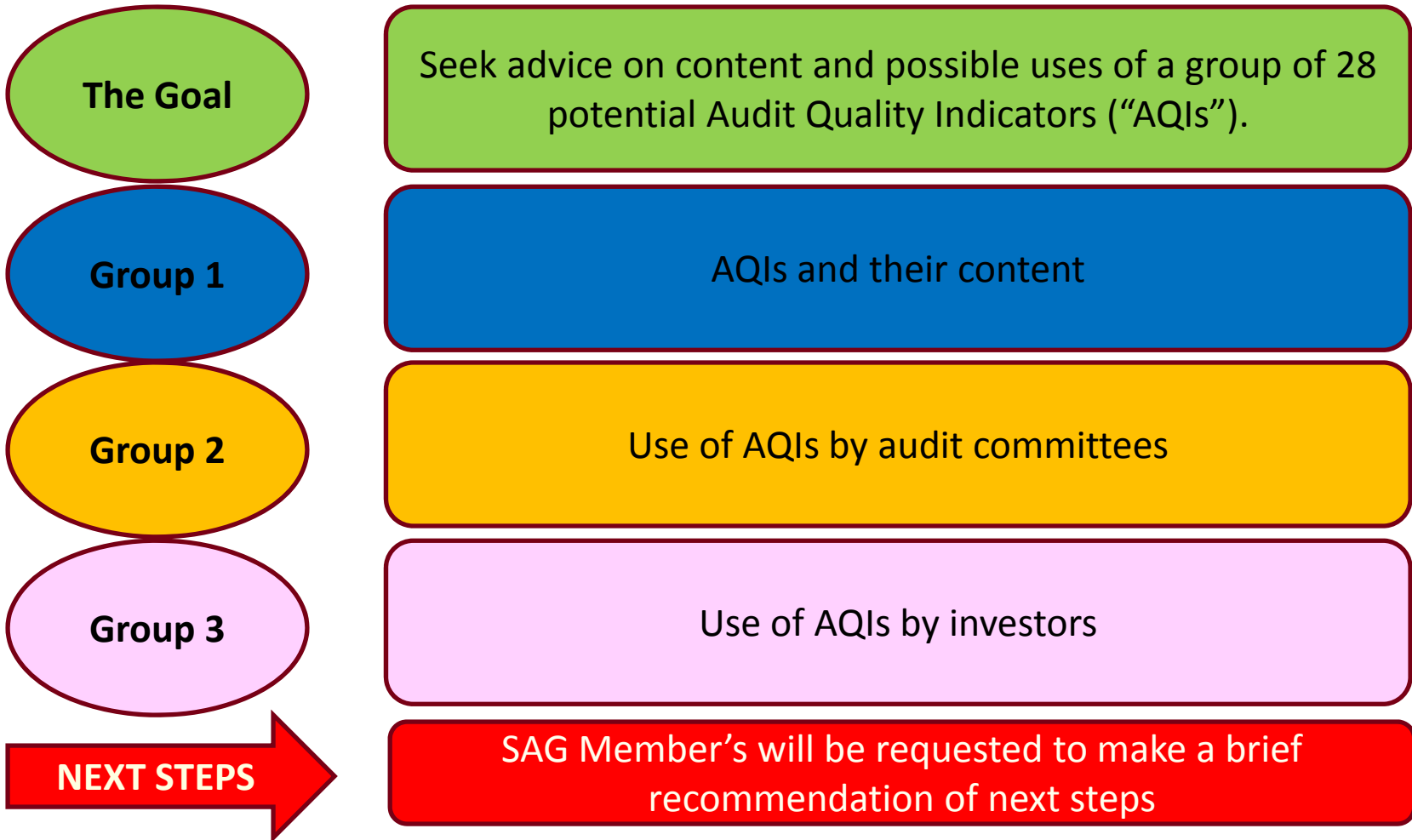
AQIs: Some are controversial; scalable; testing; professional skepticism

Investors a key customer? Context?

Unintended consequences?

Mandated? Role of regulation?

Summary of Breakout Sessions



Group Discussion Facilitators & AQI Team Members

Group 1

Eugene
Theron

George
Wilfert

Group 2

Greg
Jonas

Steve
Kroll

Group 3

Marty
Baumann

Jane
Hutchens

Questions?

