Audit Quality Indicators
SAG Discussion
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

The Goal
Seek advice on content and possible uses of a group of 28 potential Audit Quality Indicators (“AQIs”).

Group 1
AQIs and their content

Group 2
Use of AQIs by audit committees

Group 3
Use of AQIs by investors

NEXT STEPS
SAG Member’s will be requested to make a brief recommendation of next steps
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?