

Center for Audit Quality (CAQ)

Serving Investors, Public Company Auditors & the Markets

MBA's Accounting, Tax and Financial
Analysis Conference

November 2007

Carlsbad, CA

Sydney Garmong

Executive

Crowe Chizek

Washington, DC

Center for Audit Quality (CAQ)

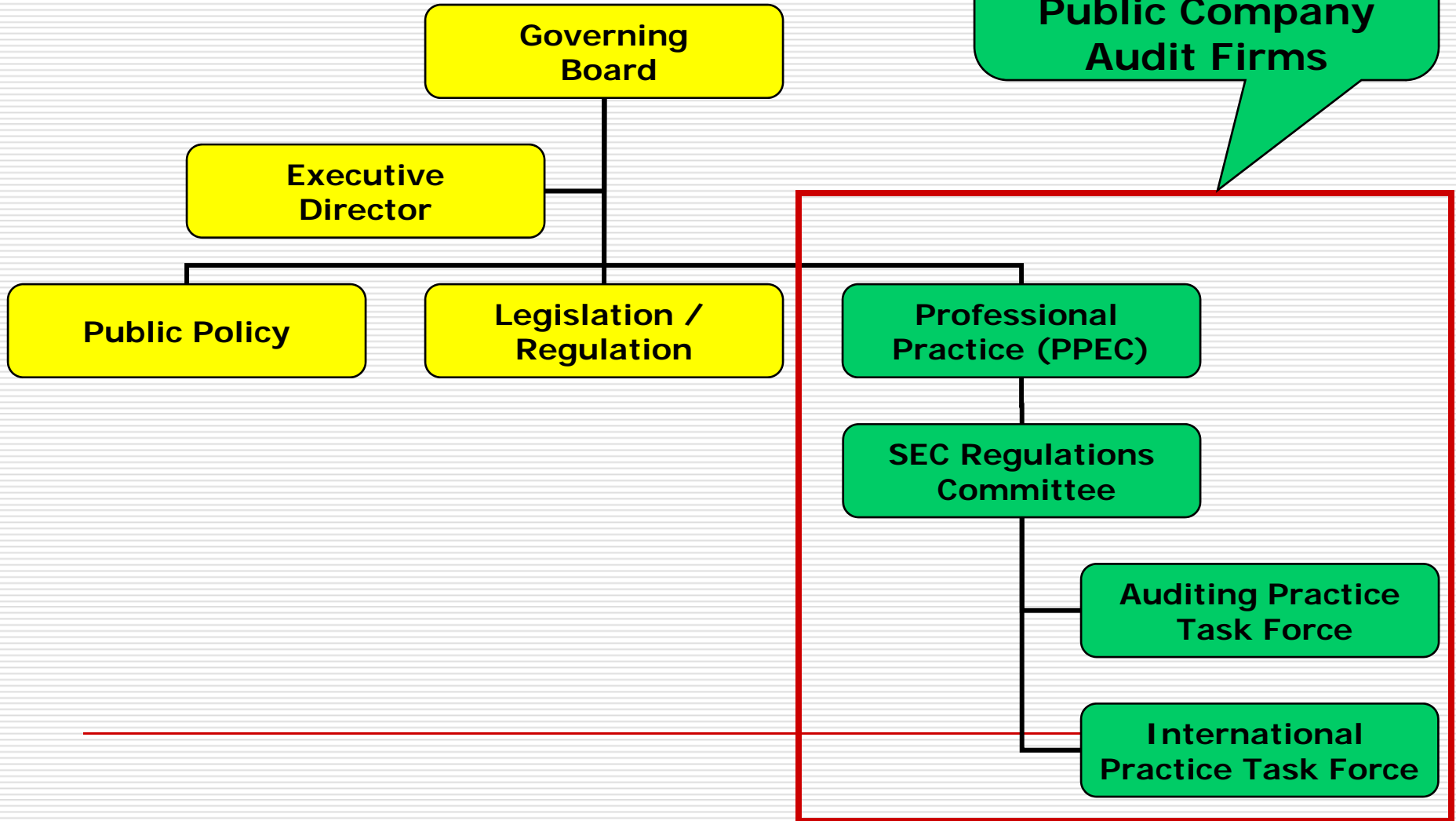
- ❑ Formally launched in Jan. 2007
 - ❑ All firms that are members of the AICPA are eligible for membership – currently 800 member firms
 - ❑ CAQ is an autonomous organization, separate from but still affiliated with AICPA
 - ❑ CAQ is not a trade association, regulatory group or licensing association.
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Center for Audit Quality (CAQ)

- Background: Why was the entity needed?
 - Research results
 - Focus group
 - Scenario planning
 - Focuses on public company auditing
 - Encompasses the activities formerly conducted by the AICPA Center for Public Company Audit Firms (CPCAF) and the SEC Regulations Committee
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A Picture of the CAQ

Previously the
AICPA's Center for
Public Company
Audit Firms



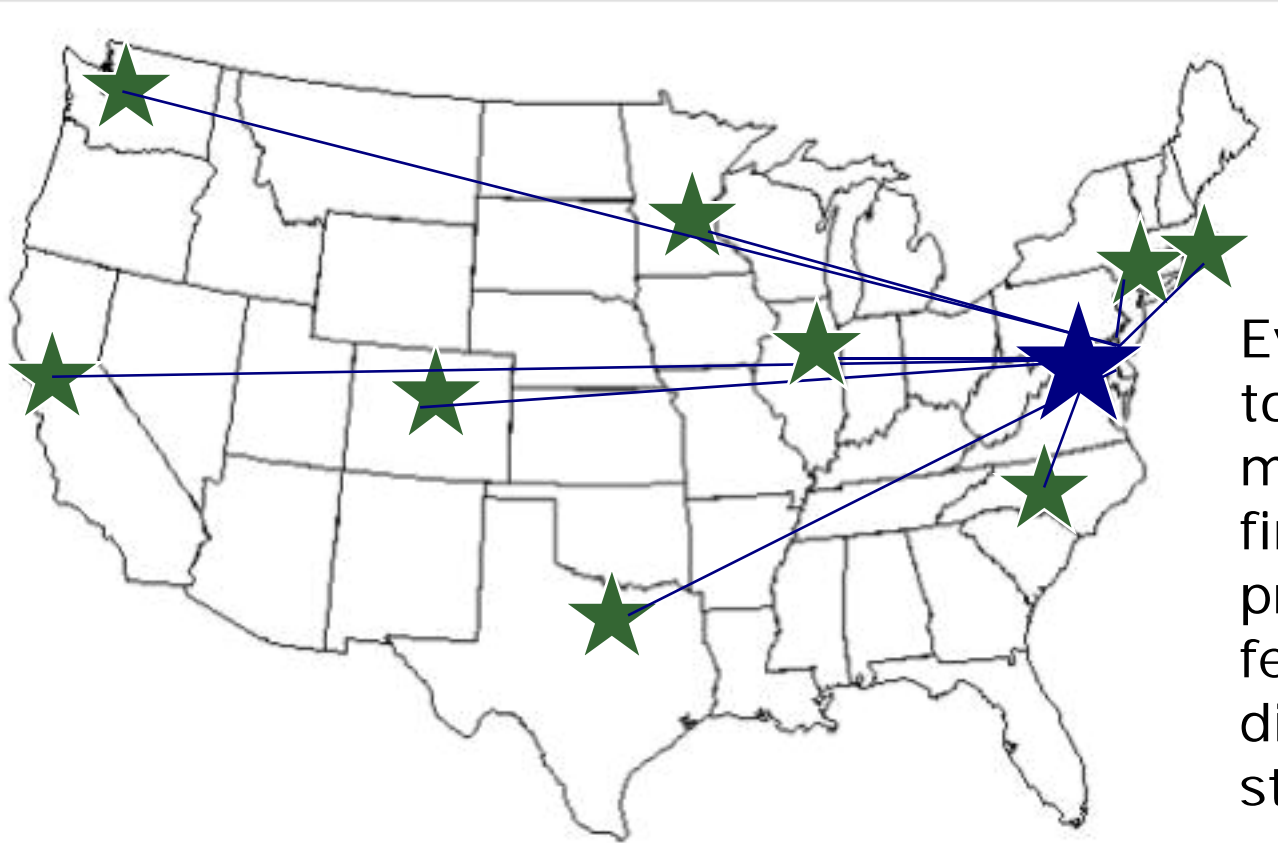
CAQ Goals

- Represents the first time that public company auditors have come together to discuss the issues facing the capital markets, conduct research and make recommendations.
 - Mission is to foster confidence in the audit process and aid investors and the capital markets by advancing constructive suggestions for change.
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Some Objectives

- ❑ Tackle issues such as fraud, 8-K reporting for auditor changes, firm transparency, the current auditors' opinion, etc.
- ❑ Coordinate research and help facilitate public discussion (e.g. fraud, modernizing business reporting)
- ❑ Continues to provide professional resources and support for public company auditors (e.g. FAS 159, FAS 158, FIN 48)

The National Public Dialogue Tour



Events in 10 cities to discuss modernizing financial reporting providing feedback from a diverse range of stakeholders

Professional Resources & Support

- Technical support such as:
 - CAQ FASB Interpretation 48 Resource
 - CAQ SFAS 123R Resource
 - CAQ Lease Accounting Resource
 - CAQ Alert #2007-30 FAS 158
 - CAQ Alert #2007-14 FAS 159

Professional Practice Executive Committee (PPEC)

**Former
CPCAF**

- ❑ Provide a forum for member firms to express their views on technical and regulatory matters involving public company audit practice.
 - ❑ Enhance the quality of public company audit practices through the development of technical and educational information, the communication of SEC/PCAOB developments, and the sharing of best practices information.
 - ❑ Develop relationships with and communicate on issues with the SEC, PCAOB and others relating to public company audit practice.
 - ❑ Promote solutions and advance positions to the SEC and PCAOB on behalf of member firms.
 - ❑ Special Qualifications: Must be a senior accounting and auditing partner
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The CAQ White Papers

CAQ Alert #2007-51 (Oct. 3, 2007)

1. Measurements of Fair Value in Illiquid (or Less Liquid) Markets
2. Consolidation of Commercial Paper Conduits
3. Accounting for Underwriting and Loan Commitments

Questions?

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