

HUMAN CAPITAL DATA/VIEWS MATRIX

Discussion Outline Point	Data/Views	Potential Data/Views Provider
Consider whether the increase and enrichment of the pool of human capital in the public company auditing profession can improve audit quality.	Summary of views on whether the increase and enrichment of the pool of human capital in the public company auditing profession can improve audit quality.	Auditing Firms; CAQ; PCAOB; AICPA; FASB; SEC; AAA; Investors
Identify and consider potential areas of inquiry and courses of action on recruitment and training.	Summary of recruitment and training trends, including number of new hires year to year; cost and hours to train year to year; online or in-person training; number of firms who use in house vs. some other means.	Auditing Firms; AICPA; CAQ
Identify and consider potential areas of inquiry and courses of action on retention, professional advancement, and alternatives.	Summary of retention and professional advancement trends.	Auditing Firms; AICPA; CAQ
Identify and consider potential areas of inquiry and courses of action on education at the undergraduate, graduate, continuing education and relationship between continuing education and professional development.	Summary of education, continuing education, and professional development trends.	AAA; OECD; Department of Education
Consider the recruitment of accounting graduates.	Summary of recruitment trends, including number of new hires; acceptance rates; costs to firms to recruit on campuses; reasons for candidate not accepting; gender; race; GPA; the schools where firms are getting their candidates; percentage of interns hired; breakdown of the numbers among auditing, tax, and consulting.	Auditing Firms; AICPA; AAA
Demand for accountants predicted to grow 18-26% through 2014 (U.S. Bureau of Labor Statistics).	Update data.	Bureau of Labor Statistics
Increasing level of retirements and lack of commensurate replacement may portend a shortage of qualified accountants.	Summary of retirement, hiring, and retention trends, including retirements per firm; retirements per partner, senior manager, manager, senior auditor; average ages per position.	Auditing Firms; PCAOB; AICPA; CAQ
Enrollments in accounting programs and accounting graduates up 19% from 2000 to 2004. Increase of 9% to 40,400 Bachelor's degree recipients from 2003 to 2004.	Update data; number of new enrollments in U.S. universities in each of the last ten years; number of new enrollments in each of the major U.S. colleges in each of the last ten years, including business colleges; number of new enrollments in competitive fields in each of the last ten years; law schools, medical schools, engineering, mathematics, sciences, etc.; number of new	AAA; AICPA; CAQ; AACSB

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	enrollments in each major field in business schools in each of the last ten years; accounting, marketing, management and finance; number of graduates from universities in each of the last ten years; number of graduates from each of the major colleges in each of the last ten years, including business colleges.	
<p>Women were more than half of the 2006 accounting graduates. In 2004, minorities accounted for 23% of accounting graduates. Women account for 19% of all auditing firm partners. Minorities held 13.5% and Caucasian women held 32.4% of all “officials and managers” positions in the accounting industry; 7% of auditing firms CPAs are minorities (AICPA).</p>	<p>Update data; possibility of national CPA census; number of women and each major ethnic group enrolling in universities in each of the last ten years; number of women and each major ethnic group enrolling in each college in each of the last ten years; number of women and each major ethnic group enrolling in each major field of study in business colleges in each of the last ten years including accounting, marketing, management and finance; number of women and each major ethnic group graduating in each of the last ten years from universities; number of women and each major ethnic group graduating from each college in each of the last ten years; number of women and each major ethnic group graduating from each competitive field of study in each of the last ten years including law, medicine, engineering, sciences, mathematics, etc.; number of women and each major ethnic group graduating from accounting, marketing, management and finance in each of the last ten years; number of partners in the top ten auditing firms broken down by ethnic group and gender; number of forecasted (a) new college graduate hires and (b) experienced level hires for the next two years, and next five years in the aggregate between junior level staff, seniors and supervisors, managers, directors, and partners, broken down also by gender and ethnicity.</p>	<p>AICPA; AAA; Academics; Auditing firms</p>
<p>Consider the actions that can be undertaken to seek to ensure that there is a sufficient number of graduates to meet the growing demand for auditing services.</p>	<p>Summary of supply of and demand for auditing services.</p>	<p>Auditing Firms; AAA</p>
<p>Consider the actions that can be undertaken to seek to ensure the attraction of a diverse group of individuals to the auditing</p>	<p>Summary of employee diversity trends, including number of people that take advantage of diversity-</p>	<p>Auditing Firms; AICPA; AAA</p>

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profession.	recruitment programs, year-to-year; the success rate of these programs vis-à-vis retention, year-to-year.	
Consider and compare the competitiveness of auditing industry recruitment with other industries and disciplines who recruit similar students and the reasons for the success of some of these other industries and disciplines. Consider the compensation structure in these other industries and disciplines.	Summary of data regarding other financial services industry and professional fields and academic programs relating to recruitment and compensation structure; average starting salaries in each of the last ten years for new graduates in each of the major competitive fields including law, medicine, engineering, mathematics, sciences; average starting salary in each of the last ten years for graduates in each major field in business including accounting, marketing, management and finance; for each of the past ten years, average starting salaries of accounting graduates hired by the four largest firms, the six next largest, public accounting in total, by industry, as well as by government; similar information broken down by discipline - audit, tax, consulting; number of new graduates hired by each of the largest ten U.S. auditing firms, in each of the last ten years broken down by: ethnic background and gender; university; degree received.	Auditing Firms; AAA; AICPA; ABA; AMA; AACSB; SIFMA; Robert Half International
The largest auditing firms offer training programs to employees as a supplement to undergraduate and post-graduate education.	Summary of auditing firm training programs.	Auditing Firms; CAQ; AICPA
Consider whether and how training can be enhanced to seek to ensure high quality audits.	Summary of current training projects, including training needed to ensure high quality audits.	Auditing Firms; CAQ; PCAOB
Consider whether and how training can be enhanced to foster recruitment, retention, and professional advancement.	Summary of current training projects, including training needed to foster recruitment, retention, and professional advancement.	Auditing Firms; CAQ; PCAOB
Consider whether high ethical standards are incorporated into training and employee evaluations.	Data on whether ethics is incorporated into training programs and employee evaluations.	Auditing Firms; CAQ; PCAOB
Consider whether employees are trained and evaluated to make decisions that ensure the representational faithfulness of the financial statements.	Views on whether employees are trained and evaluated to make decisions that ensure the representational faithfulness of the financial statements.	Auditing Firms; CAQ; PCAOB
Consider the impact of the size of an auditing firm and its ability to recruit, retain, and offer training to accounting	Review the impact of the size of an auditing firm and its ability to recruit, retain, and offer training	Auditing Firms; AAA; AICPA; CAQ

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graduates on audit quality.	to accounting graduates on audit quality; number of U.S. universities each of the largest auditing firms recruited from during the last recruiting season.	
Consider whether and how continuing education programs can be enhanced to seek to ensure high-quality audits.	Summary of state-by-state continuing education programs.	NASBA; Auditing Firms; CAQ; AICPA
Consider whether and how continuing education can be enhanced to foster recruitment, retention, and professional advancement.	Survey whether and how continuing education can be enhanced to foster recruitment, retention, and professional advancement.	Auditing Firms; NASBA; AAA; CAQ; AICPA; PCOAB
Consider how the use of the Internet and other technological developments can be used to enhance training and continuing education.	Summary of the use of the internet and technological developments in training and CPE programs.	Auditing Firms; NASBA; CAQ; PCAOB; AICPA
Consider whether and how training and continuing education relating to International Financial Reporting Standards and international auditing standards need to be enhanced.	Summary of the current and needed training and CPE programs relating to IFRS and international auditing standards.	Auditing Firms; NASBA; PCAOB; AICPA; CAQ
Consider whether and how training and continuing education relating to financial reporting tools and developments, such as eXtensible Business Reporting Language, can be enhanced.	Summary of the current and needed training and CPE programs relating to financial reporting tools and developments, such as XBRL.	Auditing Firms; NASBA; PCAOB; AICPA; CAQ
Consider whether improved supervision at the auditing firms is needed to ensure high-quality audits. Consider ways to foster improved supervision, if needed. Consider whether and how training and continuing education can be enhanced to provide accountants with improved management and supervisory skills as they reach the supervisory levels.	Summary of supervisory process and training at auditing firms.	Auditing Firms; CAQ; AICPA
Consider the processes by which auditing firms train and develop employees for the appropriate auditing assignments.	Process, cost and number of hours to train new employees as well as seasoned employees, year-to-year.	Auditing Firms; CAQ; AICPA
Consider whether the Public Company Accounting Oversight Board should have a role in enhancing training, supervision, and continuing education, and, if so, what that role should be. Consider interviewing the PCAOB regarding its inspection process.	Views of auditing firms, investors, public companies, and regulators (including NASBA) regarding whether PCAOB should have enhanced role in training, supervision, and continuing education.	PCAOB; SEC; NASBA; NASAA; CAQ; AICPA; Auditing Firms; Investors; Public Companies
AICPA survey: 15-20% turnover rates at the largest auditing firms; lower turnover rates at smaller firms.	Update data.	AICPA; CAQ; Auditing Firms
Consider the ways auditing firms can improve retention of quality partners and employees. Consider the reasons accountants are leaving the profession. Consider whether the public company auditing profession is viewed as providing a challenging and fulfilling work environment. Consider	Summary of current auditing firm retention initiatives and reasons for departures of partners, senior managers, senior auditors and staff auditors, including whether the profession is viewed as providing a challenging and fulfilling work	Auditing Firms; AICPA; CAQ

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<p>whether the public company auditing profession is respected and whether the degree of respect impacts employee retention. Consider whether and how liability risk impacts partner and employee retention. Consider whether and how the auditor independence standards impact partner and employee retention.</p>	<p>environment, is respected and whether the degree of respect impacts employee retention, whether and how liability risk impacts partner and employee retention, whether and how the auditor independence standards impact partner and employee retention, whether the auditing firms are investing in technologies that can improve employee retention and experience, the compensation structure of auditors vis-à-vis other financial services industry personnel; number of U.S. partners in ten largest firms who made partner in each of last five years and number of those with undergraduate versus graduate degrees; number of audit staff by auditing firm, for the ten largest firms, with numbers for U.S. and internationally, for each of the past five years, broken down among: junior level staff; seniors and supervisors; managers; directors; and partners; percentage of turnover in each of the last five years among junior level staff, seniors and supervisors, managers, directors, and partners broken down by gender, ethnicity, voluntary, non-voluntary including due to a failure to pass the CPA exam.</p>	
<p>Consider whether the accounting curriculum should focus on technical accounting standards or also reflect to a greater degree a multi-disciplinary approach focusing on business, finance, law, and ethics and other areas.</p>	<p>Summary of accounting curriculum. Summary of views on accounting curriculum.</p>	<p>AAA; PCAOB; SEC; FASB; IASB; AICPA; CAQ; Auditing Firms; NASBA</p>
<p>Consider what approach is more likely to ensure high quality audits.</p>	<p>Summary of views on what educational approach towards the accounting curriculum ensures high quality audits.</p>	<p>AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA</p>
<p>Consider what approach teaches high ethical standards.</p>	<p>Summary of views on what educational approach towards the accounting curriculum teaches high ethical standards.</p>	<p>AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA</p>
<p>Consider whether there is a role for increased clinical education at the undergraduate or graduate level. Consider whether the current accounting curriculum prepares accounting graduates for their first positions in the auditing industry.</p>	<p>Summary of views on whether there is a need for increased clinical education at the undergraduate or graduate level. Summary of views on whether the current accounting curriculum adequately prepares accounting graduates.</p>	<p>AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA</p>
<p>Consider the impact on the curriculum of the potential</p>	<p>Summary of the inclusion of IFRS and</p>	<p>AAA; Auditing Firms; PCAOB; SEC; FASB; IASB;</p>

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acceptance of International Financial Reporting Standards and international auditing standards.	international auditing standards in the accounting curriculum. Summary of the data from the colleges/universities on the costs to train professors; any additional costs to the colleges/universities to add new classes.	AICPA; CAQ; NASBA
Consider the impact on the curriculum of the Internet and technological developments, such as eXtensible Business Reporting Language.	Summary of the impact on the accounting curriculum of the Internet and technological developments, such as XBRL. Summary of the data from the colleges/universities on the costs to train professors; any additional costs to the universities to add new technologies.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
48 of 54 states and jurisdictions have adopted the 150-hour requirement, thus making 150 hours mandatory to be licensed as a CPA. Yet many states test at the 120-hour level.	Summary of state 150-hour requirements and state testing levels.	NASBA; Auditing Firms; AICPA; CAQ
Consider the costs and benefits of the 150-hour requirement.	Summary of the views on the 150-hour requirement.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider the impact of the 150-hour requirement upon the recruitment of undergraduates as accounting majors.	Summary of the views on the impact of the 150-hour requirement on accounting major recruitment.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider whether the 150-hour requirement has improved audit quality.	Summary of the views on whether the 150-hour requirement has improved audit quality.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider what “common body of knowledge” accounting students should acquire.	Summary of current “CBOOK” requirements. Summary of the views of what “CBOOK” accounting students should acquire.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider whether accounting academics need to be encouraged to undertake a more “practice-oriented” approach, including more practice-oriented research.	Summary of the views on whether accounting academics need to undertake a more “practice-oriented” approach, including more practice-oriented research.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider whether professional training programs and continuing education better provide the additional information and perspective beyond technical skill and academic education that can assist in developing the judgment and other practical skills necessary for high-quality audits.	Summary of the views on whether professional training programs and continuing education better provide the additional information and perspective beyond technical skill and academic education that can assist in developing the judgment and other practical skills necessary for high-quality audits.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
In 1967, the AACSB decided that the doctorate was the terminal degree needed to teach accounting in the college setting. To maintain, the AACSB accreditation, 50% of faculty must have doctorates in accounting. Consider the status of accounting faculty and the shortage of faculty PhDs. One-half of accounting faculty is eligible to retire in the next	Summary of accounting faculty and PhD shortage status; estimated annual accounting student capacity of AACSB accredited schools with accounting departments, given forecasted availability of current and future PhD’s who can teach in these programs; aggregate number of	AAA; Academics; AICPA; FSA; AACSB

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few years: One-third of accounting faculty is 60 or older; one-half is 55 or older.	graduates in the U.S. receiving PhD's in each of the last ten years from universities; number of graduates receiving PhD's in each of the last ten years broken down by number of PhD's in each of the major fields of study (sciences, liberal arts, engineering, economics, business, etc.); number of graduates receiving PhD's in each of the last ten years in each of the major fields of study in business; accounting, marketing, management and finance; number of PhD's currently in accounting PhD programs; forecasted number of students receiving their PhD's in accounting for each of the next five years; number of tenured or tenured track PhD's teaching in the accounting departments of AACSB accredited universities in each of the last ten years; number of adjunct professors teaching in the accounting departments of AACSB accredited universities in each of the last ten years; forecasted rate of retirements of currently tenured track accounting faculty PhD's in each of the next ten years.	
Consider the reasons for this potential accounting faculty shortage, including doctoral program recruitment and compensation.	Summary of reasons for potential accounting faculty shortage.	AAA; AICPA; Auditing Firms
Consider ways to increase the number of accounting faculty. Consider the AACSB accreditation requirements.	Summary of ways to increase the number of accounting faculty. Summary of current AACSB accreditation requirements.	AAA; AACSB; AICPA; Auditing Firms
Consider ways to ensure that accounting faculty is able to prepare students to undertake high quality audits in a complex financial reporting environment.	Summary of ways to ensure that accounting faculty is able to prepare students to undertake high quality audits in a complex financial reporting environment.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider ways to encourage faculty to keep apprised of financial reporting and auditing profession developments.	Summary of ways to encourage faculty to keep apprised of financial reporting and auditing profession developments.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider the impact of a more multi-disciplinary approach to the accounting curriculum.	Summary of views on the impact of a more multi-disciplinary approach to the accounting curriculum.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider the impact of International Financial Reporting Standards and international auditing standards on faculty	Summary of the views on the impact of IFRS and international auditing standards on faculty	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA

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resources and requirements.	resources and requirements, including the costs to train professors; any additional costs to the universities to add new technologies.	
Consider the impact of the potential increased use of clinical programs on faculty resources and requirements.	Summary of the views on the impact of the potential increased use of clinical programs on faculty resources and requirements, including the costs to the colleges/universities for the increase in resources.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider the benefits of and how to balance the class room education experience for students between theory and practical experience.	Summary of the views on the benefits of and how to balance the class room education experience for students between theory and practical experience.	AAA; Auditing Firms; PCAOB; SEC; FASB; IASB; AICPA; CAQ; NASBA
Consider the adequacy of CPA licensing requirements.	Summary of CPA licensing requirements.	NASBA; AICPA; Auditing Firms
Consider and understand the role of the State Boards of Accountancy in licensing, education, and enforcement.	Summary of state licensing requirements, education requirements, and enforcement authority of State Boards of Accountancy, including license fees collected on an annual basis, and data on enforcement actions, state boards of accountancy licensure and oversight responsibilities for private and public company audits, as well as other profession services rendered including tax services and consulting; average annual budget for a state board of accountancy; details of who selects the state board members, and whether they are from the largest four auditing firms; other auditing firms; or independent of auditing firms; average annual fee each state board charges; number of state boards and legislatures that have adopted the Uniform Accountancy Act, and the extent of adoption; discussion of the status of licensure by reciprocity for each of the major professions in the U.S. including law, medicine and engineering.; number of initial licenses granted by each state board in each of the last ten years; number of licenses by reciprocity granted by each state board in each of the last ten years; description of the status of licensure reciprocity by each of the state boards.; number of enforcement actions taken by each state board in each of the past ten years, broken down by actions related to (a) audits of public companies, (b) audits of private companies,	NASBA; AICPA; Auditing Firms; ABA; AMA

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	(c) tax or consulting services, (d) licensure violations, and (e) other; number of referrals made by the SEC or the PCAOB to the state boards in each of the past ten years, and what actions the state boards took with respect to each of those cases.	
Consider the education requirements.	Summary of state education requirements for CPAs.	NASBA; AICPA; Auditing Firms; AAA
Consider the CPA examination.	Summary of CPA examination, including material tested, costs, pass rates; number of initial as well as repeat candidates taking the CPA examination in each of the last ten years; number of candidates passing the CPA examination in each of the last ten years; passing rate of candidates sitting for the CPA examination in each of the last ten years.	NASBA; AICPA; Auditing Firms; AAA
Consider the professional experience requirements.	Summary of state professional experience requirements.	NASBA; AICPA; Auditing Firms; AAA
Consider the continuing education requirements.	Summary of state continuing education requirements.	NASBA; AICPA; Auditing Firms; AAA

FIRM STRUCTURE AND FINANCE DATA/VIEWS MATRIX

Discussion Outline Point	Data/Views	Potential Data/Views Provider
Consider the impact of a multi-state licensing regime on audit quality.	Views of the impact of a multi-state licensing regime on and state boards' ability to enhance audit quality.	PCAOB; AICPA; Auditing Firms; CAQ; NASBA
All 50 states and 5 territories through state licensing boards license certified public accountants. State boards set requirements for moral character, higher education, continuing education, experience, and examination for licensure as a CPA. State boards set ethical and continuing practice standards and possess disciplinary powers.	Summary of State licensing requirements, education requirements, and enforcement authority of State Boards of Accountancy, including license fees collected on an annual basis, and data on enforcement actions, state boards of accountancy licensure and oversight responsibilities for private and public company audits, as well as other profession services rendered including tax services and consulting; average annual budget for a state board of accountancy; details of who selects the state board members, and whether they are from the largest four auditing firms; other auditing firms; or independent of auditing firms; average annual fee each state board charges; number of state boards and legislatures that have adopted the Uniform Accountancy Act, and the extent of adoption; discussion of the status of licensure by reciprocity for each of the major professions in the U.S. including law, medicine and engineering.; number of initial licenses granted by each state board in each of the last ten years; number of licenses by reciprocity granted by each state board in each of the last ten years; description of the status of licensure reciprocity by each of the state boards.; number of enforcement actions taken by each state board in each of the past ten years, broken down by actions related to (a) audits of public companies, (b) audits of private companies, (c) tax or consulting services, (d) licensure violations, and (e) other; number of referrals made by the SEC or the PCAOB to the state boards in each of the past ten years, and what actions the state boards took with respect to each of those cases.	NASBA; CAQ; AICPA; Auditing Firms

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Consider the costs and benefits of a multi-state licensing regime.	Summary of costs and benefits of State licensing.	NASBA; Auditing Firms; AICPA; CAQ
Consider whether the Uniform Accountancy Act, promulgated by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy and aiming to increase licensing uniformity, addresses the inefficiencies of multi-state licensing.	Summary of proposed State licensing legislation.	NASBA; AICPA
Consider the relationship between the multi-state licensing regime and the Public Company Accounting Oversight Board.	Input on relationship between the multi-state licensing regime and PCAOB	SEC; PCAOB; NASBA; Auditing Firms
Consider whether a professional qualification or other mechanism for public company auditing firms, in addition to registration with the Public Company Accounting Oversight Board, should be established similar to what currently exists for individuals with CPA licensing.	Summary of State CPE and licensing requirements for public company auditors; summary of foreign country regulatory CPE and licensing requirements for public company auditors; summary of auditing firm CPE Requirements	NASBA; CAQ; AICPA; Auditing Firms; Foreign Regulatory Bodies; PCAOB
Consider whether and, if so, how the Public Company Accounting Oversight Board can enhance qualification and related mechanisms for public company auditing firms as a result of its registration, inspection, or disciplinary regime.	Summary of proposed or potential recommendations regarding registration, inspection, and discipline by PCAOB, including examining qualifications of individuals and firm, training or remediation, or monitoring and supervision.	PCAOB; CAQ; SEC
A September 2006 European Commission study reported that the total costs of judgments, settlements, legal fees, and related expense for U.S. audit practices of the largest accounting firms had risen to \$1.3 billion in 2004, or 14.2% of revenue, up from 7.7% in 1999.	Currently pending claims against the four or six largest firms in the US and (separately) globally where the damages exceed \$1 billion, \$2 billion, \$5 billion, and \$10 billion; total number of these claims notified in the past five years; number of U.S. securities class actions notified in the past five years; number of claims notified or anticipated in consequence of the sub-prime problems and consequent credit market illiquidity; chart showing the pattern of highest payments by settlement or judgment (US and globally) on a single claim over the past 15 years, presented in three-year time blocks to reduce the sensitivity (without the name of the firm or claims); chart showing the number of settlements in excess of \$100 million and \$250 million over the past 15 years, by three-year segments. Five-year, ten-year, or twenty-year history of securities litigation claims, alleged damages, costs,	Auditing Firms; CAQ; AICPA

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	<p>related settlements [provide per-partner basis] [domestically and globally]; settlement coverage (self-insurance; third party; etc.) [provide per-partner basis]; number of federal securities actions filed against the ten largest auditing firms in the U.S in each year since the passage of the Private Securities Litigation Reform Act broken down between those filed in federal courts and those filed in state courts; number of federal securities actions filed against the ten largest auditing firms in the U.S in each year since the passage of the Private Securities Litigation Reform Act broken down between those filed in federal courts and those filed in state courts, which were dismissed by the courts; number of: settlements, court verdicts and jury awards in each of the last ten years against each of the ten largest auditing firms related to an audit of a public company; the average mean and median amounts of the settlements, verdicts or awards; the average, mean and median amount claimed by the plaintiffs in each of these cases; number of settlements, court verdicts or jury awards in each of the last ten years, for each of the ten largest auditing firms broken down by awards related to (a) audits of public companies, (b) audits of private companies, (c) income tax services and (d) other; breakdown and analysis of the 25 largest settlements and/or jury awards in the last decade, that provides: name of the case; description of the case; name of plaintiff; the amount of the claim; whether a restatement was involved and if so, the magnitude of the restatement; amount of the settlement including a breakdown of settlements settled in private rights of actions and settlements arising from the action of a law enforcement agency such as the SEC; amount of initial court verdicts or jury awards as well as amount of subsequent adjustments by the courts or parties to the initial awards; whether or not the SEC or Justice</p>	

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	<p>Department brought an action against the auditing firm or a member of the auditing firm, and if so, what was the outcome of the action; and whether the action was covered by insurance or not, and if so, to what extent the coverage was provided by an external insurance company versus internal sources or captive insurance; analysis of the impact that PSLRA and the Supreme Court decisions in the matters of Central Bank and Dura Pharmaceuticals or other significant cases have had with respect to the ability of plaintiffs to bring federal securities litigation against independent auditors [domestically and globally].</p>	
<p>Consider the impact of auditor liability risk on human capital, the nature of the audit process, and the conduct of audits, including the use of judgment and possibility of “defensive auditing,” and other aspects of audit quality, including whether potential liability increases audit quality.</p>	<p>Views on impact of auditor liability risk on human capital, the nature of the audit process, and the conduct of audits, including the use of judgment and possibility of “defensive auditing,” and other aspects of audit quality, including whether potential liability increases audit quality.</p>	<p>Auditing Firms; CAQ; AICPA; Foreign Regulators; PCAOB; SEC; Public Companies</p>
<p>Consider major financial frauds and how auditor behavior and/or audit failure has contributed to increased liability exposure and costs.</p>	<p>Summary of major financial frauds over past two decades and role of auditors; analysis of potential reasons for auditors, aware of fraud, failing to report fraud; information from the Japanese securities regarding the causes of the failed audits that resulted in the government taking action against the PWC affiliate in Japan, and the government's request that a new firm be formed; number of sanctions brought against ten largest auditing firms (or their affiliates) in major capital markets by the securities regulators in each of the last ten years including Canada, United Kingdom, France, Germany, Australia, Japan, China and Hong Kong; Part II of the PCAOB inspection reports on the ten largest auditing firms; number of sanctions brought against the ten largest firms (or their affiliates) by an independent professional regulator, other than a government regulator in each of the last ten years in the major capital markets including Canada, United Kingdom, France, Germany, Australia, Japan, China and</p>	<p>Auditing Firms; CAQ; SEC; AICPA; AON; Academic Studies</p>

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	<p>Hong Kong; number of SEC enforcement actions in each of the last ten years that resulted in a 102(e) sanction being sought or sanctioned, including a breakdown as to the number of individuals sanctioned by year, and the level of those individuals being sanctioned (partner, concurring partner, manager, etc.); analysis of the SEC enforcement actions in the last ten years, similar to that conducted by the O'Malley Panel and COSO, analyzing the shortcomings in the audits; number of SEC enforcement actions in each of the last ten years broken down by auditing firm, size of firm and company, the length of tenure of the auditor, reason for the action, whom the action was brought against, etc.</p>	
<p>Consider whether any potential changes should be considered in auditor liability regimes.</p>	<p>Summary of current auditor liability issues; summary of foreign auditor liability regimes.</p>	<p>Auditing Firms; CAQ; AICPA; Foreign Regulators; SEC; PCAOB</p>
<p>Consider how altering auditor liability regimes would impact audit quality.</p>	<p>Views on impact of foreign auditor liability regimes on audit quality.</p>	<p>Foreign Regulators; Foreign Market Participants; PCAOB; SEC; Investors; Auditing Firms; CAQ; AICPA</p>
<p>Consider how altering auditor liability regimes would impact investors.</p>	<p>Views on impact of foreign auditor liability regimes on investors.</p>	<p>Foreign Regulators; Foreign Market Participants; PCAOB; SEC; Investors; Auditing Firms; CAQ; AICPA</p>
<p>Consider the costs and benefits of various auditor liability regimes (and corresponding disclosure regimes) to investors and the marketplace (including issues of moral hazard).</p>	<p>Summary of costs and benefits of various auditor liability regimes.</p>	<p>Foreign Regulators; Foreign Market Participants; PCAOB; SEC</p>
<p>Smaller auditing firms are generally able to purchase commercial insurance to cover professional liability claims. Smaller firms can purchase insurance through American Institute of Certified Public Accountants, which established the AICPA Professional Liability Insurance Program in 1967, currently serving over 24,000 auditing firms. The largest auditing firms are unable to purchase commercial insurance directly in the marketplace and must use captive insurance funds. Understand the insurance and risk management practices of the larger auditing firms.</p>	<p>Overview of current and historic insurance and audit liability risk environment domestically and globally; summary of various insurance programs utilized by auditing firm size; summary of auditing firm insurance program best practices; five years of audited financials of larger auditing firms; description of any insurance arrangements between insurance companies and each of the largest ten auditing firms; amount, type of insurance coverage (base, reinsurance, etc.) and deductibles provided to each of the ten largest auditing firms by non-captive insurance companies and captive insurance companies; for all insurance policies (including</p>	<p>Auditing Firms; AICPA; CAQ; AON</p>

Discussion Outline Point	Data/Views	Potential Data/Views Provider
	reinsurance policies) of the largest ten auditing firms during the past ten years, consider the form, coverage amount, retentions (including deductibles or other devices), layers, and premiums paid, broken down by those provided (a) directly to each firm or any network members, (b) through the use of (captive) insurance subsidiaries, divisions or affiliates and (c) through the use of any industry or professional mutual insurance association; balance sheets, income and cash flow statements and footnotes of all (captive) insurance subsidiaries, divisions or affiliates of each of the ten largest firms for the past ten years prepared in accordance with GAAP and of any industry or professional mutual insurance association; description of how premiums, claims, adjustments, and similar allocations are made among international affiliates of each of the ten largest firms.	
Consider how major audit failures have impacted the insurability of the auditing firms.	Summary of major audit failures over past two decades and impact on insurability of the auditing firms.	Auditing Firms; AICPA; CAQ; AON
Consider the impact of potential litigation exposure on audit quality.	Summary of foreign country insurance and litigation requirements and impact on audit quality	Foreign Regulators; Foreign Market Participants; PCAOB; SEC;
Consider whether auditing firms in the United States should be required to maintain a certain level of insurance.	Summary of State insurance requirements; summary of insurance and risk management requirements	NASBA; PCAOB; SEC; Market Participants; Auditing Firms
Consider how altering insurance structures or regimes would impact audit quality.	Summary of views on impact of altering insurance regime on audit quality.	NASBA; PCAOB; SEC; Auditing Firms
Consider the reasons why the largest auditing firms are prevented from being offered commercial insurance.	Summary of reasons why largest firms are not being offered commercial insurance.	Auditing Firms; Market Participants
Consider how altering insurance structures or regimes would impact audit quality.	Views of impact of alternative insurance structures on audit quality.	Auditing Firms; CAQ; former AICPA SEC Practice Section Executive Committee; Foreign Regulators; Foreign Market Participants; PCAOB; SEC
Consider the costs and benefits of various insurance structures and regimes to investors and the marketplace (including issues of moral hazard).	Summary of costs and benefits of various insurance structures.	Auditing Firms; CAQ; former AICPA SEC Practice Section Executive Committee; Foreign Regulators; Foreign Market Participants; PCAOB; SEC
Most auditing firms in the United States are organized as	Partnership agreements; summary of international	Auditing Firms; CAQ; AICPA

Discussion Outline Point	Data/Views	Potential Data/Views Provider
<p>limited liability entities, the largest being limited liability partnerships. The largest auditing firms have global networks of affiliates.</p>	<p>network legal and governance structures of auditing firms; U.S. average, mean and median total compensation of beginning partners, and average partner compensation for each of the four largest auditing firms, and each of the next six largest firms for each of the last ten years; breakdown of these compensation amounts among audit, tax and consulting partners, as well as the top executive partners in the firms; breakdown of base compensation, bonuses or other forms of compensation, including incentive or deferred compensation; description of any incentive triggers (such as revenue generation, broken down by service category, or proxies for audit quality); U.S. average retirement benefits (pensions, healthcare, etc.) being paid to retired partners; description of the governance structure in each of the largest ten auditing firms in the U.S.; description of the international governance structure in each of the largest ten auditing firms in the U.S., and how these structures are impacted by international affiliation/marketing agreements; description of the process and procedures used in selecting the chairman of each of the ten largest firms; description of the powers of the chairman including the power over the selection of firm executives and their compensation and partnership unit awards; description of the powers and member selection process of any governing board within each of the ten largest auditing firms; copy of the code of ethics of each of the ten largest auditing firms; copies of the relevant partnership agreements and international affiliation agreements for each of the ten largest auditing firms; copy of partner evaluation forms used by each of the ten largest auditing firms in the most recent year; copy of documents setting forth how partner compensation is set, including how any bonuses or incentive compensation is awarded.</p>	
<p>Consider the impact these limited liability entities have on the</p>	<p>Summary of views on impact of limited liability</p>	<p>Auditing Firms; PCAOB; SEC; CAQ; AICPA;</p>

Discussion Outline Point	Data/Views	Potential Data/Views Provider
quality of corporate governance, including management succession, oversight, compensation, and audit quality.	entities on the quality of corporate governance, including management succession, oversight, compensation, and audit quality; independent survey of both retail and institutional investors asking whether investors believe that the liability of independent auditors serving them should be the subject of liability caps or indemnifications, and if so, under what conditions.	Investors.
State law and independence standards may prohibit investment of outside capital, typically limiting capital investment and partnership interests to the auditing partners themselves.	Summary of State organizational structure requirements; summary of independence standards impacting organizational structure; independent survey of both retail and institutional investors asking if auditors should be allowed to form as corporations, and sell part of their firms to private equity firms, or in the public markets.	NASBA; Auditing Firms; CAQ; AICPA; SEC; PCAOB
Consider whether alternative structures exist for auditing firms beyond the limited liability entity model and whether and how any such structure could enhance audit quality.	Summary of foreign regulatory legal structure requirements; summary of the costs and benefits of alternative structures, like the corporate entity, and comparison to limited liability entities; views on auditing firm best practices, including potential recommendations to improve audit quality and impact upon organizational structure and capital resources of varying degree of quality in financial reporting and auditing.	Auditing Firms; Foreign Regulators; AICPA; CAQ; PCAOB; SEC
Consider how the global network of affiliate structure impacts audit quality.	Views on impact of affiliate structure on audit quality.	PCAOB; CAQ; AICPA
Consider whether and how consistency is ensured across auditing firms. Consider whether there is consistency between auditing firms' global affiliate structure and their integrated global marketing activities and practice activities. Consider whether and how any such inconsistencies within a network impact audit quality.	Views on consistency and inconsistency regarding professional behavior and activities across auditing firms and impact on audit quality.	Auditing Firms; CAQ; AICPA; PCAOB; SEC
Consider whether there is an approach to a global structure and organization that could lead to enhanced audit quality. Consider the feasibility of such a structure and any regulatory or financial consequences. Consider how liability and insurance issues relate to global structuring issues.	Views on global structure and organization most likely to lead to enhanced audit quality, the feasibility of such a structure and consequences, the impact of liability and insurance issues relating to global structure.	PCAOB; SEC; Auditing Firms
Consider how the varying degree of quality in financial reporting and auditing and regulatory and enforcement	Views on impact upon organizational structure and capital resources of financial reporting and	NASBA; PCAOB; SEC; Auditing Firms

Discussion Outline Point	Data/Views	Potential Data/Views Provider
regimes impact organizational structure and capital resources.	auditing quality and regulatory and enforcement regimes; independent survey of both retail and institutional investors asking how important independence of the external auditor is to investors, in determination of the quality of the audit, or confidence in financial information an auditor opines on.	
Consider how the potential acceptance of International Financial Reporting Standards in the United States and the greater use of fair value and mark-to-model accounting will impact the largest auditing firms' network of affiliates.	Views of impact of IFRS, fair value, mark-to-model accounting on auditing firms.	FASB; IASB; SEC; PCAOB
Auditing firms provide the Public Company Accounting Oversight Board with proprietary information. The European Union recently adopted reporting requirements (to be effective in June 2008) for public company auditors relating to issues such as a firm's legal structure and ownership, governance, and internal quality control system.	Summary of EU 8 th Directive requirements; views on possible changes to public company auditing firm governance and disclosure requirements; description of the PCAOB and the international standard setter; a description of the overseer for these two standard setters; the selection process for board members, the involvement of users in this selection process, and how many users are currently voting board members; the selection process for members of the overseer, the involvement of users in this selection process, and how many users are voting members on the oversight body; the independence of the process including independence of board members, their processes and procedures, and staff; the funding and budget processes, including who provides the funding, and the size of their budgets in each of the last three years; the enforcement capabilities of standard setters to enforce their standards; ability of standard setters to inspect the work of auditing firms, and reflect findings of those inspections, including shortcomings, in new standards on a timely basis.	PCAOB; SEC; CAQ; NYSE; Nasdaq; Governance Experts; IASB
Consider what, if any, governance failures at the auditing firms occurred and contributed to failures in the provision of audit services and non-attest services.	Summary of major audit and non-attest services failures over the past two decades and whether governance failures occurred; U.S. revenues and net income broken down between auditing, income tax services and consulting and description of contents of each category; global revenues and net	SEC; PCAOB; AICPA; CAQ; Auditing Firms

Discussion Outline Point	Data/Views	Potential Data/Views Provider
	income broken down between auditing, income tax services and consulting and description of contents of each category.	
Consider to what extent, if any, auditing firms should disclose to the public their internal organization, governance, and financial resources and whether and how such a practice could enhance audit quality.	Views on auditing firms' potentially disclosing data relating to internal organization, governance, and financial resources and impact on audit quality; copies of both the U.S. and international quality control policies and procedures of the auditing firms; U.S. firms' balance sheets, income and cash flow statements and footnotes for three years before PSLRA was passed; survey of both retail and institutional investors asking whether auditors of public companies should be required to adopt governance and transparent financial reporting standards required of the companies they audit.	Foreign Regulators; PCAOB; SEC; CAQ; AICPA; Auditing Firms
Consider whether and, if so, there should be public participation in firm governance, for example through an advisory board or ombudsman or other mechanism, and whether and how such a mechanism could enhance audit quality.	Views on public participation in firm governance.	PCAOB; SEC; CAQ; AICPA; Auditing Firms
Consider whether the auditing firms, themselves, should prepare audited GAAP financial statements for filing with the Public Company Accounting Oversight Board or the public.	Views on auditing firms' filing audited financial statements with PCAOB or public; U.S firm's balance sheets, income and cash flow statements and footnotes of the four largest auditing firms and the next six largest auditing firms, for each of the last ten years prepared in accordance with generally accepted accounting principles; global consolidated balance sheets, income and cash flow statements and footnotes of the four largest auditing firms and the next six largest auditing firms, for each of the last five years prepared in accordance with generally accepted accounting principles.	PCAOB; SEC; CAQ; AICPA; Auditing Firms; Investors; Foreign Regulators
Consider how increased transparency and strengthened governance affects audit quality.	Views on the impact on audit quality of increased transparency and strengthened governance.	PCAOB; SEC; CAQ; Foreign Regulators
Consider how state laws and auditor independence standards impact auditing firm governance.	Summary of impact of State laws and independence standards on auditing firm governance	NASBA; SEC; PCAOB; CAQ; AICPA; Auditing Firms

Discussion Outline Point	Data/Views	Potential Data/Views Provider
Consider whether and how governance matters impact issues and conclusions regarding liability and insurance.	Views on the impact of governance matters on conclusions regarding liability and insurance.	
Examine the auditor's responsibility for fraud detection and whether it is resulting in enhanced investor confidence in the reliability of the financial statements.	Summary of rules governing auditor's responsibility for fraud detection; summary of AICPA's Fraud Institute Project.	SEC; PCAOB; AICPA
The standard auditor report consists of a standardized four paragraphs stating management and auditor responsibilities, the nature of the audit, the auditor's opinion on the financial statements, and, if the audited company is subject to the Sarbanes-Oxley Act, the effectiveness of internal controls.	Summary of auditor report requirements.	SEC; PCAOB
Consider whether the auditor report should be more descriptive so as to improve communication with the public and investor community.	Views on whether auditor report should be more descriptive so as to improve communication with the public and investor community.	SEC; PCAOB; CAQ; AICPA; Auditing Firms
Consider whether and, if so, how the auditor report could more clearly define the role of the auditor vis-à-vis financial statements.	Views on how auditor report could more clearly define role of auditor vis-à-vis financial statements.	SEC; PCAOB; CAQ; AICPA; Auditing Firms
Consider the role of the auditor in the audit.	Summary of role of auditor in the audit.	SEC; PCAOB; CAQ; AICPA; Auditing Firms
Consider the expectations of investors and the marketplace relating to the auditor report and the audit. Consider whether and, if so, what sort of fraud investors and the marketplace expect auditors to detect.	Views on expectation gap; research of foreign countries' fraud discovery expectations; survey of both retail and institutional investors asking: what additional information, if any, investors would like for independent auditors to report to them; what information, if any, they would like auditors to provide assurance on that they don't already (e.g., XBRL tags, Management's Discussion and Analysis, key performance indicators) and what cost are they, as owners of the business willing to incur for such assurance; whether or not auditors should be expected to detect material fraud, and are their instances in which they should not. Number of restatements in each of the last five years, broken down by: audit firm, industry, and size of company; the nature of restatement including number of and type of line items affected (e.g., revenues, inventory, liabilities, derivatives, cash flow from operations, etc.); number of periods restated; the magnitude and percentage impact of the restatement on each of the period(s) line items including revenues, net	SEC; PCAOB; NYSE; Nasdaq; Investment Funds; Retirement Funds; CAQ; Foreign Regulators; Foreign Market Participants

Discussion Outline Point	Data/Views	Potential Data/Views Provider
	<p>income, total assets, and stockholders equity; whether the restatement increased or decreased net income in the period; whether the restatement resulted in a change in analysts' earnings estimates; whether fraud was determined to have occurred; whether an SEC enforcement investigation was announced; the magnitude of the stock price movement (and related market cap impact) upon: 3 days before and one day after the initial date of announcement of the restatement, between the date of the announcement and 7 days later, and between the date of the announcement and 30 days later; whether or not at the time of announcing restatements, companies also announced other information impacting the markets; number of restatements reported since the implementation of Sarbanes-Oxley Section 404, which at the same time the restatement was reported, or shortly before or after, a material weakness or significant deficiency was also reported; breakdown of restatements between those where generally accepted accounting principals had been followed, and those where they had not.</p>	
Consider the impact, if any, of changes in auditor reports on audit quality.	Views on impact of auditor report changes on audit quality.	SEC; PCAOB; Investors; CAQ; AICPA

CONCENTRATION AND COMPETITION DATA/VIEWS MATRIX

Discussion Outline Point	Data/Views	Potential Data/Views Provider
<p>According to a 2004 GAO Report, the largest auditing firms audit over 78% of U.S. public companies and 99% of public company revenues. According to a 2004 J.D. Power & Associates survey, about one of every eight public companies retained three or more of the largest auditing firms for attest and non-attest work.</p>	<p>Update concentration and competition data. For each of the last ten years, breakdown of who audits public companies (market share) with data on the number of public companies audited by each of the 100 largest auditing firms and all others including the number of public companies audited by each of the largest four auditing firms, by each of the next ten largest auditing firms, by the rest of the top 100 firms, and the rest of the firms in each of the major industries (e.g., technology, financial institutions, insurance, services, manufacturing, retail and distribution, real estate, extractive industries, health care, etc.); breakdown of the data by number and approximate size (e.g., revenues, assets) of those companies such that one can assess who has the respective market share during the past ten years of the Fortune 1000 other larger companies, mid cap, small cap and other public companies; number of audits of public companies performed in each of the last five years.</p>	<p>GAO; PCAOB; NYSE; Nasdaq</p>
<p>Examine whether there should be fundamental changes made in who pays the audit fee to the auditor.</p>	<p>Views on who should pay the audit fee to the auditor; aggregate fee data, for each of the largest ten auditing firms, and in the aggregate for audits of public companies for each of past five years including audits fees for last five years for those companies in the Fortune 1000, other companies with over \$750 million in market cap, \$75 million to \$750 million in market cap, and those under \$75 million in market cap; Also in regard to audit related fees, tax service fees and consulting and other fees; average rate per hour charged on audit fees for Fortune 1000 size companies, other large companies, and other companies with over \$750 million in market cap, \$75 million to \$750 million in market cap, and those under \$75 million in market cap; breakdown of the audit fee data by major industry classification.</p>	<p>GAO; SEC; PCAOB; Auditing Firms; Investors; Public Companies</p>

Discussion Outline Point	Data/Views	Potential Data/Views Provider
Consider how the auditor independence standards impact audit quality, audit market competition, and the pool of human capital.	Summary of auditor independence standards; data on how the auditor independence standards impact audit quality, audit market competition, and the pool of human capital.	PCAOB; SEC; Auditing Firms; NASBA; CAQ; AICPA
Consider whether there is an “appropriate balance” between the auditing services and the non-attest services that auditing firms are providing today.	Data on non-attest services provided by auditing firms and survey the balance between the auditing services and the non-attest services.	Auditing Firms; Public Companies; Investors; NASBA; PCAOB; CAQ; AICPA
Consider how auditing firms’ employee assignment process relating to auditing services and non-attest services impacts the pool of human capital.	Data on allocation of employees of auditing firms in non-attest services and survey on how the employee assignment process relating to auditing services and non-attest services impacts the pool of human capital.	Auditing Firms; CAQ; AICPA
Consider whether mandatory partner rotation impacts both the larger and smaller auditing firms in the same way.	Views on the impact of partner rotation.	Auditing Firms; PCAOB; SEC
Examine the benefits and costs of periodic firm rotation.	Collect data on benefits and costs of periodic firm rotation.	GAO; Public Companies; Auditing Firms; NASBA; PCAOB; CAQ; AICPA; Investors
Consider whether, and, if so, how other professional standards or requirements impact the structure of the public company auditing profession.	Summary of other professional standards (e.g., quality control, state licensing standards), which impact the structure of auditing market.	Auditing Firms; NASBA; AICPA; CAQ; AICPA; SEC
Consider whether, and, if so, how the complexity of business and financial products affects audit quality, including the auditing firms’ educational and supervisory roles. Consider whether the complexity of business and public companies, along with the accompanying financial reporting, accounting, and auditing standards prevents auditing firms with fewer resources from entering into the larger public company audit space.	Views on smaller auditing firms in the larger public company audit space and survey the effects of complexity on audit quality, including the auditing firms’ education and supervisory roles.	Auditing Firms; Public Companies; Investors; NASBA; PCAOB; CAQ; AICPA; SEC
Consider whether the global convergence of accounting standards and the global convergence of auditing standards encourage more audit market competition.	Views on the potential effects of adopting IFRS in other countries on auditing firms and the effects of global convergence of auditing and accounting standards on audit market competition.	Auditing Firms; PCAOB; NASBA; AICPA; Foreign Regulators; Foreign Market Participants; SEC
Consider the relative financial, human resources, and geographical capabilities of the largest auditing firms, the mid-size auditing firms and the smaller auditing firms.	Data on the relative financial, human resources, and geographical capabilities of auditing firms of all sizes.	Auditing Firms; PCAOB
Consider and compare the capabilities of the different sizes of auditing firms with the requirements of the large, mid, and small capitalization public companies.	Review of the capabilities of the different sizes of auditing firms and summary of the requirements of auditing large, mid, and small capitalization public companies; breakdown of the auditor for each company completing an initial public offering or	Auditing Firms; Public Companies; NYSE; Nasdaq; PCAOB; NASBA; SIFMA

Discussion Outline Point	Data/Views	Potential Data/Views Provider
	debt offering in each of the past five years as well as who was the underwriter for the offering; size of the proceeds of the offering; whether or not there was a change in auditors from one of the largest four auditing firms in the two years prior to the offering, to a smaller firm, or vice versa; description of the policies each of the ten largest Wall Street investment banking firms has with respect to underwriting a company who chooses to use a firm other than one of the largest four auditing firms, including whether or not such firms are treated differently such as during the due diligence process.	
Consider how the increasing globalization of the capital markets affects audit market concentration among the largest auditing firms who have global networks of affiliates.	Views on the effects of globalization of the capital markets on audit market concentration; number of countries each of the ten largest U.S. auditing firms and their international affiliates have offices; number of audit partners, audit employees and other partners and employees in each of the countries in which a firm operates.	Auditing Firms; PCAOB; Public Companies; NYSE; Nasdaq
Consider whether larger auditing firm resources are necessary for a high quality audit for larger, international companies.	Summary of resources needed and requirements for a high quality audit for larger, international companies.	Public Companies, PCAOB; SEC; Auditing Firms; Foreign Regulators; Foreign Market Participants
Consider the ability of certain firms to carve out niches among certain multinational sectors.	Review the actions of firms that have carved out niches among certain national and multinational sectors.	Auditing Firms
Consider how the potential acceptance of International Financial Reporting Standards and international auditing standards will impact audit market competition.	Views on how the potential acceptance of IFRS and international auditing standards will impact audit market competition.	Auditing Firms; Public Companies; PCAOB
Consider how audit market concentration impacts audit quality.	Views on audit market concentration and audit quality.	Auditing Firms; Public Companies; PCAOB; SEC; CAQ; Financial Reporting Council
Consider the reasons for public companies' seeking new auditors.	Views on reasons for public companies' seeking new auditors; breakdown by year, of the number of public companies who have changed auditors beginning January 1, 2000, including predecessor auditor; successor auditor; in the last year of the audit before the change, the amount of the audit fee of the predecessor auditor and in the first year thereafter, the amount of the audit fee of the	PCAOB; Public Companies; Auditing Firms

Discussion Outline Point	Data/Views	Potential Data/Views Provider
	successor auditor; whether the auditor resigned or the company sought the change; the reason for the change; the industry the public company primarily operates in; the approximate size of the company; whether there was a restatement or material weakness reported within two years of the change in auditors.	
Consider whether auditing firms are competing for services based on audit quality.	Summary of criteria used for selecting auditing firms.	Auditing Firms; Public Companies; PCAOB; CAQ
Consider the bases on which auditing firms compete today in the United States and internationally, including an assessment of audit fee changes when auditors compete for new audits.	Summary of criteria for competition among auditing firms and changes in audit fees when auditors compete for new audits.	Auditing Firms; Public Companies; PCAOB; GAO
Consider the potential consequences of a larger auditing firm failure.	Survey on potential consequences of a larger auditing firm failure. Review consequences of and regulatory reactions to failure of Arthur Andersen and Laventhol & Horwath.	Auditing Firms; Public Companies; PCAOB; SEC; IOSCO
Consider the sort of risks a larger auditing firm failure poses to the marketplace and investors.	Views of risks of a larger auditing firm failure to the marketplace and investors.	Investors; Public Companies; Auditing Firms; PCAOB; SEC; Foreign Regulators
Consider the causes of major audit failures and steps that could be taken to prevent their reoccurrence.	Review of causes of major audit failures.	Auditing Firms; Public Companies; PCAOB; SEC
Consider whether and, if so, how, securities and auditing firm regulators should attempt to mitigate the risk or the impact of a larger auditing firm failure.	Views of the ability of regulators to mitigate the risk or the impact of a larger auditing firm failure.	PCAOB; SEC; Foreign Regulators; CAQ; AICPA; IOSCO
Consider ways to increase audit market competition.	Summary of determinants of audit market competition.	Public Companies; Auditing Firms; PCAOB; CAQ; GAO
Consider the impact of auditing firm mergers on industry competition and whether a public policy change with respect to a lack of competition is warranted.	Views on the impact of mergers on industry competition and review impact of Big 8 mergers; information including Hart-Scott-Rodino Act filings the merging firms made with the FTC/DOJ (or reliable summaries thereof made by the FTC/DOJ) and analyses prepared by the firms or the FTC/DOJ under the Horizontal Merger guidelines supporting merger of each of the Big Eight auditing firms with another Big Eight or Big Six or other large firm.	Public Companies; Auditing Firms; PCAOB; Federal Trade Commission; Department of Justice
Consider whether regulators are now faced with a “Too Big to Fail” public policy, and if so, consider whether public policy changes are warranted and the nature of those changes.	Views on the consideration of the consequences of firm failure when determining public policy.	PCAOB; SEC; Foreign Regulators; Public Companies
Consider how greater auditor choice can be fostered in the	Views on how to create greater auditor choice.	Public Companies; Auditing Firms; PCAOB; SEC;

Discussion Outline Point	Data/Views	Potential Data/Views Provider
marketplace by the public and private sectors.		NYSE; Nasdaq
Consider whether there are public company sectors where audit market choice is growing.	Data on auditing firms within different public company sectors.	PCAOB; Public Companies; Auditing Firms
Consider the ability of certain auditing firms to create niche-markets.	Summary of the resources needed to enter and operate within niche markets.	Public Companies; Auditing Firms
Consider how private sector participants, such as underwriters and lawyers, impact audit market choice.	Summarize the impact of market participants, such as underwriters and lawyers, on audit market choice.	Public Companies; Auditing Firms; Market Participants; SIFMA; NYSE; Nasdaq