
STANDING ADVISORY GROUP MEETING

PANEL DISCUSSION – THE RESEARCH SYNTHESIS PROGRAM

JUNE 12-13, 2006

At the June 2006 meeting of the Standing Advisory Group ("SAG"), a panel of academic auditing researchers will discuss the Research Synthesis Program, followed by an opportunity for questions and additional discussion with SAG members. The Board's Office of Chief Auditor has worked with the Auditing Section of the American Accounting Association ("AAA") to initiate the Research Synthesis Program, which is designed to provide a synthesis of existing relevant research for selected PCAOB standards projects. The goal of the program is to accumulate existing research findings that are relevant to issues that may be addressed in potential new standards.

To accomplish this goal, academic researchers work in teams to prepare research syntheses related to standards-setting topics discussed with the SAG. The research synthesis teams are not formed or managed by the PCAOB, and they remain independent from the PCAOB. The PCAOB does not endorse or approve their work.

At the June 2006 SAG meeting, the President of the Auditing Section of the AAA will provide a brief overview of the Research Synthesis Program and members of two of the research synthesis teams—Auditor Risk Assessment and Audits of Fair Value—will briefly describe the nature and results of their research synthesis projects. Then, the SAG will have the opportunity to ask questions of the panelists.

To date, the Auditing Section has formed nine teams of researchers to develop syntheses of relevant research for each of the following topics:

<p>This paper was developed by the staff of the Office of the Chief Auditor to foster discussion among the members of the SAG. It is not a statement of the Board; nor does it necessarily reflect the views of the Board or PCAOB staff.</p>

STANDING ADVISORY GROUP MEETING

1. Auditor Risk Assessments
2. Audits of Fair Value
3. Audit Confirmations
4. Audit Firm Quality Control
5. Audit Reporting Model
6. Auditing Related Party Transactions
7. Communications with Audit Committees
8. Engagement Quality Review
9. Financial Fraud

Appendix A shows the research synthesis team assignments, team leaders, and university affiliations. Two of the teams—Auditor Risk Assessments and Audits of Fair Value—were formed in early 2005. The Risk Assessment Team has completed its project and the Audits of Fair Value team is nearing completion of its project. The other seven teams were formed in November 2005 by the Auditing Section of the AAA with the expectation that these teams will complete their research synthesis projects in 2006.^{1/}

Each research synthesis team addresses the issues raised in the related PCAOB SAG briefing papers and may consult with assigned staff from the PCAOB's Office of Chief Auditor. The resulting research syntheses are designed to be helpful to the PCAOB in formulating appropriate standards and also to accounting and auditing researchers, educators, auditors, students, and others who have an interest in auditing or its economic and societal impact. In addition, editors of two leading academic

^{1/} In February 2006, the PCAOB hosted a Symposium with members of the AAA's research teams focusing on the work of the research synthesis projects. Members of all nine research synthesis teams attended the Symposium, which included discussion of the objectives of the Research Synthesis Program and meetings of each research team with members of the PCAOB's Office of the Chief Auditor.

STANDING ADVISORY GROUP MEETING

journals in accounting and auditing have expressed an interest in the possibility of publishing some of the anticipated research syntheses, subject to their review and approval processes.

Additional information about the research synthesis teams is available through the AAA's Auditing Section Web site (<http://aaahq.org/audit/index.htm>).

* * *

The PCAOB is a private-sector, non-profit corporation, created by the Sarbanes-Oxley Act of 2002, to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports.

STANDING ADVISORY GROUP MEETING

**Appendix A
Research Synthesis Team Assignments**

PCAOB Project	Research Team Leader	Project Team Members
1. Audit Confirmations	Randy Elder (Syracuse)	Paul Caster (Fairfield) Diane Janvrin (Iowa State)
2. Audit Firm Quality Control	Jean Bedard (Bentley)	Donald Dies (Texas A&M – Corpus Christi) Greg Jenkins (Virginia Tech) Mary Curtis (North Texas)
3. Audit Report Model	Bryan Church (Georgia Tech)	Susan McCracken (Toronto) Shawn Davis (Kennesaw State)
4. Communications with Audit Committees	Arnie Wright (Boston College)	Jeff Cohen (Boston College) Lisa Gaynor (Georgetown) Ganesh Krishnamoorthy (Northeastern)
5. Engagement Quality Review	Arnie Schneider (Georgia Tech)	Kathryn Epps (Kennesaw State) William Messier (Georgia State)
6. Financial Fraud	Chris Hogan (Southern Methodist)	Zabi Rezaee (Memphis State) Dick Riley (West Virginia) Uma Velury (Delaware)
7. Related Party Transactions	Elaine Henry (U of Miami)	Elizabeth Gordon (Rutgers) Tim Louwers (James Madison) Brad Reed (Southern Illinois)
8 Auditor Risk Assessments	Dana Hermanson (Kennesaw State)	Bob Allen (Utah) Tom Kozloski (Wilfrid Laurier—Canada) Bob Ramsay (Kentucky)
9. Fair Value	Roger Martin (Virginia)	Jay Rich (Illinois State) Jeff Wilks (Brigham Young)