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#### **Treasury Advisory Committee on the Auditing Profession Adopts Final Report**

**Washington** - The U.S. Treasury Department's Advisory Committee on the Auditing Profession, led by co-chairs Arthur Levitt, Jr. and Donald T. Nicolaisen, voted today to adopt its Final Report containing more than 30 recommendations to improve the sustainability of the public company auditing profession.

"The Advisory Committee members, particularly Co-Chairs Levitt and Nicolaisen, have devoted a great amount of effort and time developing the recommendations to sustain a vibrant and robust auditing profession," said Treasury Secretary Henry M. Paulson, Jr. "Their work will contribute to and shape the necessary work of encouraging investor confidence in our financial markets."

Recommendations focused on three specific areas: improving accounting education and strengthening human capital; enhancing auditing firm governance, transparency, responsibility, communications, and audit quality; and increasing audit market competition and auditor choice. For more information, please see the Final Report Fact Sheet.

Secretary Paulson created the committee in May 2007 to examine key issues facing the auditing profession to encourage greater investor confidence. He tapped former Securities and Exchange Commission Chairman Levitt and former SEC Chief Accountant Nicolaisen as co-chairmen to lead the committee.

"The health of the U.S. accounting industry is an essential element in the coming decade of transparency which will impact every business, legislative, and rule-making judgment both domestically and internationally. Reliable numbers from accountants mindful of their public responsibilities are critical to the competitive success of U.S. companies," Co-Chair Levitt said. "The continuing health of auditing firms, both large and small, has been the mandate of a diverse commission representing both industry and investor interests. This final report will provide industry and policymakers with a template for change."

"This is the first study of its kind since enactment of Sarbanes-Oxley and the Committee's work reinforces the critical role of the independent auditor to enabling trust and confidence in our capital markets," said Co-Chair Nicolaisen. "The Committee members brought exceptional intellect and experience to the process and I'm extremely appreciative of their efforts to work toward consensus views. Their recommendations are sound and their enactment will strengthen the auditing profession."

Committee members represented a diverse set of views, including investors, auditors, financial institutions, large and small public companies, lawyers, former regulators, and universities.

Secretary Paulson hosted a conference at Georgetown University in March 2007 to examine ways to improve the competitiveness of U.S. capital markets. Secretary Paulson and conference participants identified financial reporting and investor confidence as major factor in our domestic markets' competitiveness. The Committee held its first meeting in October 2007.

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#### **REPORTS**

- [Fact Sheet](#)