

## Summary of Paper: [Corporate Governance and the Audit Process Revisited](#)

### **What is this study about?**

The study revisits how external auditors interact with audit committees (ACs) in today’s “mature” post–Sarbanes-Oxley (SOX) environment, after major shifts in regulation, technology (data analytics/AI), and cybersecurity risk. The authors interviewed 21 highly experienced U.S. Big 4 audit partners (average 26.8 years of experience; most of their recent work with public-company clients) to understand what has changed—and what hasn’t—in auditor–AC oversight and communication.

### **What are the major findings of the study?**

ACs are generally seen as more diligent, independent, and technically capable than in earlier eras, and auditors report more frequent informal communication with AC chairs beyond formal meetings. Yet, auditors still perceive that management (CEO/CFO) often has the most “actual influence” over hiring/firing the external auditor—despite SOX assigning that authority to the AC. Contentious accounting issues are typically resolved with management before they ever reach the AC. New requirements like Critical Audit Matters (CAMs) have increased auditor–AC dialogue, but sometimes create tension when ACs push to limit wording to protect sensitive information. Cybersecurity has become a major focus, and ACs often rely on auditors for education because AC cyber expertise is frequently limited.

### **Why is the study important?**

For auditors, it highlights where independence risks may still arise (management influence, relationship pressures) and where oversight has strengthened (AC engagement, PCAOB inspection focus). For preparers, ACs, and regulators, it shows that “formal authority” may differ from “practical influence,” affecting auditor independence and audit quality.

### **What is the impact on professional practice and society at large?**

The study argues professionalism and commercialism operate as a hybrid, shaping oversight in ways that can both help and complicate audit quality. Better AC diligence supports capital-market trust, but gaps in cybersecurity expertise and behind-the-scenes negotiation of CAM disclosures raise governance and investor-protection concerns—especially as cyber incidents can create significant financial reporting and reputational consequences.

