

Summary of Paper: [The Development of Auditing Standards at the PCAOB and Related Audit Practitioner Input](#)

What is this Study About?

This study focuses on how feedback from audit practitioners influences the development of auditing standards by the Public Company Accounting Oversight Board (PCAOB), which oversees auditing practices. It examines the changes made to proposed auditing standards after receiving comments from auditing firms, to see how much of their advice is taken into account by the PCAOB.

What are the major findings of the study?

According to this study, the PCAOB revised 52 percent of its proposed guidance after receiving feedback, indicating that audit practitioner input has a significant impact on the final standards. The study also finds that when a majority of Big 4 and Non-Big 4 audit firms either oppose or support proposed guidance, the PCAOB revises its guidance in alignment with the firms' views in up to 81 percent of cases. Additionally, when combining the feedback from both Big 4 and Non-Big 4 firms into a supermajority, the PCAOB's revisions align with the firms' positions in 86 percent of the cases.

Why is the study important?

The opinions and feedback from auditing firms can directly influence the rules and standards set by the PCAOB. This process helps ensure that the standards are practical and fair and consider the experiences of those who conduct audits. By understanding how auditing standards are developed and revised, we can better appreciate how auditors promote quality and accountability in financial reporting, which is crucial for the trust and reliability of financial markets.