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ROSS ROUNDTABLE

on

Impact of Reemergence of Consulting Practices at Major Audit Firms

Date/Time: Monday, November 26, 2012 / 4:00 pm to 6:00 pm

Location: New York University
Leonard N. Stern School of Business
Kaufman Management Center
44 West Fourth Street
Cantor Boardroom (Room 11-75)
New York, NY 10012

Roundtable Coordinators:

Seymour Jones, NYU Stern School of Business
Paul Zarowin, NYU Stern School of Business

Roundtable Theme:

Experts from the finance sector, industry, regulatory agencies, government, legal and accounting professions, and academia will discuss key issues related to the reemerging of Consulting Practices in the major audit firms. Based on federal legislation to enhance independence in 2002, it was mandated that accounting firms are no longer permitted to perform consulting services for audit clients. Accordingly, professional fees were diminished for the applicable accounting firms.

However, since 2007, consulting fees have risen to date for the large accounting firms. Indeed these firms have, to a large extent, increased fees in the consulting area without violating the federal restriction. This was accomplished by developing resources to deal with consulting within the federal restriction. Critics in the marketplace have alleged that audit services have been affected as a result of the new emphasis on consulting services. In fact, it has been suggested that PCAOB reviews of the large audit firms have

been negatively impacted by this new emphasis on consulting services by the larger accounting firms. Our Roundtable will focus on the impact of the foregoing re-emphasis on consulting and the resulting impact on audit quality.

- Has there truly been a negative impact on auditing services as a result of consulting services?
- Should auditors be given absolute restriction against consulting services and should this be mentioned in all audit reports?
- Should complete separation of duties be enforced for all audit firms?
- Since consulting services in the large public accounting firms offer a significant benefit to the client marketplace, what alterations should be adopted?
- How to otherwise protect independence for auditors
- Could the negative impact on audit firms not have resulted from renewal of consulting services, but rather from Congressional pressure to ease reporting on financial firms due to the recession?

Confirmed Roundtable Participants:

- Robert H. Herz, ***Executive-in-Residence***, Columbia Business School; former Chairman of the Financial Accounting Standards Board (FASB) from 2002 to 2010; senior technical partner at Coopers & Lybrand and PricewaterhouseCoopers; Member of board of directors and audit committees of Fannie Mae and Morgan Stanley; member of PCAOB's Standing Advisory Group
- Sy Jones, ***Clinical Professor of Accounting***, Stern School of Business, New York University
- Francine McKenna, ***CPA; Freelance journalist, Forbes Magazine and American Banker***
- Stanley Siegel, ***Professor***, New York University School of Law
- Paul Volcker, ***Former Chairman*** of the Economic Recovery Advisory Board under President Barack Obama from 2009 to 2011, Former Chairman of the Federal Reserve from 1979 to 1987

CREDITS FOR CONTINUING PROFESSIONAL EDUCATION (CPE)

Learning Objectives:	The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, corporate financial executives, regulators, etc. -- to discuss with policymakers important developments in capital markets and the financial world. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.
Delivery Method:	Group-live
Program Level:	Update
Prerequisites:	Applicable involvement in the business and/or academic experience in the subject matter.
No fee involved.	
No advance preparation needed.	
To register for this course, contact Jill Sepowitz, Vincent C. Ross Institute of Accounting Research at 212.998.4143 or visit our website, http://w4.stern.nyu.edu/ross	
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