Corporate Secretary
IR Media Group

SEPTEMBER 20, 2019

Ben Maiden
EDITOR-AT-LARGE

The week in GRC:

This week's governance, compliance and risk-management stories from around the web

– The *WSJ* reported that new research suggests a rule requiring public companies to identify an individual audit partner in financial reporting has not had a major impact on audit quality. The PCAOB in 2017 began requiring US public companies to disclose the name of individuals overseeing independent audits in an attempt to promote accountability and transparency. Companies now name the lead audit engagement partner on a form that must be filed within 35 days of the annual report.

The rule doesn't appear to have had the effect the PCAOB sought, according to a study to be published by the **American Accounting Association**. Although researchers saw an increase in audit quality, they were able to determine that the rule had little to do with the improvement, according to the study, which was conducted by accounting professors at the University of Tennessee, the University of Kansas, Virginia Tech and James Madison University. They also found that the rule hasn't led to an apparent increase in audit costs.

The study states that the findings are preliminary and that further research on the rule's long-term effects is necessary. A representative for the PCAOB declined to comment.