



6-Point Plan to Improve Audits

Pre-licensure

Next version of CPA Exam is designed to increase assessment of higher-order skills, such as critical thinking and professional skepticism; high school AP accounting course; changes to college-level accounting education; additional doctoral-level audit professors with practical experience

Standards and Ethics

Quality control standards implementation support; evaluation of clarified standards implementation; auditor's report revisions; ethics code codification

CPA Learning and Support

Competency models for audits, including employee benefit plan and governmental, competency assessment tools, targeted resources to develop competencies; certificate programs to demonstrate competence; nano, blended and informal learning programs

Employee Benefit Plan and Governmental Audit Quality Centers' resources, tools and training; Center for Plain English Accounting; audit guides, risk alerts and practice aids

Peer Review

Focus on greater risk industries/areas, including EBP and Single Audits; more significant remediation including pre-issuance reviews and aggressive follow-up; root cause analysis (for poor and good quality); termination from peer review after repeat quality issues

Practice Monitoring of the Future

Long-term initiative for near real-time, ongoing monitoring of firm quality checks using robust technological platform

Enforcement

Aggressive investigation of all referrals of deficiencies; enhanced coordination with state boards of accountancy having ability to restrict license to practice; reinforced *Code of Professional Conduct* rules on due care