



Top factors driving quality in single audits

An AICPA Peer Review Program study of potential quality factors found a correlation between the following three factors and conformity to professional standards in the sample of audits studied.

1. Practice makes perfect

The more single audits a firm performed every year (regardless of firm size), the more likely a given single audit was to conform to professional standards.

Number of single audits performed annually



Recommendation: Only accept engagements that your firm is competent to perform and, when needed, engage knowledgeable third parties to serve on engagement teams.

2. Commitment to quality

Governmental Audit Quality Center (GAQC) firm members had

2X greater conformity
than non-members.

Recommendation: Learn more about GAQC membership at aicpa.org/GAQC.

100%
conformity

GAQC members who performed 11 or more single audits annually

3. Qualified engagement partners

Number of single audits the engagement partner performed annually



Qualifications of the engagement partner mattered.

Non-conformity spiked when the engagement partner:

- Had less than six years of experience performing single audits
- Had non-conforming engagements previously
- Took less than nine hours of single audit-specific CPE within the past three years

Recommendations:

- Provide appropriate resources for consultation
- Consider the need for engagement quality control review (EQCR)
- Establish firm policies requiring engagement partners to take robust single audit-specific CPE

For more information, contact prsupport@aicpa.org.

*AICPA Peer Review Program study, 2016. The study analyzed 87 randomly selected single audits from a population of approximately 1,100 engagements subject to peer review. The engagements selected had year-ends of Nov. 30, 2015, or before. The study assessed the correlation between 37 potential quality factors and whether each engagement was performed and/or reported on in conformity with applicable professional standards in all material respects.

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