

Enhancing Audit Quality:

2018 mid-year progress report

Audited information provides valuable insights to businesses, investors and the community. The Enhancing Audit Quality (EAQ) initiative, launched in 2014, supports the CPA profession's commitment to performing high-quality audits. EAQ uses a holistic, data-driven approach to detect quality trends and develop related resources and education for auditors, auditees and other stakeholders.



Watch a video about how EAQ works at aicpa.org/EAQ.

Since we released the 2017 Enhancing Audit Quality Highlights and Progress report in October 2017 (see it at aicpa.org/EAQhighlights), we've helped the profession make further progress toward improved audit quality. Here is an update on a few of the initiatives.

Peer Review

The Peer Review Program (PRP) is helping firms improve their work after quality issues are identified.



of firms improved in their next peer review when the PRP required a third-party review of their engagements or quality control documents.

Documentation

>50%

of all material non-compliance with auditing standards is due to inadequate audit documentation.

10,000+

people took a *Journal of Accountancy* quiz to test their knowledge of the audit documentation standard in 2017. Try it for yourself at journalofaccountancy.com/documentation.

NON-COMPLIANCE

A 2015 study found that 16% of firms required to subject their employee benefit plan audits to peer review had failed to do so. A 2017 study found that non-compliance had been cut in half.

15,000+

visits to our free audit documentation toolkit at aicpa.org/documentation. Resources were accessed more than 7,600 times in 2017.



The Center for Plain English Accounting helps member firms understand and implement standards by sharing technical advice and guidance in a straightforward manner. Learn more at aicpa.org/CPEA.

Single audits

8,600+

auditors and organizations subject to single audits learned about single audit resources and the results of an AICPA study on the factors driving single audit quality through outreach we conducted in November 2017. View an infographic with the study results at aicpa.org/EAQ.

Employee benefit plan audits

On Dec. 12, 2017,

we presented the most common issues affecting employee benefit plan (EBP) audit quality in a webcast titled "EBP Audits: Common Misconceptions and How to Address Them." The webcast is available as an on-demand course at AICPAStore.com/EEAQ.

Quality control

7,900+

resource downloads in 2017, based on more than 4,900 visits to the Private Companies Practice Section's Invigorate the Focus on Quality Toolkit. Check it out at aicpa.org/pcps/quality.

Auditing in the Future



Cybersecurity Fundamentals for Finance and Accounting Professionals Certificate

Released in October 2017 to help participants understand cybersecurity risks and opportunities for their (or their clients') organizations

AICPAStore.com/cyberfundamentals



Advanced SOC for Service Organizations Certificate

Released in November 2017 to test participants' knowledge and skills related to conducting both SOC 1® and SOC 2® engagements

AICPAStore.com/SOCforSOCert

People visited our free Cybersecurity Resource Center — launched in August 2017 at aicpa.org/cybersecurity — more than 13,000 times and accessed resources more than 2,500 times in 2017.



What's next for EAQ?

2018 EAQ areas of focus

- Risk assessment
- Peer Review
- Documentation
- Single audits
- Benefits of specialization
- Auditing in the Future

Upcoming projects

- Resources and education to support compliance with the risk assessment standard while addressing common misconceptions
- OnPoint PCR: An innovative technology platform for preparations, compilations and reviews launching June 2018
- Governmental Audit Quality Center (GAQC) driving better understanding around tests of controls over compliance
- Additional audit documentation resources supporting both efficiency and quality enhancement
- Strategic efforts to strengthen the population of professionals and specialists serving as peer reviewers
- Exploration of changes to the auditor's reporting model and audit evidence standard
- Certified in the Valuation of Financial Instruments (CVFI™) credential launching late summer for CPAs and professionals who specialize in the valuation of complex financial instruments

Learn more at aicpa.org/EAQ.