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Questions audit committees should ask their audit team

1



Who's on the audit team?

Ask about partners, engagement leaders, managers, and what specialist resources are involved in the audit (e.g., valuations, tax, or IT). Also, ask about continuity. Are the engagement leaders the same as last time? If not, why not?

Talent shortages are affecting everyone, do key members of the audit team have sufficient time to allocate to your needs?

3



Can they meet your timelines?

Beyond the estimated time of completion, establish critical dates in advance and ask if they can meet your timelines. Ask when the formal planning and closing meetings will take place and if there are opportunities for informal check-ins to discuss progress of the audit and any important matters.

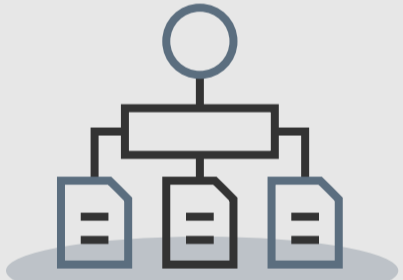
5



Will they be looking into your system of internal controls?

Some mistakenly think an audit report implies the auditor has endorsed the internal control system, but it doesn't. You'll want to ask if they understand internal control environments for companies like yours. Also, ask whether the auditor plans to rely on the internal controls system, and if not why not?

7



Can they be objective?

Does the team complete annual independence and ethics training? If they offer or provide your company with other professional services, what systems are in place to maintain independence?

9



What do they expect from you?

What do they expect from you as an audit committee member and how can you help promote audit quality? The audit team will expect you to create an environment of integrity and transparency between management and auditors.

2



What kind of experience do they have?

Are they familiar with your company and the GAAP framework you use? Do they understand the specific accounting or auditing issues that may arise for your industry? Do they have experience auditing companies of your size?

And most importantly, do they understand where you want to go? For example, if you're planning an acquisition in the future, what experience and resources does the firm have to ensure audit quality as you undertake those types of transactions?

4



How do they leverage technology?

What resources do they have to manage complex issues at local and national levels? Emerging technologies and digital tools are upping the ante for audit quality and helping teams become more efficient. Do they use analytics or specialized data techniques for richer insights? What kind of software are they utilizing?

6



What are their quality controls like?

What is the firm's commitment to audit quality? What systems and safeguards are in place to ensure audit quality?

Do they publish an audit quality report or transparency report, such as BDO's [Audit Quality Report](#)?

8



Do their values align with yours?

Do they share your commitment to diversity or your approach to dealing with people? What about their commitment to environmental, social, and governance principles?

Audit Quality is BDO's top priority.

We surveyed our audit teams to reveal how our people and firm are committed to audit quality: why it matters, the practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Download the report](#)

For more information, please contact:

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