



# IFIAR

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS

## Survey of Inspection Findings

# 2022

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This report, released on March 15, 2023, presents information collected by IFIAR through its eleventh annual survey of the results of its member regulators' inspections of the six largest audit firm networks.

This report on IFIAR’s 2022 Survey of Inspection Findings provides an overview of our annual survey findings and highlights results of our 2022 survey. A complete description of the survey’s methodology and details of the 2022 and prior survey results are included in the attached appendices.

## 1 Overview

IFIAR, a membership organization of 54 independent audit regulators (“Members”), conducted its eleventh annual survey of Members’ inspection results and programs during 2022. The survey collects data about inspection findings arising from its Members’ individual inspections of individual audit firms (“member firms”) affiliated with the six largest global audit firm networks (“GPPC networks”).<sup>1</sup> IFIAR Members from 51 jurisdictions participated in the survey, providing data on inspection reports generally issued to the GPPC networks’ member firms during the twelve months ended June 30, 2022.

With the shared goal of consistently high-quality audits globally, IFIAR publishes the results of its annual survey of inspection findings to provide transparency about the results of Members’ inspection programs for stakeholders. The annual survey of inspection findings is an important component of IFIAR’s dialogue among regulators about oversight experiences, challenges, and approaches. It also features in IFIAR’s ongoing engagement with international audit and ethics standard setters, and with the GPPC networks about their efforts to strengthen their member firms’ systems of quality control and to drive consistent execution of high-quality audits throughout the world.

The recurrence and level of findings reflected in the survey continue to indicate a lack of consistency in the execution of high-quality audits and the need for a sustained focus on continuing improvement. IFIAR encourages member firms to continue implementing quality management activities to:

- Identify areas for improvement to the systems of quality control that support their audit practices;
- Perform root cause analysis and implement responsive actions;
- Monitor the impact of such actions; and
- Leverage the results to adjust or refine their improvement strategies.

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<sup>1</sup> Each of the GPPC networks is comprised of a group of legally separate firms operating locally in countries or regions around the world. The GPPC networks participate in the Global Public Policy Committee (GPPC), represented by the following entities: BDO International Limited, Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited, Grant Thornton International Limited, KPMG International Cooperative, and PricewaterhouseCoopers International Limited.

Such activities are important in driving a cycle of continuous improvement, which has been – and will remain – a prominent aspect of IFIAR’s dialogue with the GPPC networks.

However, the survey is not designed to – and does not – provide a complete measure of firms’ progress in improving audit quality. Inspection findings should not be the sole measure of progress in audit quality as they do not serve as “balanced score cards” or overall rating tools. Deficiencies identified and reported over the course of an inspection are nevertheless an important metric provided by independent audit regulators, forming one of the many indicators used to assess audit quality. Other quantitative and qualitative indicators also should be considered in conjunction with inspection results.

The survey provides historical, quantitative information about inspection results as one means to identify general trends in areas of findings. The survey’s information neither measures empirically changes in audit quality nor assesses the degree of severity of individual significant deficiencies that meet IFIAR’s definition of a finding. For purposes of the survey, a finding is a significant deficiency in satisfying the requirements of auditing standards. **It is important to note that a finding from an inspection of an audit engagement does not necessarily indicate that the audited financial statements are misstated** or that the audit firm necessarily has a deficient system of quality control related to the finding.<sup>2</sup>

Trends may be impacted by variations across survey years in the composition of Members participating in the survey, the topics of focus in those Members’ inspection programs, and the mix of member firms inspected.<sup>3</sup> In addition, changes in Members’ inspection programs may lead to variability in reporting results to the survey. IFIAR monitors the impact of changes to ensure that findings are consistently reflected in the survey. To date, no reporting changes have significantly influenced the findings or results being reported.

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<sup>2</sup> For purposes of this survey, a finding is a significant deficiency in satisfying the requirements of auditing standards. With respect to audit engagement findings related to a financial statement balance or disclosure, a deficiency is either a matter with respect to which the member firm did not obtain sufficient audit evidence to support its opinion or a failure to identify or address a material, or likely potential material, error in the application of an accounting principle. With respect to all other themes, a deficiency is a departure from auditing standards or requirements, including standards on quality control and ethics and independence requirements that may or did have an effect on audit quality, either due to the significance or systemic nature of the departure. An inspection finding related to an audit engagement does not necessarily indicate that the financial statements are misstated; the audited entity’s accounting and disclosure may have been appropriate, whether or not the auditor satisfied the requirements of auditing standards. IFIAR has not sought to quantify misstatements associated with Member findings because 1) the transparency and manners of addressing errors in financial statements vary in Members’ jurisdictions, including in some cases not restating, and 2) the regulatory mandates of many IFIAR Members do not extend to the determination of whether or not financial statements are misstated. Appendix C provides further information about the survey methodology, including information about what constitutes a finding, and Appendices A and B present details of the results compiled from past annual surveys.

<sup>3</sup> The composition of Members responding to the survey, though largely consistent across recent survey years, can impact survey trends. To better understand the impact of changes in reporting Members, IFIAR determined that 31 Members had reported inspection findings on listed PIE audits for each of the past three survey years (2020-2022). Responses from these 31 Members account for 90% of the listed PIE audits inspected and reported on in the 2022 survey.

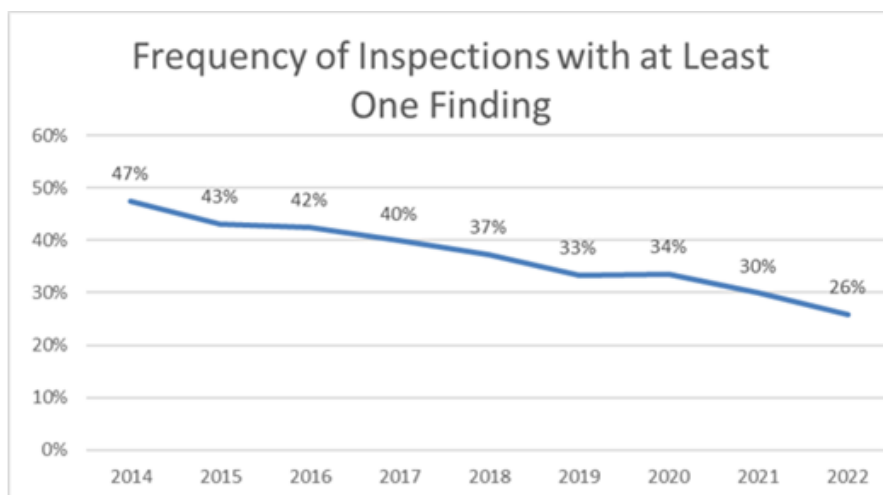
Approximately 64% of the results of inspections submitted in the 2022 survey are in relation to audits with year-ends in 2020 or 2021, thus reflecting year-ends that would have fallen during the pandemic. While the majority of inspections during this period may have been performed remotely, the rigor of inspection programs, including the number of listed public interest entity (PIE) audits inspected, remained consistent with prior years.

During 2022, ten Members reported that they experienced delays in completing and reporting on inspections. However, these delays did not result in a significant fluctuation in the overall number of PIE audits inspected by Members.

## 2 2022 Survey

As with prior years' surveys, IFIAR collected information about two categories of inspection activities: those that relate to firm-wide systems of quality control and those that relate to individual audit engagements. Systems of quality control are an area of focus for many audit regulators and audit firms, as these systems serve as the foundation for executing and monitoring quality audits. For insight into the effectiveness of audit firms' systems of quality control in supporting audit quality, IFIAR tracks the percentage of listed PIE audits inspected with at least one finding.

Since first tracking this statistic in 2014, the percentage of audits with findings has declined from 47% to 26% as of the 2022 survey.

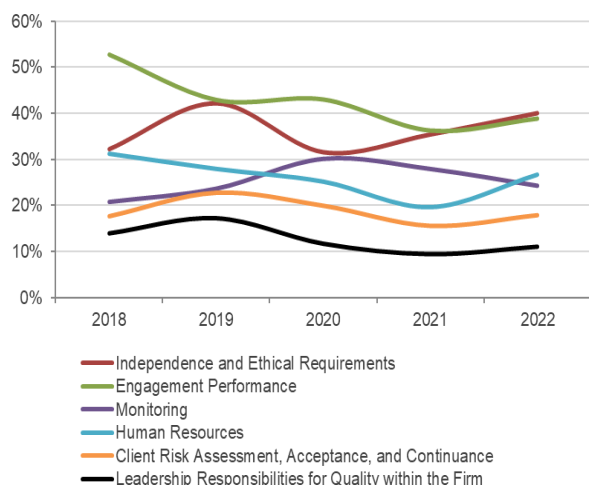


IFIAR monitors general trends in survey findings over time, rather than seeking to evaluate year-over-year changes in aggregate results. While the survey findings have shown improvement since tracking began in 2014, there remains over a quarter of listed PIE audits inspected with at least one finding. Audit firms are

expected to make continued efforts to enhance audit quality to reduce the number of audits with findings. IFIAR cautions that changes in the business and economic environment, including the impact of higher inflation and interest rates increases audit risk. If the increase in audit risk is not addressed appropriately, it may affect audit quality, and therefore continued vigilance is required. IFIAR reminds the GPPC networks and their member firms to continue efforts to achieve consistently high quality audit performance.

The sections below briefly highlight the 2022 survey's data on inspections of firm-wide systems of quality control and on engagement-specific audit inspections. See appendices A and B for additional survey data on inspection results.

## Inspections of Firm-wide Systems of Quality Control



Inspections performed on firm-wide systems of quality control address those policies and processes established by audit firms to support audit quality, including by monitoring audits for compliance with independence requirements. The chart on the left summarizes the percentage of member firms inspected with at least one finding in the indicated areas of systems of quality control. Networks have devoted resources to their systems of quality control, resulting in a general downward trend in findings in recent years. However, as can be seen from the chart, findings still fluctuate, and all but one

element has increased since the last survey, which is of concern to IFIAR. Appendix A of this report includes the comprehensive set of data on inspections of firm-wide systems of quality control collected through IFIAR's 2022 and prior surveys.

A strong system of quality control is a critical element in improved and sustained audit quality; accordingly, quality control systems are a primary focus of many inspection programs. The high level of findings and variability of quality control inspection outcomes over time continues to be of concern. IFIAR continues its dialogue with the GPPC networks about each network's initiatives to make continual improvement to systems of quality control. In addition, the International Auditing and Assurance Standards Board's (IAASB) International Standard on Audit Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM1), which became effective on December 15, 2022, requires the GPPC networks to revisit their quality management systems with the goal of identifying the applicable risks that affect audit quality, and designing and implementing controls that best address those risks. IFIAR's expectation is that a thorough implementation of ISQM1 should improve audit quality, over time. The implementation of ISQM1 could require significant changes and enhancements to a GPPC network's system of quality management. Although any enhancements in the quality management system may improve audit quality, the impact of those changes are not yet reflected in the IFIAR survey given the effective date of the standard.

## Inspections of Individual Audit Engagements

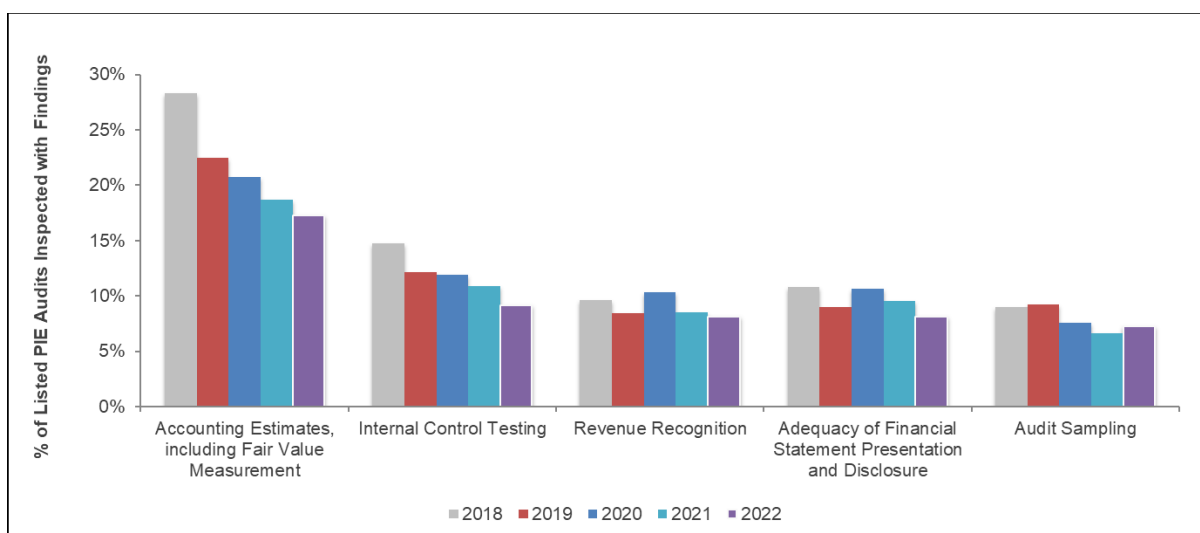
Inspections of individual audit engagements assess an audit firm's execution of auditing standards on a selected audit (as mentioned, a finding is not necessarily indicative of a financial statement misstatement). IFIAR's survey collects data on inspections of listed PIE audits and audits of systemically important financial institutions (SIFIs).

IFIAR continues to track, as illustrated below, the percentage of listed PIE audits inspected with at least one finding, as one metric to understand the collective effect on engagement-level performance of member firms' initiatives related to systems of quality controls. Although IFIAR

follows the trend of survey findings over time as a measure of audit quality, for the reasons indicated at page two of this report, year-over-year changes are not necessarily indicative of improvements or deterioration of audit quality. However, IFIAR observes that survey findings have shown improvement since tracking began.

2018	2019	2020	2021	2022
37%	33%	34%	30%	26%

The chart below summarizes historical survey results for the 2022 survey’s five inspection areas with the highest frequency of inspection findings for listed PIE audits. Appendix B of this report provides the comprehensive set of data on inspections of listed PIE and SIFI audit engagements collected through IFIAR’s 2022 and prior surveys.



### **Members’ Reporting and Follow Up of Inspection Outcomes**

In addition to data on inspection findings, the 2022 survey gathered information about IFIAR Members’ inspection reporting and follow up practices.

Reporting before the inspection begins: 15 Members indicated that they publish the areas of focus for engagement inspections, and 12 Members indicated that they publish the areas of focus for quality control reviews.

Reporting inspection results: Local laws, regulations, and practices determine the extent to which inspection results can be disclosed (for example, reported publicly or to audit committees). The following summarizes the number of surveyed Members that report inspection results to various stakeholders.

#### **Quality Control Inspection Findings:**

- 49 Members report to firm leadership
- 45 Members issue public reports, of which 11 Members identify results by individual audit firm while 34 Members do not
- 3 Members report results to audit committees / those charged with governance

## Engagement Inspection Findings:

Of the 42 Members who report engagement inspections publicly:

- 34 Members do not identify results by individual audit firm
- 7 Members identify individual audit firms
- 1 Member identifies the audit firm and the audited entity

## Ratings:

- 10 Members report assigning an overall firm rating based on inspections outcomes (2 publicly)
- 10 Members report rating quality control systems (3 publicly)
- 18 Members report rating audit engagement files (4 publicly)

Follow up practices: The vast majority of Members (47) indicated that they require audit firms to report back on the actions taken to address inspection findings. Thirty Members indicated that firms conduct root cause analysis, on which the firms report back to the Member. Most Members (46) have a process to determine whether they should re-inspect the firm and similar focus areas at the firm in subsequent years. All Members have the ability to refer inspection findings for investigation or enforcement.

## 3 Promotion of Audit Quality

IFIAR provides a forum for its Members to collaborate, share knowledge and learn about independent audit regulatory practices, experiences, challenges and developments - helping to advance their oversight capabilities and thereby contributing to sustainable improvements in global audit quality. Further, although IFIAR is not a regulator, IFIAR leverages the collective expertise, experience and perspectives of its Members to inform and influence key stakeholders with an interest in high audit quality. For example, while responsibility for improving audit quality rests with the GPPC networks and their member firms, IFIAR regularly engages with and challenges the GPPC networks to achieve higher quality audits. Similarly, IFIAR uses the information gathered through the survey to inform our discussions with the international audit and ethics standard setters in order to promote high quality standards. IFIAR's [Annual Reports](#) provide details on IFIAR's various initiatives aimed at promoting maintainable improvement in audit quality.

As part of its engagement, IFIAR's Global Audit Quality (GAQ) Working Group uses the results of the annual inspection findings surveys to monitor efforts of the GPPC networks to improve audit quality over time. In 2019, the GAQ Working Group renewed an initiative challenging the GPPC networks to reduce the percentage of listed PIE audits inspected with one or more findings over a four year period between 2019 and 2023 (the "initiative"). Approximately half of IFIAR's Member jurisdictions participate in this initiative.

The GAQ Working Group and the GPPC networks have agreed that the aim for the initiative is for the GPPC member firms' collective performance in the participating jurisdictions to result in a reduction of at least 25% in the percentage of inspected audits with findings. The collective



baseline for 2019 was 32%, and GPPC member firms are aiming for a collective percentage of inspected audits with findings of 24% or less by 2023, the end of the measurement period. IFIAR reports on the progress of the initiative every other year, with the midpoint measurement year being 2021, and, at that time, the percentage of audits with at least one finding reported by the IFIAR Members participating in the initiative was 29%.

In addition to emphasizing to the firms the importance of continuous improvement in audit quality, this initiative also promotes deeper dialogue and engagement between member firms and their local regulators, and between the GPPC networks and IFIAR. IFIAR urges the GPPC networks and their member firms to continue efforts to achieve improved audit performance.



# APPENDICES

The attached appendices offer a complete description of the 2022 survey methodology along with survey results from prior years. The appendices are organized into three sections:

- A Firm-wide Systems of Quality Control Inspection Results
- B Engagement-level Inspection Results
- C About IFIAR and the Survey of Inspection Findings

# Appendix A:

## Firm-wide Systems of Quality Control Inspection Results

*This appendix provides information on results of the current survey, and selected data from the 2018-2022 surveys, regarding inspections of firm-wide systems of quality control. For additional information, including prior reports and related press releases, please visit [ifiar.org](http://ifiar.org).*

An audit firm's system of quality control serves as a foundation for executing quality audits. Under international standards on quality control, as well as many of the national standards in place in IFIAR Member jurisdictions, audit firms are required to establish a system of quality control. A system of quality control involves a firm's organizational structure and the policies and procedures in place to provide reasonable assurance that:

- the firm and its personnel comply with professional standards and applicable legal and regulatory requirements, and
- reports issued by the firm or engagement partners are appropriate in the circumstances.

For purposes of the survey, quality control findings are departures from quality control or ethics standards, or from independence requirements, that may have had an effect on audit quality due to the significance or the systemic nature of the departure.

Quality control findings addressed in this appendix do not relate to specific audit engagements, but instead address the policies and procedures in place at the member firm to provide for overall quality control. Quality control findings are more systemic in nature; they are relevant in general to the firm's audit practice and therefore there is an interaction between engagement-level and quality control findings. While quality control findings are attributed to a firm in general, deficiencies in its quality control system may impact the firm's environment for individual audit engagements or for internal monitoring and oversight of audit engagements. Consequently, a deficient system of quality control would likely be manifested in engagement-level findings. In addition, issues observed in inspections of specific engagements determined to be systemic (not engagement-specific) in nature may be considered deficiencies in the effectiveness of a firm's system of quality control.

The survey's categories or inspection themes for quality control findings are based on the different elements of ISQC 1.<sup>4</sup> Inspections of firm-wide systems of quality controls address topics such as systems and processes to manage compliance with auditor independence requirements;

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<sup>4</sup> See IAASB International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. ISQC 1 is required in many, but not all, IFIAR Member jurisdictions. In 2020, the IAASB approved the replacement of ISQC 1 with a restructured and enhanced ISQM 1, with firms being required to design and implement compliant systems of quality management by December 15, 2022.

## Appendix A: Firm-wide Systems of Quality Control Inspection Results

procedures to assess risk before accepting or continuing an audit engagement; and personnel systems regarding staff development, promotion, and assignment of audit engagement teams.

Forty-one Members reported the results of their inspections of 151 member firms' systems of quality control in the 2022 survey, as illustrated in the table below.

**Table A.1**

IFIAR Members Reporting and Member Firms Inspected, 2018-2022 Surveys

	2022	2021	2020	2019	2018
IFIAR Members Submitting Findings	41	44	45	42	37
Audit Firms Inspected	151	142	139	143	132

Table A.2 below provides information about the number and rates of member firms with findings by inspection theme. Tables A.3 and A.4 provide additional details about the number of findings by descriptive sub-categories for each theme.

**Table A.2**

2018-2022 Survey Results: Member Firms with at Least One Finding by Inspection Theme

Inspection Theme	2022		2021		2020		2019		2018	
	#	%	#	%	#	%	#	%	#	%
Independence and Ethical Requirements	50	40%	45	35%	37	32%	56	42%	41	32%
Engagement Performance	52	39%	46	36%	58	43%	60	43%	69	53%
Human Resources	31	27%	24	20%	31	25%	33	28%	35	31%
Monitoring	35	24%	33	28%	35	30%	31	24%	27	21%
Client Risk Assessment, Acceptance, and Continuance	19	18%	17	16%	22	20%	29	23%	20	18%
Leadership Responsibilities for Quality within the Firm	14	11%	11	9%	14	12%	22	17%	16	14%

## Appendix A: Firm-Wide Systems of Quality Control Inspection Results

**Table A.3**

2018-2022 Supplemental Details on Nature of Findings for Select Inspection Themes

Inspection Theme	Theme Sub Category	Number of Findings				
		2022	2021	2020	2019	2018
Engagement Performance	Audit <b>methodology and guidance</b>	31	16	12	39	32
	Failure to establish and/or implement policies and procedures for sufficient, timely engagement <b>supervision and review</b>	24	27	27	37	25
	Archiving / Assembly of final audit file - <i>New in 2021</i>	22	16	--	--	--
	Insufficient <b>depth / extent of engagement quality control review (EQCR)</b>	18	20	24	23	26
	Failure to establish <b>policies and procedures for EQCR</b> that provides an objective evaluation of the significant judgements made by the engagement team	10	4	8	15	8
	<b>Consultations</b>	5	10	6	5	9
	Failure to perform a <b>timely EQCR</b> , although required by firm or other applicable policies	3	8	9	18	10
Independence and Ethical Requirements	Failure to consider and evaluate <b>non-audit and/or audit-related services</b> provided to issuer	28	19	16	22	17
	Failure to monitor effectively Firm <b>staff and partner personal independence</b>	27	21	20	58	32
	Failure to appropriately consider applicable <b>firm or partner rotation rules</b>	17	15	8	11	5
	Failure to implement a reliable system for tracking <b>business relationships</b> , audit firm financial interests, and corporate family trees, and/or failure to keep the related information up to date	17	6	6	10	8
	Failure to maintain independence due to a <b>business relationship</b> that existed during the professional engagement period	10	0	4	2	0
	Failure to maintain independence due to existence of <b>financial relationships</b> including failure to appropriately address those circumstances as impairments of the Firm's independence	9	2	7	7	7
	Failure to maintain independence due to an individual on the audit engagement entering into an <b>employment relationship</b> with the former audit client	8	3	0	1	1
	Failure to <b>communicate to the audit committee certain relationships</b> that, in the firm's professional judgment, bear on independence	2	7	8	10	7
Human Resources	Compliance with the firm training and learning plan	10	8	13	10	12
	Assignment of engagement team	9	3	5	14	10
	Evaluation of audit quality as part of partner performance evaluations and admissions	6	6	10	21	12
	Impact of audit quality deficiencies in partner remuneration and assignments	4	2	2	5	5

## Appendix A: Firm-Wide Systems of Quality Control Inspection Results

Table A.3 (continued)

2018-2022 Supplemental Details on Nature of Findings for Select Inspection Themes (continued)

Inspection Theme	Theme Sub Category	Number of Findings				
		2022	2021	2020	2019	2018
Monitoring	Failure to identify audit performance issues when performing <b>internal inspections</b> in order to effectively monitor audit quality and respond to possible systemic deficiencies concerning the performance of audits	19	7	16	14	21
	Failures in the area of <b>root cause analysis / remedial actions</b>	6	14	13	10	7
	Failure to effectively design and implement <b>pre-issuance reviews</b> to monitor the effectiveness of the remedial actions	4	3	4	3	2
Client Risk Assessment, Acceptance and Continuance	Insufficient procedures were performed and/or reliable information obtained to objectively assess the integrity of a new client	4	5	6	10	10
	Risk assessment process was not completed before engagement letter issuance date and/or field work date - <i>New in 2021</i>	3	8	--	--	--
	Continuance assessment did not include consideration of significant matters that had arisen during the current or previous engagements	2	1	1	6	2
	Failure to assess the engagement risk associated with a new client, a new service or a service requested under specific circumstances	2	0	4	1	3
	Failure to consult with the risk management function or equivalent when the risk is assessed as being high	2	0	0	6	1
	Failure to implement procedures to monitor personal and firm independence or business relationships	2	0	0	1	1
	Failure in the procedures and systems implemented to identify actual or perceived conflicts of interest or independence issue with an actual or prospective client (including failures in the reliability/up-dates of the databases used)	1	6	7	4	4
	Failure to assess at least on a yearly basis the acceptance of continuance of an engagement	1	2	3	3	0
	An engagement was accepted in an industry where the firm did not have sufficient personnel	0	0	1	0	0
	Failure to address actual or perceived conflicts of interest or independence issue	0	0	7	1	1
Leadership Responsibilities for Quality within the Firm (i.e., Tone at the Top)	Failure of firm leadership to promote high audit quality as a non-negotiable/principal aim of the firm	6	6	6	14	6
	Failure of firm leadership to demonstrate the values identified as key to the organization	1	1	2	4	3
	Failure of firm leadership to communicate on a regular basis examples and demonstrations of positive values and behavior	0	0	4	3	3

# Appendix B:

## Engagement-level Inspection Results

*This appendix provides information on results from the current survey, and selected data from the 2018-2022 surveys, regarding inspections of listed PIE and SIFI audit engagements. For additional information, including prior reports and related press releases, please visit [ifiar.org](http://ifiar.org). The first survey was conducted in 2012.*

The survey collects data on inspections of audits of listed public interest entities and of systemically important financial institutions. As the global population of SIFIs is somewhat limited, the number of SIFI audits inspected annually and reported on in the IFIAR survey is significantly smaller than the number of listed PIE audits inspected.

IFIAR collects data on 17 inspection themes for listed PIE audit inspections and on 16 themes for SIFI audit inspections; six of the SIFI inspection themes differ from the listed PIE themes. This difference in themes allows IFIAR to gather more specific information about aspects of audits that typically are more prevalent in SIFI audit engagements. Survey responses provide data about the number of audits in which each theme was inspected; the number of inspected audits with at least one finding; and the total number of findings (as one inspected audit can have more than one finding per theme).

IFIAR has observed that the average rate of inspections with findings varies considerably across IFIAR Members and between years. This may be due to a number of factors unrelated to the actual state of audit quality in Members' jurisdictions. For example, the member firms and the individual listed PIE audits inspected vary year to year. Most Members participating in the 2022 survey do not inspect each GPPC or each Big Four firm annually. Some Members are required to inspect the audits of certain companies within a certain frequency (e.g., at least once every three years). Other Members may choose to select certain engagements based on factors other than risk. Findings rates may be impacted when more engagements are selected (i.e., with an increased sample size) or, related to the point above, the greater diversity in risk profiles of audits selected (i.e., diversification of the sample population's characteristics).

# Appendix B: Engagement-level Inspection Results

## Section 1: Listed PIE Audits Inspected

### A. Data on Members Reporting and Audits Inspected

**Table B.1**

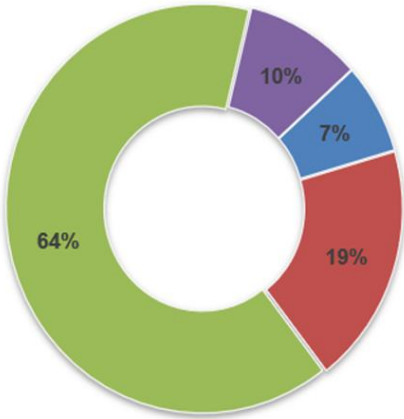
IFIAR Members Reporting and Listed PIE Audits Inspected, 2018-2022 Surveys

<b>Listed PIE Audit Inspections</b>					
	2022	2021	2020	2019	2018
IFIAR Members Submitting File Inspection Findings	42	42	42	42	39
Audit Firms Inspected	152	128	131	134	141
Listed PIE Audits Inspected	905	893	898	926	921
Inspected Listed PIE Audits with at Least One Finding	234	267	301	309	343
Frequency of Inspections with at Least One Finding	26%	30%	34%	33%	37%

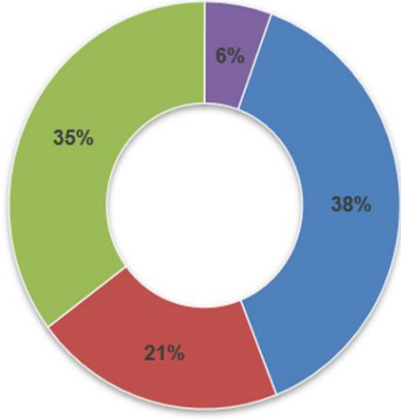
**Figures B.1 and B.2**

Geographic Distribution of Members and Listed PIE Audits Inspected, 2022 Survey

B.1: Members Providing Listed PIE Audit Inspections Data



B.2: Listed PIE Audits Inspected



■ Americas ■ Asia Pacific ■ Europe ■ Middle East and Africa

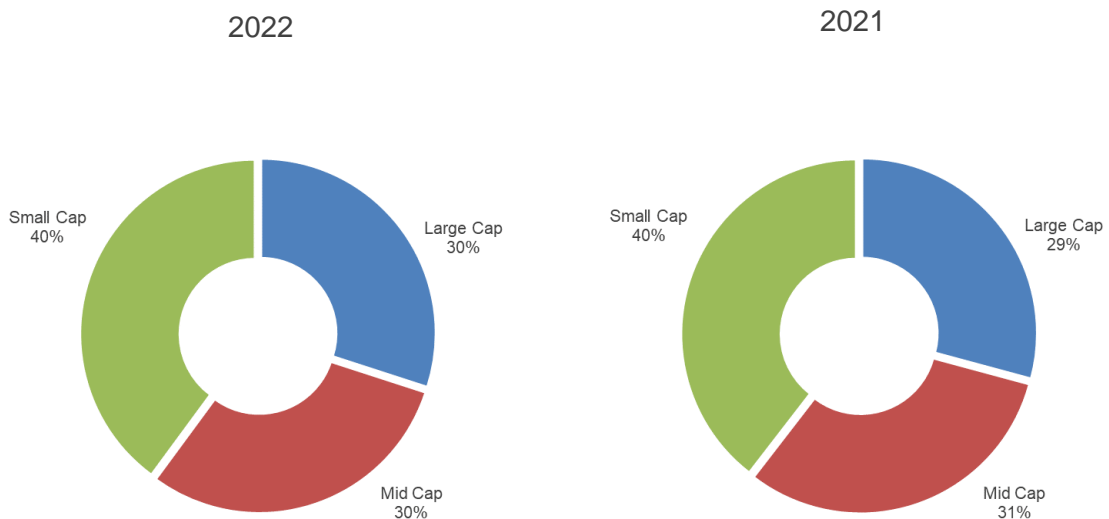
In 2022, IFIAR collected information about the size and industries of the listed PIEs whose audits were inspected and reported on in the survey. Recognizing the wide disparity in the sizes of IFIAR Members’ equity markets, IFIAR used three categories of market capitalization, determined by each IFIAR Member relative to its own market. Members provided information about relative market size for 98% of the listed PIE audits inspected, summarized in the two figures below.



## Appendix B: Engagement-level Inspection Results

**Figure B.3**

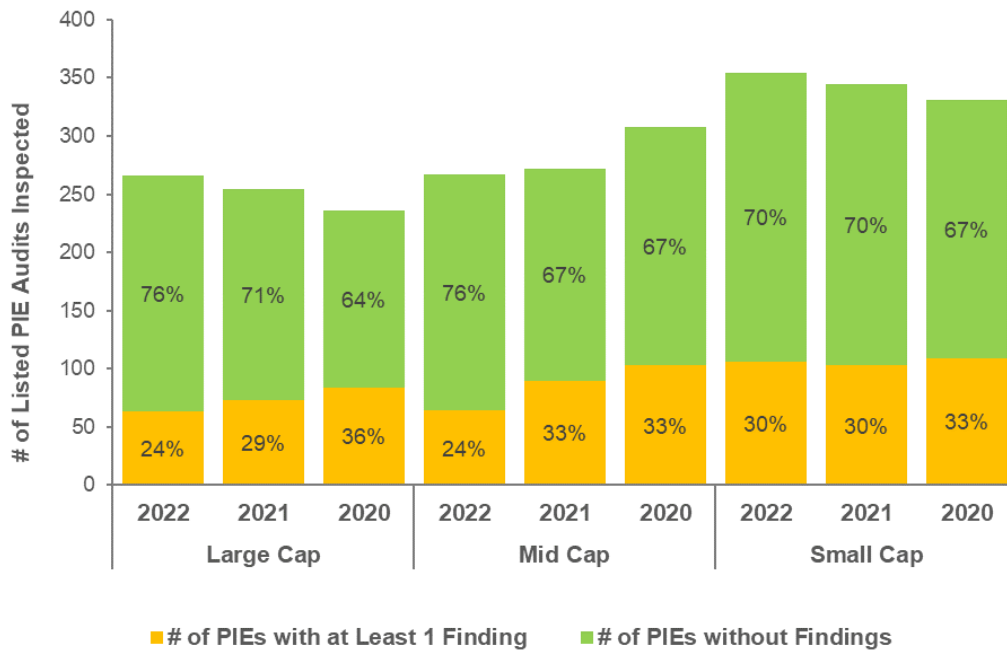
Listed PIE Audits Inspected by Market Capitalization, 2021 and 2022 Survey



Note: Market Capitalization is determined by each Member relative to their market.

**Figure B.4**

Percentage of Listed PIE Audits Inspected with and without Findings by Market Capitalization, 2020-2022 Survey

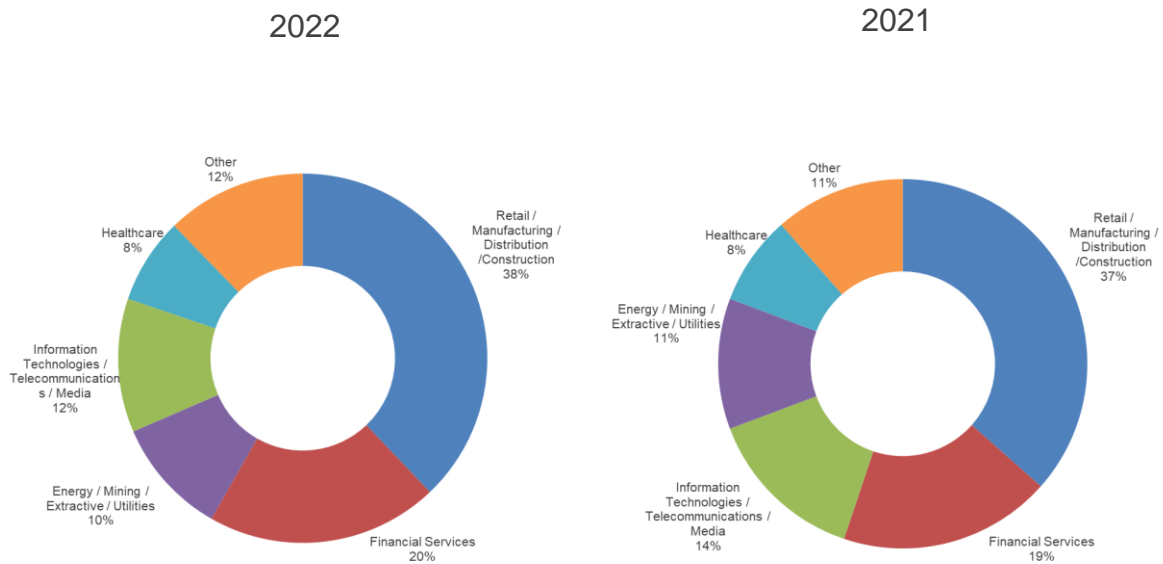


Note: Market Capitalization is determined by each Member relative to their market.

## Appendix B: Engagement-level Inspection Results

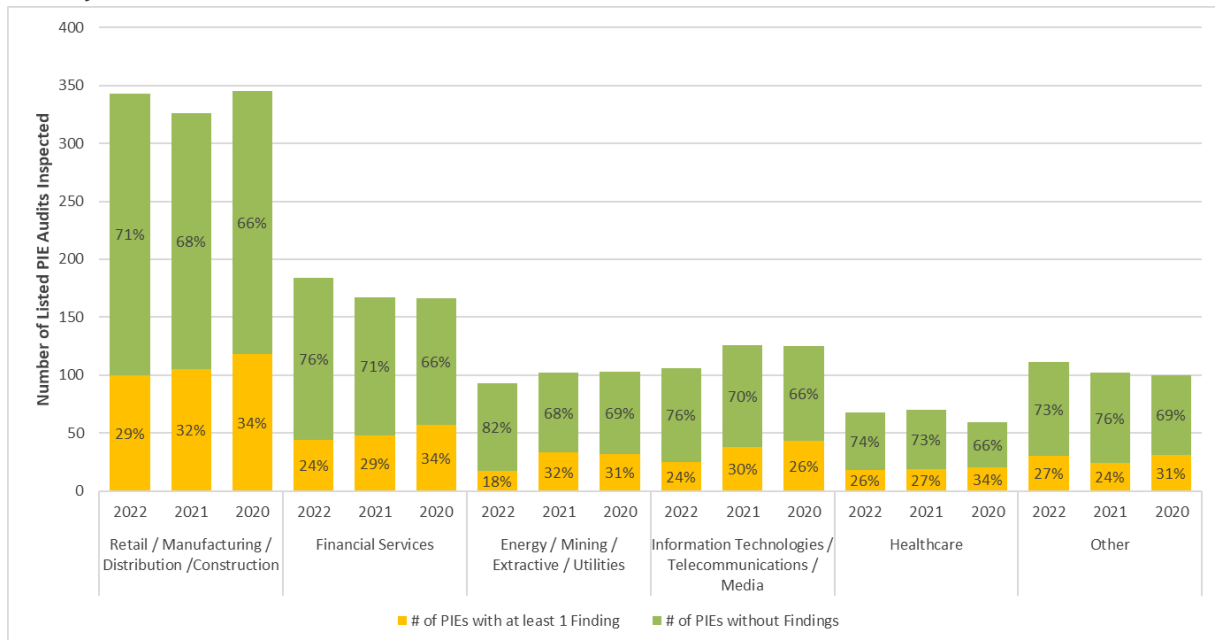
**Figure B.5**

Listed PIE Audits Inspected by Industry, 2021 and 2022 Survey



**Figure B.6**

Percentage of Listed PIE Audits Inspected with and without Findings by Industry, 2020 - 2022 Survey

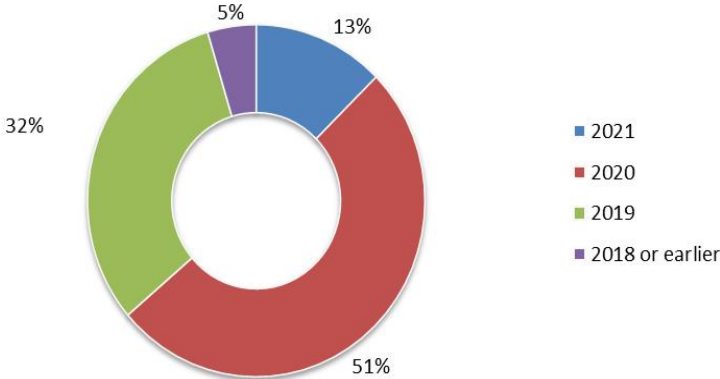


# Appendix B: Engagement-level Inspection Results

The survey data may not reflect the most current state of audit performance. This is in part due to the time necessary, after completion of a financial statement audit, for the inspection to occur and for the inspected member firm and the audit regulator to complete any required processes that precede issuance of a final inspection report. As a result of this reporting time lag, actions undertaken to improve audit quality may not be reflected immediately in IFIAR’s published survey results. The chart below illustrates this time lag, allocating the inspected audits reported in the 2022 survey by the fiscal year end of the listed PIEs’ audited financial statements. This lag time on fiscal year ends has remained consistent year-over-year.

**Figure B.7**

Fiscal Year Ends of Listed PIE Audits Inspected, 2022 Survey



## Appendix B: Engagement-level Inspection Results

### B. Data on Inspection Results

**Table B.2 Listed PIE Audits**

2018-2022 Survey Results: Audits Inspected with at Least One Finding by Inspection Theme

Inspection Theme	2022			2021			2020			2019			2018		
	# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding		# of Listed PIE Audits in which the Topic was Inspected	Listed PIE Audits with at Least One Finding	
		#	%		#	%		#	%		#	%		#	%
Accounting Estimates, including Fair Value Measurement	562	97	17%	573	107	19%	613	127	21%	614	138	22%	569	161	28%
Internal Control Testing	633	58	9%	735	80	11%	703	84	12%	789	96	12%	745	110	15%
Revenue Recognition	651	53	8%	694	59	9%	734	76	10%	803	68	8%	779	75	10%
Adequacy of Financial Statement Presentation and Disclosure	531	43	8%	547	52	10%	543	58	11%	614	55	9%	572	62	11%
Audit Sampling	485	35	7%	546	36	7%	566	43	8%	627	58	9%	587	53	9%
Group Audits	351	25	7%	447	21	5%	444	29	7%	415	24	6%	364	32	9%
Audit Report	719	43	6%	574	31	5%	530	22	4%	549	22	4%	508	21	4%
Substantive Analytical Procedures	339	18	5%	392	18	5%	423	13	3%	441	11	2%	400	33	8%
Engagement Quality Control Review	386	17	4%	434	7	2%	426	13	3%	496	28	6%	480	40	8%
Related Party Transactions	202	8	4%	266	11	4%	265	13	5%	296	6	2%	318	24	8%
Adequacy of Review and Supervision	478	18	4%	522	15	3%	415	20	5%	483	30	6%	428	24	6%
Use of Experts and Specialists	428	17	4%	501	17	3%	479	17	4%	432	13	3%	422	19	5%
Inventory Procedures	270	9	3%	328	14	4%	330	20	6%	388	24	6%	322	29	9%
Audit Committee Communications	739	26	4%	799	29	4%	676	27	4%	678	10	1%	617	7	1%
Fraud Procedures	488	14	3%	531	19	4%	548	17	3%	645	12	2%	568	21	4%
Going Concern	461	13	3%	374	13	3%	298	8	3%	311	6	2%	230	10	4%
Risk Assessment	817	22	3%	827	30	4%	812	26	3%	889	27	3%	884	40	5%

While the table above details the number of listed PIE audits with at least one finding, the table below provides the total number of findings by inspection theme. Note that an inspected listed PIE audit may have more than one finding under a single inspection theme. As a result, the total number of findings (per the table below) for most themes exceeds the number of listed PIE audits with at least one finding (per the table above) for that theme.

## Appendix B: Engagement-level Inspection Results

**Table B.3 Listed PIE Audits**

2018-2022 Survey Results: Total Number of Findings by Inspection Theme

Inspection Theme	2022	2021	2020	2019	2018
Internal Control Testing	150	203	173	194	222
Accounting Estimates, including Fair Value Measurement*	147	158	190	213	254
Adequacy of Financial Statement Presentation and Disclosure	95	71	95	92	89
Revenue Recognition	71	78	96	95	94
Audit Sampling	60	43	48	76	62
Audit Report	52	47	28	26	21
Group Audits	37	22	50	37	49
Risk Assessment	33	37	36	49	49
Substantive Analytical Procedures	26	23	15	14	35
Audit Committee Communications	28	30	31	11	7
Use of Experts and Specialists	25	19	19	13	25
Adequacy of Review and Supervision	24	19	30	34	25
Going Concern	22	14	8	6	11
Fraud Procedures	19	19	18	12	22
Engagement Quality Control Review	18	7	15	32	53
Inventory Procedures	13	16	21	27	33
Related Party Transactions	12	11	18	6	26
	832	817	891	937	1,077

## Appendix B: Engagement-level Inspection Results

In the 2018-2022 surveys, certain IFIAR Members provided additional details regarding findings in the areas of Internal Control Testing, Accounting Estimates and Revenue Recognition. In 2019, IFIAR began collecting additional details on three more topics: Group Audits; Adequacy of Financial Statement Presentation and Disclosure; and Audit Sampling, to provide information on those inspection themes with higher rates of findings. Not all Members reporting listed PIE audit inspection findings provided this supplemental information.

**Table B.4 Listed PIE Audits**

2018-2022 Supplemental Details on Nature of Findings for Select Inspection Themes

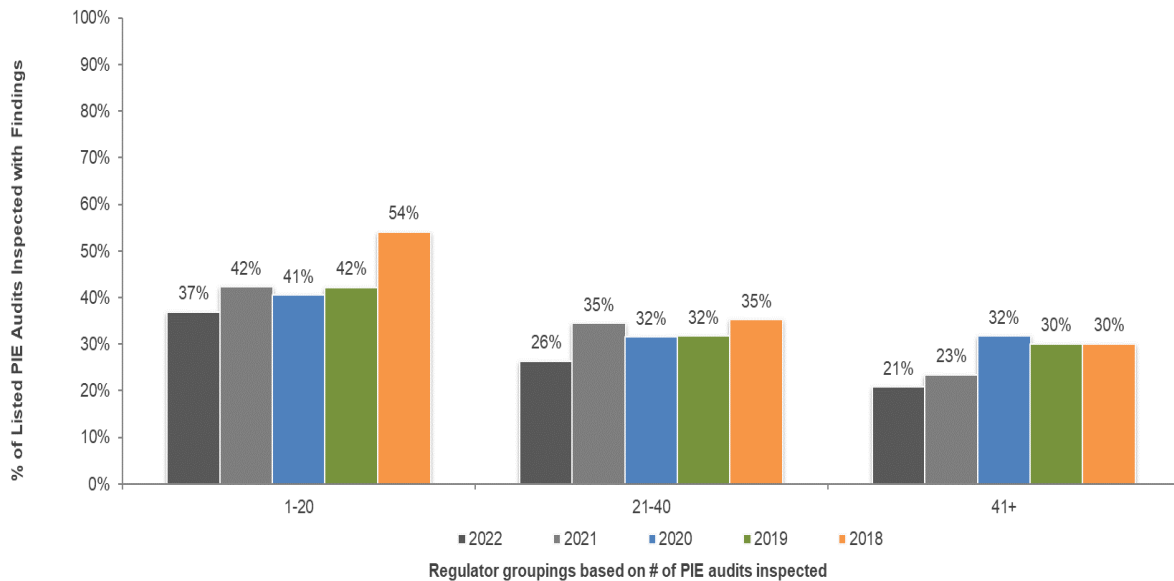
Inspection Theme	Theme Sub Category	Number of Findings				
		2022	2021	2020	2019	2018
Accounting Estimates, including Fair Value Measurement	Reasonableness of assumptions - When testing an accounting estimate, failure to assess the reasonableness of assumptions including consideration of contrary or inconsistent evidence where applicable	77	83	102	115	131
	Failure to sufficiently test the <b>accuracy of the data</b>	31	26	34	34	45
	Failure to perform sufficient <b>risk assessment</b> procedures	18	16	28	24	38
	Failure to take <b>relevant variables</b> into account	7	11	6	8	17
	Failure to adequately consider <b>indicators of bias</b>	5	13	11	16	4
	Failure to evaluate how management considered <b>alternative assumptions</b>	2	4	4	10	12
Internal Control Testing	Failure to obtain sufficient persuasive evidence to support <b>reliance on manual internal controls</b>	52	76	71	76	95
	Failure to sufficiently test <b>information technology general and application controls</b>	50	29	8	14	20
	Failure to sufficiently <b>test controls over, or the accuracy and completeness of, data or reports</b> produced by management	31	34	38	54	48
	Failure to adequately assess the <b>appropriateness of placing reliance</b> on the work of others	6	4	0	7	3
	Failure to appropriately <b>adjust testing as a result of ineffective controls</b>	4	5	5	3	10
	Failure to sufficiently evaluate the <b>severity of control deficiencies</b>	3	14	14	16	11
Revenue Recognition	Failure to sufficiently understand the terms and conditions of <b>complex arrangements</b> and the impact on the accounting	16	31	37	29	22
	Failure to perform procedures to determine whether revenue was recorded in the <b>appropriate period</b>	12	13	17	14	20
	Failure to appropriately assess and respond to the <b>risk of fraud</b> in revenue recognition	10	7	13	19	27
Adequacy of Financial Statement Presentation and Disclosures	Failure to sufficiently consider the adequacy of footnote disclosures (excluding segment data)	57	30	46	44	Data not collected
	Failure to identify or assess appropriateness of financial statement classification or presentation, including the Statement of Cash Flows	29	30	44	37	
	Failure to evaluate and test segment data presentation	2	5	3	6	
Audit Sampling	Insufficient sample to reduce sampling risk to an acceptable low level	28	29	35	37	
	Sample selected for testing is biased and/or not representative of the population	13	7	3	9	
	Failure to investigate the nature and cause of any deviations and project misstatement to the population	11	5	0	4	
	Failure to design appropriate procedures to achieve the test objective, and/or to perform suitable alternative procedures when necessary	7	2	6	25	
Group Audits	Failure to sufficiently consider the nature, timing and extent of involvement with the component auditor's work including evidence of reviews performed	16	7	23	13	
	Failure to develop a group audit plan (e.g. scoping) and/or appropriately communicate instructions to the component auditor	8	10	8	12	
	Failure to appropriately calculate materiality for the group and the related component audits	5	4	3	4	
	Failure to appropriately resolve issues identified by the component auditor	2	0	2	2	

## Appendix B: Engagement-level Inspection Results

When aggregating Members' survey data, the percentage of audits inspected with findings generally is higher for Members that inspect relatively fewer audits annually than for those Members inspecting larger numbers of audits. The figure below illustrates these variations. The large majority of Members participating in the survey reported results from inspections of between 1 and 20 listed PIE audits. It is important to note that the inspection findings rates within each grouping below also varies considerably. Additionally, the composition of the groupings changes between years due to variability in Members' inspections activities and their participation in the annual survey. As a result, year-over-year trends for each group below are not necessarily indicative of trends for a consistent population.

**Figure B.8:**

2018-2022 Percentage of Listed PIE Audits Inspected with Findings by Size of Inspection Program





## Appendix B: Engagement-level Inspection Results

### Section 2: SIFI Audits Inspected

The IFIAR survey collects inspection data specific to audits of SIFIs. These SIFIs include both banks and insurance companies. Some of these SIFIs are considered global SIFIs.<sup>5</sup> Many are listed companies and, therefore, the findings from inspections of these SIFIs also are included in the survey's listed PIE inspection results.

The number of SIFI audits inspected is lower than listed PIE audits inspected due to the limited number of financial institutions deemed to be SIFIs. Trends in survey data for this limited population therefore provide limited information.

#### SIFI Audit Inspection Findings

Globally, the number of SIFIs is significantly smaller than the number of listed PIEs. The small number of SIFIs in certain jurisdictions may introduce confidentiality considerations that prevent a Member from reporting SIFI inspection results for purposes of the survey. Further, in some jurisdictions, the IFIAR Member responsible for audit oversight of listed PIE audits may not have authority for oversight of financial institution audits. For these reasons, the survey reports on a significantly lower number of inspected SIFI audits than of inspected listed PIE audits. While IFIAR's cautions on seeking to analyze trends in survey results apply to all areas of the survey, this is particularly important with the relatively small population of SIFIs.

	2022	2021	2020	2019	2018
Members reporting SIFI results	18	13	16	14	15
Number of SIFI audits inspected	39	28	27	35	40
Number of audits with at least one inspection finding	13	12	14	9	17
Percentage of SIFI audits with at least one inspection finding	33%	43%	52%	26%	43%

The table below provides details from the 2018-2022 surveys for the calculation by inspection theme of the percentage of SIFI audits with at least one inspection finding.

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<sup>5</sup> Based on data published by the Financial Stability Board regarding financial institutions that are considered systemically-important globally, or G-SIFIs (see the FSB press releases on [global systemically important banks](#) and [global systemically important insurers](#)).

## Appendix B: Engagement-level Inspection Results

**Table B.5 SIFI Audits**

2018-2022 Survey Results: Audits Inspected with at Least One Finding by Inspection Theme

Inspection Theme	2022			2021			2020			2019			2018		
	Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding		Number of SIFI Audits in which the Topic was Inspected	SIFI Audits with at Least One Finding	
		#	%		#	%		#	%		#	%		#	%
Audit Methodology, including Programs and Tools	16	5	31%	18	2	11%	11	0	0%	25	1	4%	17	0	0%
Audit of Allowance for Loan Losses and Loan Impairments	23	7	30%	26	4	15%	26	11	42%	30	3	10%	27	8	30%
Substantive Analytical Procedures	18	4	22%	17	0	0%	12	2	17%	23	1	4%	25	4	16%
Testing of Customer Deposits and Fraud Procedures	15	3	20%	15	0	0%	12	2	17%	24	4	17%	19	2	11%
Insufficient Challenge and Testing of Management's Judgments and Assessments	20	4	20%	20	1	5%	12	1	8%	29	2	7%	31	3	10%
Risk Assessment	21	4	19%	20	3	15%	13	2	15%	25	2	8%	31	5	16%
Group Audits	28	5	18%	26	1	4%	17	2	12%	33	2	6%	35	6	17%
Use of Experts and Specialists	10	1	10%	16	1	6%	7	1	14%	15	1	7%	12	0	0%
Adequacy of Financial Statement Presentation and Disclosures	20	2	10%	21	1	5%	15	2	13%	26	0	0%	32	4	13%
Audit Report	23	2	9%	19	3	16%	19	0	0%	27	3	11%	37	11	30%
Internal Control Testing	25	2	8%	22	2	9%	19	0	0%	26	1	4%	28	3	11%
Going Concern	30	2	7%	26	7	27%	18	7	39%	33	4	12%	32	7	22%
Audit Committee Communications	16	1	6%	11	0	0%	3	0	0%	22	0	0%	**	**	**
Valuation of Investments and Securities	28	1	4%	24	1	4%	17	1	6%	26	0	0%	31	0	0%
Audit of Insurance Contract Liabilities	17	0	0%	19	3	16%	16	4	25%	32	2	6%	30	4	13%
	7	0	0%	8	1	13%	2	0	0%	11	0	0%	17	3	18%

While the table above details the number of SIFI audits with at least one finding, the table below provides the total number of findings by inspection theme for each year the survey was conducted. Note that an inspected SIFI audit may have more than one finding under a single inspection theme. Because of this, the total number of findings for some themes (per the table below) exceeds the number of SIFI audits with at least one finding (per the table above) for that theme.

## Appendix B: Engagement-level Inspection Results

**Table B.6 SIFI Audits**

2018-2022 Survey Results: Total Number of Findings by Inspection Theme

Inspection Theme	2022	2021	2020	2019	2018
Audit of Allowance for Loan Losses and Loan Impairments	7	4	20	5	17
Risk Assessment	7	2	4	4	6
Audit Methodology, including Programs and Tools	6	5	0	1	0
and Assessments	6	3	3	3	6
Fraud Procedures	4	1	1	2	3
Testing of Customer Deposits and Loans	4	0	2	6	9
Substantive Analytical Procedures	4	0	2	1	4
Internal Control Testing	3	10	17	10	14
Audit Report	3	10	0	1	3
Adequacy of Financial Statement Presentation and Disclosures	2	3	0	3	12
Use of Experts and Specialists	2	1	4	0	4
Audit Committee Communications	1	1	2	0	0
Group Audits	1	1	1	1	0
Going Concern	1	0	0	0	**
Valuation of Investments and Securities	0	3	4	2	5
Audit of Insurance Contract Liabilities	0	1	0	0	4
<b>Total</b>	<b>51</b>	<b>45</b>	<b>60</b>	<b>39</b>	<b>87</b>

\*\* Data for this theme was not collected during the survey year.

# Appendix C:

## About IFIAR and the Survey of Inspection Findings

### About IFIAR

IFIAR is a membership organization of audit regulators that are independent from the audit profession.<sup>6</sup> IFIAR's membership includes 54 audit regulators from jurisdictions from Africa, North America, South America, Asia, Oceania, and Europe. IFIAR focuses on the following activities:

- Sharing knowledge of the evolving audit environment and practical experience of independent audit regulatory activity with a focus on inspections of auditors and audit firms,
- Promoting collaboration and consistency in regulatory activity, and
- Providing a platform for dialogue with other international organizations that have an interest in audit quality.

An audit firm network is composed of individual audit firms that are members of a global organization. Many audits today involve practitioners from network member firms in a number of countries. The audit of a multinational company may involve significant work performed by many, legally separate audit firms that operate as a network. The audit firms within the network often have a common name and common auditing, quality control, and ethics policies and requirements. The multinational aspects of audit, and the involvement of many local audit firms that are members of a global firm network, call for collaboration by regulators globally.

Through IFIAR, audit regulators seek to coordinate their understanding and assessments of trends in and challenges to audit quality. IFIAR's work positions its Members to evaluate the various issues discussed at the global level with the member firms in their own jurisdictions. Exchanges of perspectives and experiences with fellow IFIAR Members reinforces audit regulators' efforts to promote an audit function that provides the expected degree of confidence in financial reporting.

### The Inspection Findings Survey

In 2012, IFIAR initiated an annual survey of findings resulting from its Members' inspections of audit firms affiliated with the six largest global audit firm networks.<sup>7</sup> The aim of the survey is not to measure empirically, or for statistically significant, changes in audit quality; rather, the survey indicates areas of common audit shortcomings and their trends over time, and informs IFIAR's

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<sup>6</sup> More information on IFIAR and its activities can be found at [ifiar.org](http://ifiar.org).

<sup>7</sup> See [here](#) for past survey reports. Prior to the 2015 survey, Members also could choose to report inspection findings related to other firms considered significant in the reporting Members' jurisdictions (see footnote 10 of the 2015 survey report for information about the impact of this change).

## Appendix C: About IFIAR and the Survey of Inspection Findings

efforts to identify areas for discussion among regulators and with audit firm networks and other stakeholders in audit quality.

The survey relates to two types of findings communicated in writing to an inspected member firm in a formal inspection report at the conclusion of an inspection: (1) those related to audit engagements and (2) those related to the member firms' firm-wide systems of quality control. With respect to audit engagement findings related to a financial statement balance or disclosure, a deficiency is either a matter with respect to which the member firm did not obtain sufficient audit evidence to support its opinion or a failure to identify or address a material, or likely potential material, error in the application of an accounting principle. With respect to all other themes, a deficiency is a departure from auditing standards or requirements, including standards on quality control and ethics and independence requirements that may or did have an effect on audit quality, either due to the significance or systemic nature of the departure. Quality control findings relate to processes and procedures employed on a firm-wide basis by the firm subject to inspection, rather than to work performed on specific audit engagements.

There may be a substantial passage of time from when an audit is completed until an inspection is performed, a final report issued, and the inspections results are reported in IFIAR's survey. Due to this reporting time lag, actions already under way to improve audit quality may take time to be reflected in IFIAR's published survey results. Therefore, the survey is a lagging indicator and may not reflect the state of the auditing profession at the current time. (See Appendix B, Figure B.7 for information collected in the 2022 survey to understand the extent of the lag.)

IFIAR Members are instructed not to report findings from more than one annual inspection cycle, and to report only on findings related to member firms located in their jurisdiction. Therefore, the findings from no more than one inspection report per member firm are submitted for the survey.

All IFIAR Members are asked to respond to IFIAR's surveys of inspection findings.<sup>8</sup> The surveys solicit data on Members' findings from inspections of:

- member firms' firm-wide systems of **quality control**;
- audits of **listed PIEs**, including any listed SIFIs; and
- audits of **SIFIs**, whether or not a listed entity.<sup>9</sup>

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<sup>8</sup> IFIAR Members from the following jurisdictions participated in the 2022 survey: Albania, Australia, Austria, Belgium, Botswana, Brazil, Bulgaria, Canada, Cayman Islands, Chinese Taipei, Croatia, Cyprus, Czech Republic, Denmark, Dubai International Financial Centre, Finland, France, Georgia, Germany, Gibraltar, Greece, Hungary, Ireland, Italy, Japan, Korea, Lithuania, Luxembourg, Malaysia, Mauritius, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Türkiye, Ukraine, United Kingdom, and United States.

<sup>9</sup> The survey also collected findings data on inspections of global SIFIs, or G-SIFIs. Due to national confidentiality limitations and the limited number of G-SIFIs, IFIAR does not publish the results of G-SIFI audit inspections but considers this information for internal purposes.

## Appendix C: About IFIAR and the Survey of Inspection Findings

In all years, information was collected on the total number of inspection findings by inspection theme. Respondents reported findings categorized into 17 inspection themes for audits of listed PIEs. Separately, the survey solicited data on findings from inspections of audits of G-SIFIs and other SIFIs, reported using 16 inspection themes relevant to audits of financial institutions. For each inspection theme, Members reported 1) the number of audits inspected, 2) the number of inspected audits with at least one finding, and 3) the total number of findings. The frequency of findings by theme is calculated as the number of inspected audits with at least one finding divided by the number of audits inspected for that theme. Findings from inspections of firm-wide systems of quality control were reported using six themes. For each quality control inspection theme, Members reported 1) the number of member firms inspected, 2) the number of inspected member firms with at least one finding, and 3) the total number of findings. The frequency of findings by quality control theme is calculated as the number of inspected member firms with at least one finding divided by the number of member firms inspected for that quality control theme.

The survey also included questions about Members' observations from their inspection activities, with particular focus on practices related to root cause analysis.

The approach taken for the 2022 survey was generally consistent with that used in prior surveys. Previously, changes were made to the engagement inspection themes.

- A new quality control sub-theme of "Risk Assessment process not completed before the engagement letter issuance date and/or field work date" was added in 2021 in response to Members noting consistent findings in this area.
- For SIFI audits, a new theme of "Going Concern" was added in the 2019 survey in light of the increased scrutiny that audits of financial institutions have received.

Individual Members' classification of findings may change over time, due in part to clarifications and additional instructions provided to assist Members in determining how to classify a finding that relates to multiple themes. For example, a finding about **risk assessment** related to **fraud procedures** in the area of **revenue recognition** could be placed under one of three themes (indicated in bold). To minimize differences in judgment between Members completing the survey, Members are periodically provided additional instructions to improve consistency of individual Members' approaches to reporting for purposes of the survey (in the example provided, under the "Revenue Recognition" theme).

Beginning with the 2016 survey, IFIAR provides additional guidance to Members to assist in their determination of which financial institutions are considered to be SIFIs in their jurisdiction. This effort is aimed at collecting data about this important category of reporting companies with aspects of financial reporting that require extensive judgment and estimates and, therefore, present particular audit considerations.

## Appendix C: About IFIAR and the Survey of Inspection Findings

Beginning with the 2015 survey, reporting on findings is limited to inspections of a member firm of one of the six GPPC networks.<sup>10</sup> Not all GPPC networks' audit practices are of significant size in all IFIAR Member jurisdictions, and other firms not covered by this survey may play a significant role in certain jurisdictions. However, the GPPC networks include the six audit firm networks that are most common across IFIAR Members' jurisdictions, and IFIAR's discussions with audit firms to date have focused on the GPPC networks. Through its GAQ Working Group, IFIAR has deepened its discussions with the GPPC networks on findings, root cause analysis, and the networks' plans to take responsive action to improve audit quality. Collecting data about findings only on the member firms that are part of the GPPC networks should assist IFIAR in a targeted discussion with the networks on trends in findings and audit quality.

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<sup>10</sup> IFIAR does not collect data by firm for the survey's inspection findings themes. Because of this, it has not adjusted prior survey information to remove findings related to audit firms that are not part of a GPPC network. To assess the general impact non-GPPC network audit firms had on survey results prior to 2015, IFIAR considered the total number of audit firms and listed PIE audits inspected, and the frequency at which those audits had at least one finding. The 2014 survey included findings from 62 listed PIE audits inspected at 18 non-GPPC network audit firms. Had these inspection results been excluded from the 2014 survey, the frequency of listed PIE audit files inspected and with at least one finding would have been 46%; this compares to 47% with these non-GPPC network audit firms included, as reported in the report on the 2014 survey. The exclusion of findings from inspections of non-GPPC network audit firms in the 2015 survey is not expected to have a significant impact on general trends or frequency of inspection themes.