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# **Sixth Annual CAQ Symposium** *Audit Practice Meets Audit Research*

August 3, 2014

Atlanta, GA

Hosted by





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## *Sixth Annual CAQ Symposium*

# *Audits of ICFR*

### Moderator

*Frank Mahoney, EY*

### Panelists

*Rick Ueltschy, Crowe Horwath LLP*

*Marc Panucci, PwC*

*Susan Scholz, University of Kansas*

*Gregory M. Trompeter, University of Central Florida*

## Trends in ICFR Adverse Opinion Reports

**Auditor Attestation History**

	<b>Total # of Reports</b>	<b>No. of Adverse Opinions</b>	<b>Pct. Adverse Opinions</b>
Year 1	3,789	629	16.6%
Year 2	3,916	431	11.0%
Year 3	4,316	387	9.0%
Year 4	4,576	355	7.8%
Year 5	4,430	218	4.9%
Year 6	4,275	153	3.6%
Year 7	4,019	141	3.5%
Year 8	4,031	165	4.1%
<b>Total</b>	<b>33,352</b>	<b>2479</b>	<b>7.4%</b>

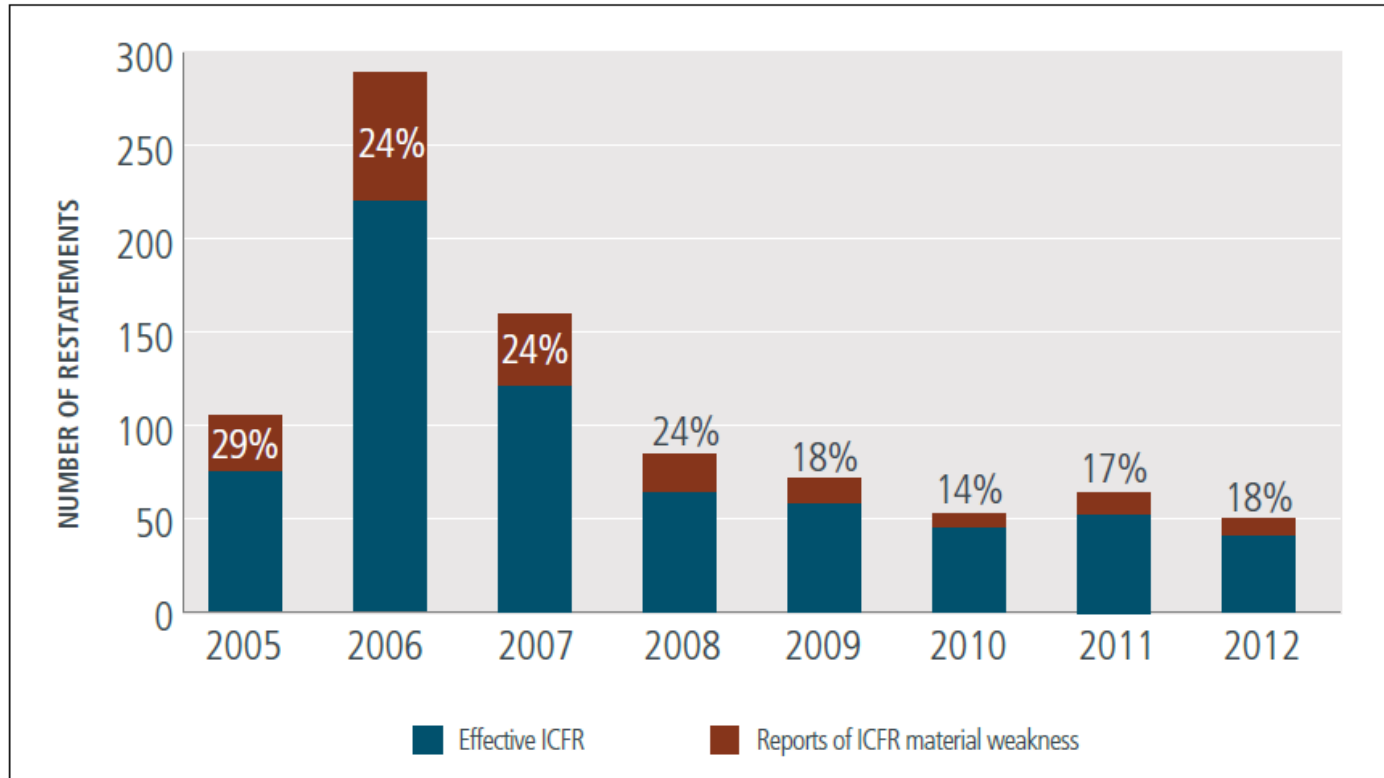
**Management-Only Assessments**

	<b>Total # of Reports</b>	<b>No. of Adverse Opinions</b>	<b>Pct. Adverse Opinions</b>
	4865	1402	28.8%
	5085	1474	29.0%
	4858	1521	31.3%
	4702	1519	32.3%
	4395	1478	33.6%
	<b>23,905</b>	<b>7394</b>	<b>30.9%</b>

Source: Audit Analytics

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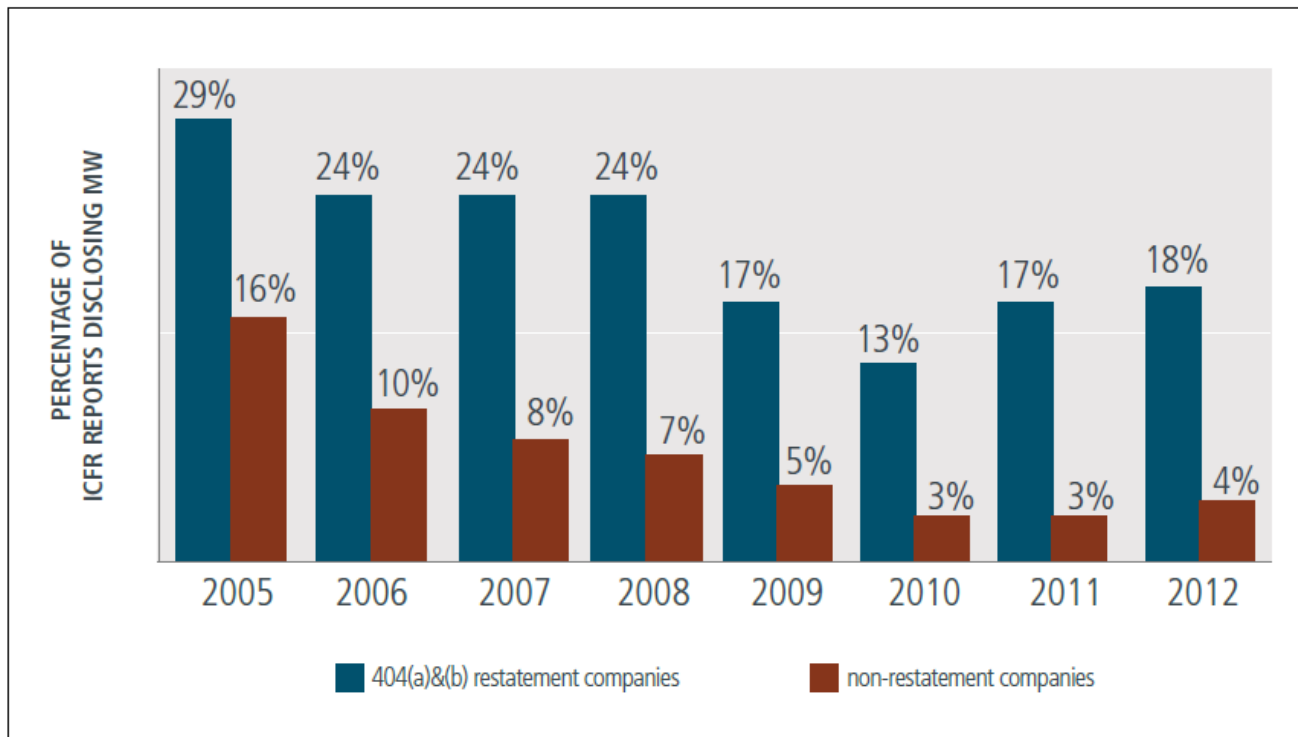
**FIGURE 23: ICFR REPORTS PRECEDING RESTATEMENTS BY 404(A)&(B) COMPANIES AND FREQUENCY OF ICFR MATERIAL WEAKNESS DISCLOSURES**



Source: *Financial Restatement Trends in the United States: 2003 – 2012*

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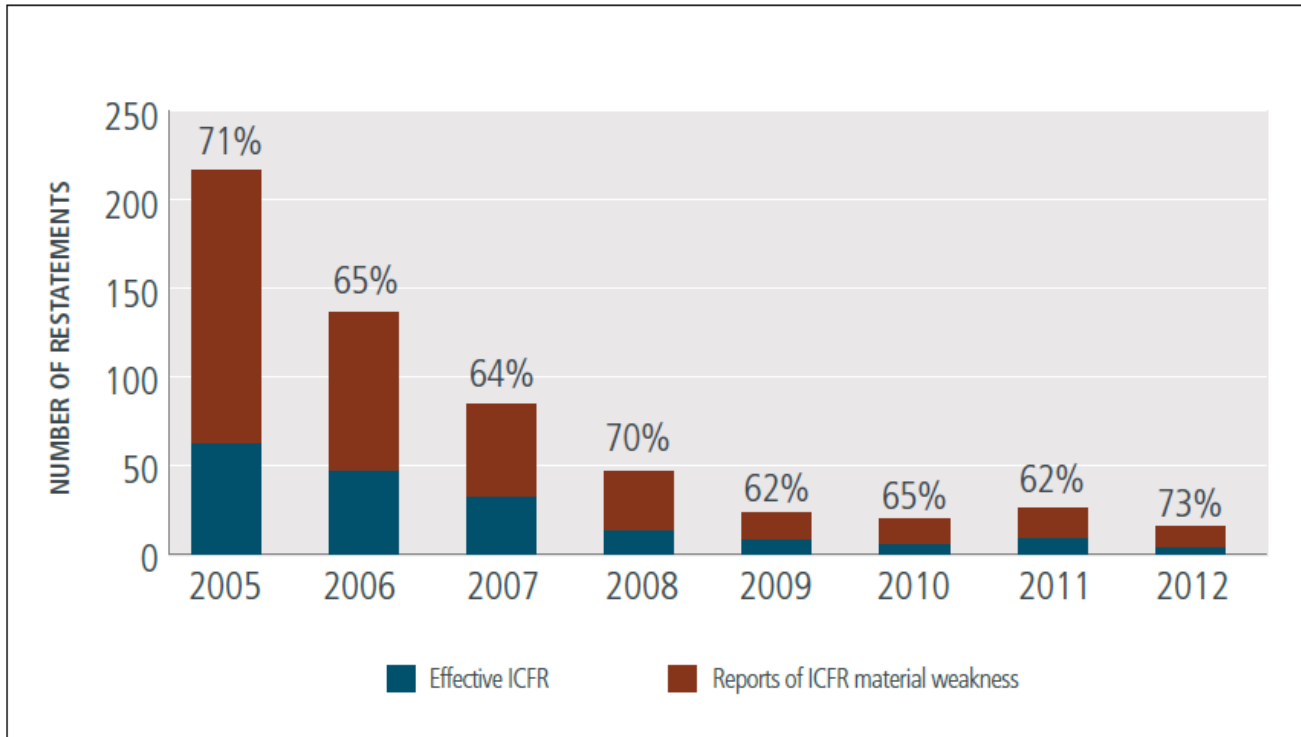
**FIGURE 24: PERCENTAGE OF ICFR MATERIAL WEAKNESS DISCLOSURES IN THE PRIOR PERIOD FOR RESTATEMENT AND NON-RESTATEMENT 404(A)&(B) COMPANIES**



Source: *Financial Restatement Trends in the United States: 2003 – 2012*

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**FIGURE 25: NUMBER OF ICFR REPORTS WITH A MATERIAL WEAKNESS DISCLOSURE FOLLOWING RESTATEMENTS BY 404(A)&(B) COMPANIES AND FREQUENCY OF WEAK ICFR DISCLOSURES**



Source: *Financial Restatement Trends in the United States: 2003 – 2012*