



AUDIT ANALYTICS®



2019 AUDIT COMMITTEE TRANSPARENCY BAROMETER

ABOUT THE CENTER FOR AUDIT QUALITY

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high-quality performance by public company auditors; convenes and collaborates with other stakeholders to advance the discussion of critical issues that require action and intervention; and advocates policies and standards that promote public company auditors' objectivity, effectiveness, and responsiveness to dynamic market conditions. Based in Washington, DC, the CAQ is affiliated with the American Institute of CPAs. For more information, visit www.thecaq.org.

ABOUT AUDIT ANALYTICS

Audit Analytics is an independent research provider that enables the accounting, legal, and investment communities to analyze auditor market intelligence, public company disclosure trends, and risk indicators. For more information, email info@auditanalytics.com or call 508-476-7007.

METHODOLOGY

Consistent with the methodology used in prior years, we reviewed the most current S&P Composite 1500 proxy statements (i.e., those filed in the period from July 1, 2018, through June 30, 2019). Each edition of the *Barometer* tracks the companies that are included in the S&P indices at the end of the filing period. For purposes of presenting the findings, we analyzed disclosures located in the audit committee report or elsewhere in the proxy. In certain instances, the disclosure was duplicated in other sections of the proxy.

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2019 AUDIT COMMITTEE TRANSPARENCY BAROMETER

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OVERVIEW

Audit committees play a vital role in the system of investor protection and in audit quality. With each member required by law to be independent, the audit committee is charged with oversight of the financial reporting process and the external auditor.

Audit committees carry out their responsibilities on behalf of company shareholders, and in 2019 the state of investor confidence in audit committees is strong. According to the CAQ's 2019 *Main Street Investor Survey*, 81% of US retail investors express confidence that independent audit committees are effective in their investor protection role.¹ Since the CAQ and Audit Analytics issued the first *Audit Committee Transparency Barometer* (the *Barometer*) in 2014, confidence in this area has increased by 10 percentage points.

How can this foundation of confidence in audit committees be strengthened further? The CAQ believes that greater transparency about the audit committee's role and responsibilities is key.

There has been progress on the transparency front regarding voluntary disclosure by audit committees since the launch of the *Barometer*. This annual publication aims to gauge how public company audit committees approach the public communication of their external auditor oversight activities. The *Barometer* measures the percentage of certain proxy disclosures by companies in the S&P Composite 1500 (S&P 1500) and provides examples of effective disclosure. The S&P 1500 comprises the S&P 500 index of large-cap companies (S&P 500), the S&P MidCap 400 (S&P MidCap), and the S&P SmallCap 600 (S&P SmallCap). Each year, corroborating other research in this area, our *Barometer* has revealed certain upward trends in audit committee disclosure.²

While this progress is encouraging, audit committees can do more to increase transparency and, as a result, investor confidence, as this 2019 edition illustrates.

¹ See the CAQ's [2019 Main Street Investor Survey](#) (September 2019).

² See Deloitte, [2019 Proxy Review](#); EY, [What audit committees are reporting to shareholders in 2019](#).

POSITIVE DEVELOPMENTS

1. **Several areas of disclosure have reached robust levels.** The most common audit committee disclosures among S&P 500 companies include the discussion of non-audit services and the impact on independence (84%; "All Categories" in the appendix), the length of time the auditor has been engaged (71%; figure 2), the criteria considered when evaluating the audit firm (50%; figure 5), and the involvement in audit partner selection (50%; figure 8).
2. **Cybersecurity is a disclosure hotspot.** In early 2018 the Securities and Exchange Commission issued a [Statement and Guidance on Public Company Cybersecurity Disclosures](#) to help "public companies in preparing disclosures about cybersecurity risks and incidents." The CAQ and Audit Analytics began tracking cybersecurity-specific proxy disclosures in 2016 and have since observed a sharp increase in transparency pertaining to cybersecurity.
 - 34% of S&P 500 companies disclose that the audit committee is responsible for cybersecurity risk oversight, and this disclosure has increased by 23 percentage points in four years (figure 9).
 - 23% of S&P 500 companies disclose whether the board has a cybersecurity expert, an increase of 16 percentage points in four years (figure 10).
 - 22% of S&P 500 companies disclose on what board committee(s) the cybersecurity expert serves, an increase of 15 percentage points in four years (figure 11).

AREAS OF CONCERN

1. **Many disclosure levels are stagnant or slowing compared with those of 2018.** For S&P 500 companies, excluding new cyber disclosures, only two categories have increased by more than 2% since 2018, with the largest increase of 4% for discussing criteria considered when evaluating the audit firm (figure 5). In 2018, seven categories increased by more than 2%.

Trends for smaller companies are similar. For S&P MidCap, three categories increased more than 2% since 2018 (3% each): disclosing audit committee considerations in appointing the audit firm (figure 1), discussing criteria considered when evaluating the audit firm (figure 5), and stating that the audit partner rotates every five years (figure 7). In 2018, seven categories increased more than 2% from the previous year. For S&P SmallCap, two categories increased by more than 2% since 2018, with the largest increase of 4% for disclosure of length of audit firm engagement (figure 2). In 2018, five categories increased more than 2% from the previous year.

2. **Disclosure levels in some areas remain low.** Areas of no or minimal disclosure include significant areas addressed with the auditor (0% for S&P 500), how the audit committee considers auditor compensation (2% for S&P 500), and discussion of audit fees and its connection to audit quality (4% for S&P 500).

OPPORTUNITIES TO ENHANCE TRANSPARENCY

1. **Significant areas of discussion.** For the past four years, significant areas addressed with the auditor were disclosed in 0% of proxy statements for S&P 500 companies. Increased disclosure in this area likely would be helpful to investors. As auditors are beginning disclosing critical audit matters (as required by Public Company Auditing Oversight Board [PCAOB] auditing standards), audit committees have an opportunity to provide their perspective on these matters—and others, if appropriate.³
2. **Disclosures around audit firm evaluation and audit engagement partner selection.** Two disclosures—(1) criteria considered when evaluating the audit firm (figure 5) and (2) the audit committee's involvement in the audit engagement partner selection upon rotation (figure 8)—are still disclosed in only 50% of S&P 500 companies; 39% and 22%, respectively, for S&P MidCap; and 33% and 10%, respectively, for S&P SmallCap. These disclosures are critical and should be tailored

³ For more on critical audit matters, see the CAQ's [Critical Audit Matters: Lessons Learned, Questions to Consider, and an Illustrative Example](#) (December 2018) and Audit Analytics' [blog](#) on critical audit matters.

to company-specific policies and procedures. The process of performing an audit firm evaluation improves audit quality, and disclosure of such considerations may bring focus to the evaluation.⁴

Useful disclosures may include the following:

- + How often is the audit firm evaluated?
- + What is the mechanism for evaluation, and who is involved?
- + What are the key considerations when evaluating the audit firm?
- + What is the process for selecting the audit partner, and who is involved?

3. **Disclosure around audit firm compensation.**

There is room to increase transparency, especially when providing investors with insights into audit firm compensation. For example, audit committees can provide more insights into how the audit fee is negotiated

and considered in connection with audit quality, explain changes in fees, and disclose the audit committee's responsibility for fee negotiation.

Important disclosures may include the following:

- + What level of detail related to fees is provided to the audit committee?
- + How does the audit committee consider the appropriateness of hours in balancing the need for an effective and efficient audit?
- + What caused changes in fees, including advances in technology, implementation of new accounting standards, and company-specific activities such as mergers and acquisitions?

The appendix that follows presents charts with year-over-year data in key areas, along with examples of effective disclosures, drawn from filings in the period July 1, 2018, through June 30, 2019. •

⁴ See the CAQ's [External Auditor Assessment Tool](#) (April 2019).

APPENDIX

CHARTS AND EXAMPLES OF EFFECTIVE DISCLOSURE

AUDIT FIRM SELECTION/RATIFICATION

FIGURE 1

Percentage of S&P 1500 Disclosing Audit Committee Considerations in Appointing the Audit Firm

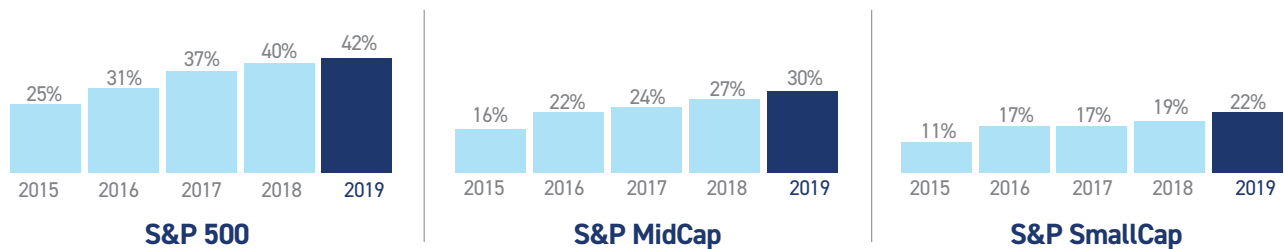
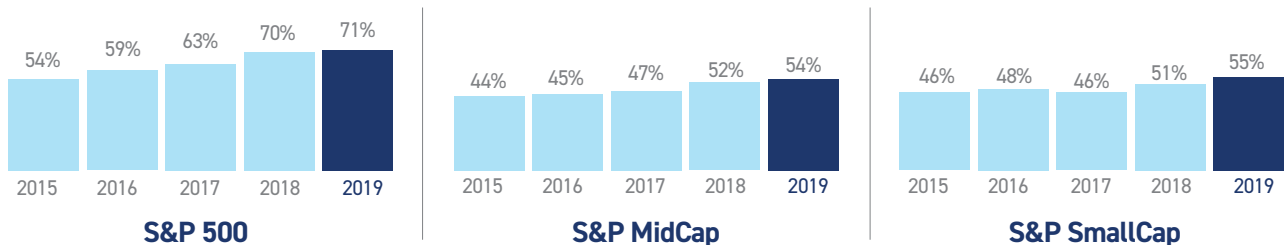


FIGURE 2

Percentage of S&P 1500 Disclosing Length of Audit Firm Engagement



EXAMPLE 1: VISA, INC.

Source: Visa, Inc. (S&P 500), 2019 Proxy Statement, Proposal 3 - Ratification of the Appointment of [Audit Firm]

https://www.sec.gov/Archives/edgar/data/1403161/000119312518343216/d635500ddef14a.htm#toc635500_67

The Audit and Risk Committee has appointed [Audit Firm] as our independent registered public accounting firm to audit the financial statements of Visa Inc. and its subsidiaries for the fiscal year ending September 30, 2019. [Audit Firm] has been our independent auditor since our initial public offering in 2008, and [Audit Firm] audited our financial statements for fiscal year 2018. The Audit and Risk Committee periodically considers whether there should be a rotation of independent registered public accounting firms because the Audit and Risk Committee believes it is important for the registered public accounting firm to maintain independence and objectivity. In determining whether to reappoint [Audit Firm], the Audit and Risk Committee considered several factors including:

- + the length of time [Audit Firm] has been engaged;
- + [Audit Firm]'s independence and objectivity;
- + [Audit Firm]'s capability and expertise in handling the complexity of Visa's global operations in our industry;
- + historical and recent performance, including the extent and quality of [Audit Firm]'s communications with the Audit and Risk Committee, and feedback from management regarding [Audit Firm]'s overall performance;
- + recent PCAOB inspection reports on the firm; and
- + the appropriateness of [Audit Firm]'s fees, both on an absolute basis and as compared with its peers.

The Audit and Risk Committee believes that the continued retention of [Audit Firm] as our independent registered public accounting firm is in the best interest of the Company and our stockholders, and we are asking our stockholders to ratify the selection of [Audit Firm] as our independent registered public accounting firm for fiscal year 2019.

EXAMPLE 2: TAILORED BRANDS, INC.

Source: Tailored Brands, Inc. (S&P SmallCap), 2019 Proxy Statement, Audit Committee Matters

<https://www.sec.gov/Archives/edgar/data/884217/000120677419001695/tlrd3509301-def14a.htm>

Proposal 2: Ratification of [Audit Firm] as our Independent Registered Public Accounting Firm

[Audit Firm] has served as our independent registered public accounting firm providing auditing, financial and tax services since at least fiscal 1991. The Audit Committee evaluates [Audit Firm]'s performance each year and determines whether to re-engage [Audit Firm] or consider other audit firms. The Audit Committee has appointed [Audit Firm] as our independent registered public accounting firm for the fiscal year ending February 1, 2020. In making this appointment, the Audit Committee carefully considered, among other things:

- + its independence, objectivity and professional skepticism,
- + industry and sector specific experience,
- + the quality and efficiency of the services provided by [Audit Firm],
- + its resources, capabilities, technical expertise, including sharing industry insights, trends and latest practices,
- + the quality and candor of [Audit Firm]'s communications,
- + external data relating to audit quality and performance, including recent PCAOB reports on [Audit Firm] and its peer firms,
- + the appropriateness of fees charged for audit and non-audit services,
- + knowledge of the Company's operations, personnel, culture, accounting policies and practices, and internal control over financial reporting,
- + feedback from the Company's management and Audit Committee members regarding [Audit Firm]'s service and quality, and
- + the length of time that [Audit Firm] has served in this role, the benefits of longer tenure and the impact of changing auditors

Based on this evaluation, the Audit Committee determined that it was in the best interest of the Company and its shareholders to continue the retention of [Audit Firm] as our independent registered public accounting firm for fiscal 2019.

AUDIT FIRM COMPENSATION

FIGURE 3

Percentage of S&P 1500 Disclosing Audit Committee Responsibility for Fee Negotiations

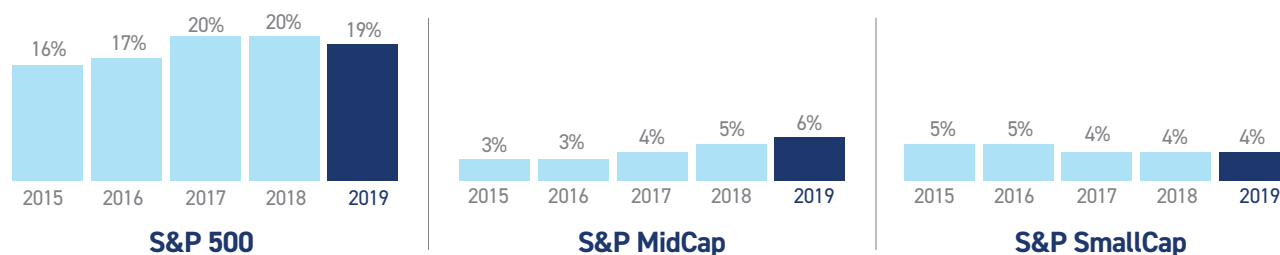
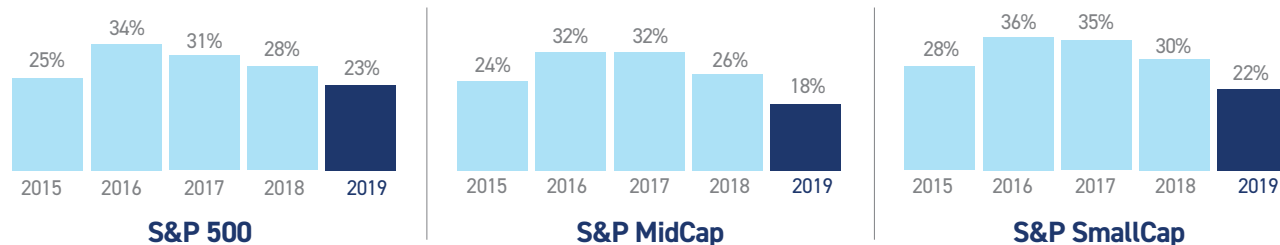


FIGURE 4

Percentage of S&P 1500 Providing Explanation of a Change in Fees Paid to the Audit Firm



EXAMPLE 3: CVS HEALTH CORP.

Source: CVS Health Corp. (S&P 500), 2019 Proxy Statement, Audit Committee Matters

<https://www.sec.gov/Archives/edgar/data/64803/000120677419001240/cvs3508731-def14a.htm>

INDEPENDENT ACCOUNTING FIRM INDEPENDENCE AND FEE APPROVAL POLICY

All audit services, audit-related services and tax services were pre-approved by the Committee, and the Committee is ultimately responsible for audit fee negotiations associated with the retention of [Audit Firm].

[Audit Fees] represent the aggregate fees and expenses billed for the audit of our consolidated financial statements and the audit of our internal control over financial reporting for the fiscal year, the reviews of the condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q, audits of our insurance captives, services provided in connection with statutory and regulatory filings for the fiscal year, and consultations on technical matters. Audit fees increased in 2018 due to additional audit procedures associated with the new lease accounting standard, goodwill impairments, debt offering, and the Aetna Transaction.

[Audit-Related Fees] represent the aggregate fees billed for audit and other services that are typically performed by auditors, including audits of our employee benefit plans, compliance reporting, non-financial metric reporting and certain agreed upon procedures.

[Tax Fees] include \$152,500 and \$170,000 for the years ended December 31, 2018 and 2017, respectively, related to tax compliance and preparation services.

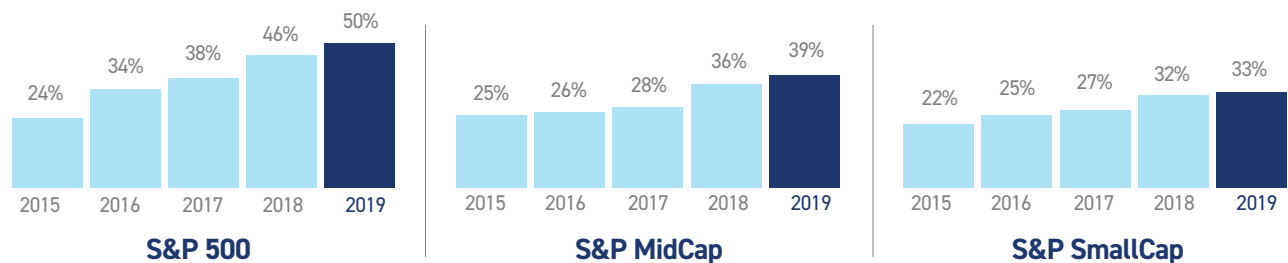
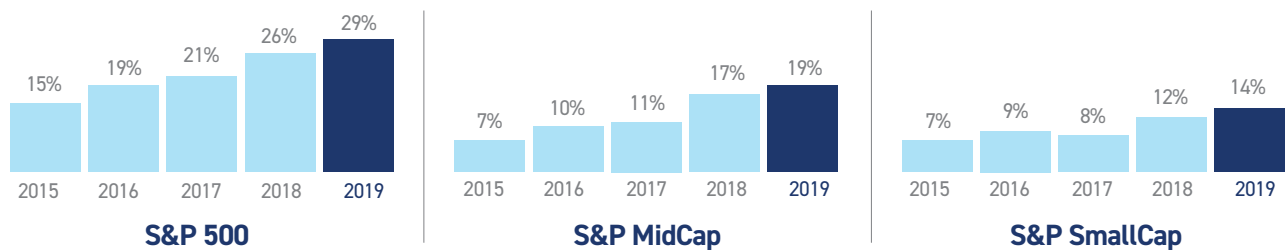
EXAMPLE 4: TRIUMPH BANCORP, INC.

Source: Triumph Bancorp, Inc. (S&P SmallCap), 2019 Proxy Statement, Proposal 6: Ratification of Selection of Independent Registered Public Accounting Firm

<https://www.sec.gov/Archives/edgar/data/1539638/000119312519096071/d650450ddef14a.htm>

Audit and Non-Audit Fees

Audit fees include aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements, for the review of financial statements included in the Company's Quarterly Reports on Form 10-Q, for the issuance of comfort letters and SEC consents, for 2018, for the audit pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and for 2017, for the financial statements for the U.S. Department of Housing and Urban Development. Our audit fees in 2018 increased due to more audit hours incurred on acquisitions and due to the Company being subject for the first time to independent auditor's reporting on our internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act.

AUDIT FIRM EVALUATION/SUPERVISION**FIGURE 5****Percentage of S&P 1500 Discussing Criteria Considered When Evaluating the Audit Firm****FIGURE 6****Percentage of S&P 1500 Disclosing Evaluation of the Audit Firm Is at Least an Annual Event**

EXAMPLE 5: JETBLUE AIRWAYS CORPORATION

Source: JetBlue Airways Corporation (S&P MidCap), 2019 Proxy Statement, Audit Committee Matters

https://www.sec.gov/Archives/edgar/data/1158463/000130817919000094/ljbl2019_def14a.htm

Annual Evaluation and Appointment of Independent Auditors

In executing its responsibilities, the Audit Committee engages in an annual evaluation of [Audit Firm]'s qualifications, performance and independence, and considers whether continued retention of [Audit Firm] as the Company's independent registered public accounting firm is in the best interest of the Company. The Audit Committee is also involved in the selection of [Audit Firm]'s lead engagement partner. While [Audit Firm] has been retained as the Company's independent registered public accounting firm continuously since 2001, in accordance with SEC rules and [Audit Firm]'s policies, the firm's lead engagement partner rotates every five years. In assessing [Audit Firm]'s qualifications, performance and independence in 2018, the Audit Committee considered, among other things:

- + [Audit Firm]'s global capabilities;
- + [Audit Firm]'s significant institutional knowledge and deep expertise of the Company's business, accounting policies and practices and internal control over financial reporting enhance audit quality;
- + [Audit Firm]'s capability, expertise and efficiency in handling the breadth and complexity of the Company's global operations, including of the lead audit partner and other key engagement partners;
- + the quality and candor of [Audit Firm]'s communications with the Audit Committee and management;
- + [Audit Firm]'s independence policies and its processes for maintaining its independence;
- + the quality and efficiency of the services provided by [Audit Firm], including input from management on [Audit Firm]'s performance and how effectively [Audit Firm] demonstrated its independent judgment, objectivity and professional skepticism;
- + external data on audit quality and performance, including recent Public Company Accounting Oversight Board (PCAOB) reports on [Audit Firm] and its peer firms;
- + the appropriateness of [Audit Firm]'s fees, including those related to non-audit services;
- + [Audit Firm]'s tenure as the Company's independent auditor and its depth of understanding of the Company's global business, operations and systems, accounting policies and practices, including the potential effect on the financial statements of the major risks and exposures facing the Company, and internal control over financial reporting;
- + an analysis of [Audit Firm]'s known legal risks and significant proceedings that may impair its ability to perform the Company's annual audit;
- + [Audit Firm]'s demonstrated professional integrity and objectivity, including through rotation of the lead audit partner and other key engagement partners;

[EXAMPLE 5 CONTINUES ON PAGE 11]

[EXAMPLE 5 CONTINUED FROM PAGE 10]

- + any material issues raised by the most recent internal quality control review, or peer review; and
- + the advisability and potential impact of selecting a different independent public accounting firm.

Benefits of Longer Tenure

- + Enhanced audit quality – We believe [Audit Firm]'s significant institutional knowledge and deep expertise of the Company's global business, accounting policies and practices and internal control over financial reporting enhance audit quality.
- + Competitive fees – Because of [Audit Firm]'s familiarity with the Company, audit and other fees are competitive with peer companies.
- + Avoid costs associated with new auditor – We believe bringing on new independent auditors would be costly and require a significant time commitment, which could lead to management distractions.

Independence Controls

- + Audit Committee oversight – Oversight includes regular private sessions with [Audit Firm], discussion with [Audit Firm] about the scope of audit and business imperatives, a comprehensive annual evaluation when determining whether to reengage [Audit Firm] and direct involvement by the Audit Committee and its Chair in the selection of the new lead assurance engagement partner in connection with the mandated rotation of that position. A new lead engagement partner was appointed commencing with the 2019 audit.
- + Limits on non-audit services – The Audit Committee pre-approves audit and permissible non-audit services provided by [Audit Firm] in accordance with its pre-approval policy.
- + [Audit Firm]'s internal independence process – [Audit Firm] conducts periodic internal reviews of its audit and other work, assesses the adequacy of partners and other personnel working on the Company's account and rotates the engagement partners, consistent with independence requirements. A new lead assurance engagement partner was appointed in 2018.
- + Strong regulatory framework – [Audit Firm], as an independent registered public accounting firm, is subject to PCAOB inspections, "Big 4" peer reviews and PCAOB and SEC oversight.

Based on this evaluation, the Audit Committee and the Board determined that retaining [Audit Firm] to serve as independent auditors for the fiscal year ending December 31, 2019 is in the best interests of the Company and its stockholders. While the Audit Committee is responsible for the appointment, compensation, retention and oversight of [Audit Firm] as our independent registered public accounting firm, the Board of Directors is submitting the selection of [Audit Firm] to the stockholders for ratification.

AUDIT ENGAGEMENT PARTNER SELECTION

FIGURE 7

Percentage of S&P 1500 Stating That Audit Partner Rotates Every Five Years

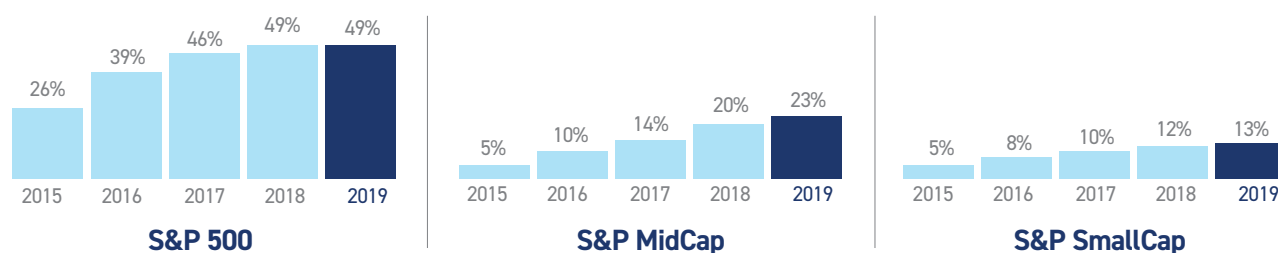
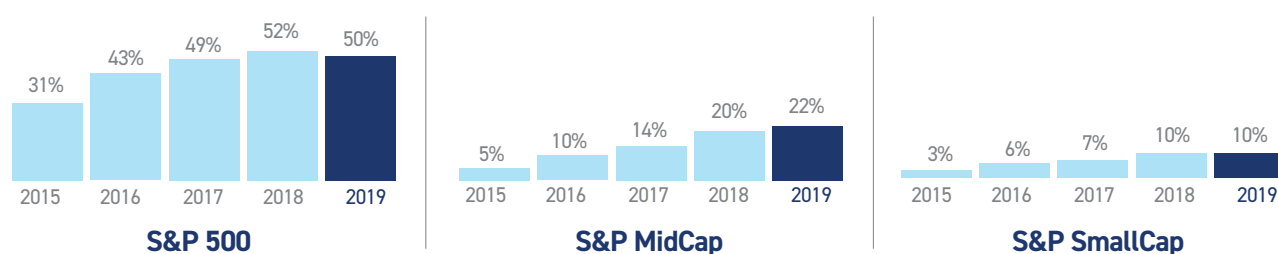


FIGURE 8

Percentage of S&P 1500 Stating That Audit Committee Is Involved in Audit Partner Selection



EXAMPLE 6: EDISON INTERNATIONAL

Source: Edison International (S&P 500), 2019 Proxy Statement, Item 2: Ratification of the Appointment of the Independent Registered Public Accounting Firm

<https://www.sec.gov/Archives/edgar/data/827052/000120677419000873/edison3497151-def14a.htm>

The Committee annually considers whether the Independent Auditor firm should be reappointed for another year. The lead engagement partner is required to rotate off the Company's audit every five years. The Committee is involved in the selection of the lead engagement partner. In 2015, in connection with the mandated rotation of [Audit Firm]'s lead engagement partner effective beginning with [Audit Firm]'s audit of the Company's 2016 financial statements, the Company interviewed candidates who met professional, industry and personal criteria, and selected finalists. The Committee Chair participated in interviews with the finalists and selected the lead engagement partner, in consultation with the Committee.

CYBERSECURITY

FIGURE 9

Percentage of S&P 1500 Stating the Audit Committee Is Responsible for Cybersecurity Risk Oversight

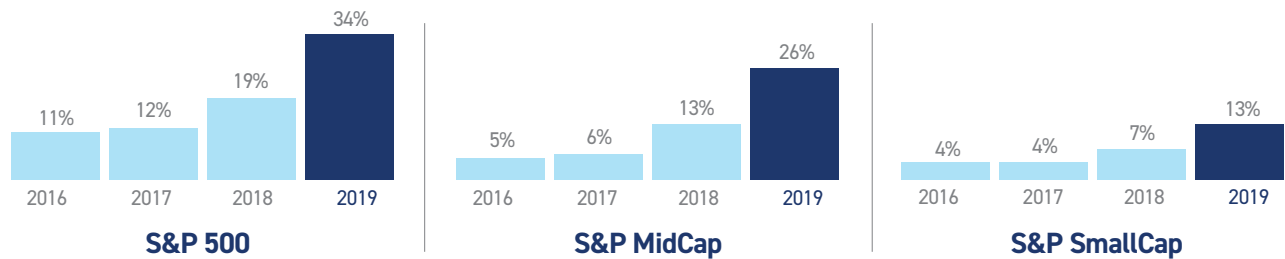


FIGURE 10

Percentage of S&P 1500 Disclosing Whether the Board Has a Cybersecurity Expert

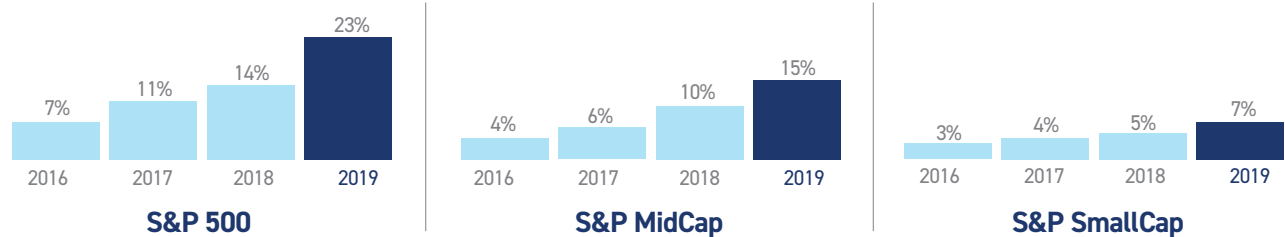
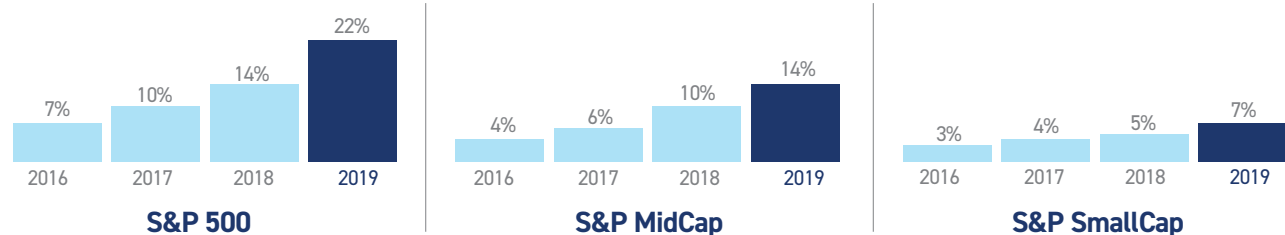


FIGURE 11

Percentage of S&P 1500 Disclosing on What Board Committee(s) the Cybersecurity Expert Serves



EXAMPLE 7: FORTIVE CORPORATION

Fortive Corporation (S&P 500), 2019 Proxy Statement, Corporate Governance

https://www.sec.gov/Archives/edgar/data/1659166/000119312519106530/d716207ddef14a.htm#toc716207_30

Cybersecurity

The Board has delegated to the Audit Committee the responsibility of exercising oversight with respect to the Company's cybersecurity risk management and risk controls. Consistent with such delegation, our Chief Information Officer provides a report to the Audit Committee on quarterly basis, and to the Board on an annual basis, regarding the Company's cybersecurity program, including the Company's monitoring, auditing, implementation and communication processes, controls, and procedures.

EXAMPLE 8: AKORN, INC.**Akorn, Inc. (S&P 600), 2019 Proxy Statement, Report of the Audit Committee**

https://www.sec.gov/Archives/edgar/data/3116/000130817919000054/lakrx2019_def14a.htm

The Audit Committee assists the Board in oversight and monitoring. For this purpose, the Audit Committee:

- + evaluates the performance and assesses the qualifications of [Audit Firm], the Company's independent registered public accounting firm;
- + determines and approves the engagement of [Audit Firm];
- + determines whether to retain [Audit Firm] or to appoint and engage new independent auditors;
- + reviews and approves the retention of [Audit Firm] to perform any proposed permissible non-audit services;
- + reviews audit engagement fees with management and [Audit Firm];
- + monitors the rotation of [Audit Firm] partners on the Company's audit engagement team as required by law;
- + confers with management and [Audit Firm] throughout the year regarding the effectiveness of internal controls over financial reporting;
- + oversees the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- + reviews and approves related person transactions;
- + reviews and discusses with management and [Audit Firm] the financial statements to be included in the Company's Annual Report on Form 10-K and quarterly reports on Form 10-Q;
- + reviews earnings press releases with management and [Audit Firm] prior to release;
- + reviews with management the Company's major financial and **cybersecurity risk exposures** and the steps management has taken to monitor and control such exposures;
- + reviews the internal audit plan and the results of internal audit activities; and
- + meets privately with each of the following: [Audit Firm], the Chief Audit Executive, the General Counsel, the Chief Compliance Officer, and the Chief Financial Officer.

ALL CATEGORIES

AUDITOR OVERSIGHT PROXY STATEMENT DISCLOSURES AMONG S&P 1500

CATEGORY	DISCLOSURE QUESTION	YEAR	S&P 500	S&P MidCap	S&P SmallCap
Audit Firm Selection	Percentage of S&P 1500 Disclosing Audit Committee Considerations in Appointing the Audit Firm (Figure 1)	2019	42%	30%	22%
		2018	40%	27%	19%
		2017	37%	24%	17%
		2016	31%	22%	17%
		2015	25%	16%	11%
		2014	13%	10%	8%
	Percentage of S&P 1500 Disclosing Length of Audit Firm Engagement (Figure 2)	2019	71%	54%	55%
		2018	70%	52%	51%
		2017	63%	47%	46%
		2016	59%	45%	48%
		2015	54%	44%	46%
		2014	47%	42%	50%
Audit Firm Compensation	Percentage of S&P 1500 Disclosing a Discussion of Audit Fees and Its Connection to Audit Quality	2019	4%	3%	1%
		2018	5%	3%	1%
		2017	5%	4%	2%
		2016	9%	3%	1%
		2015	10%	2%	2%
		2014	13%	4%	1%
	Percentage of S&P 1500 Disclosing a Discussion of How the Audit Committee Considers Auditor Compensation	2019	2%	1%	1%
		2018	2%	1%	0%
		2017	2%	1%	0%
		2016	1%	1%	1%
		2015	0%	0%	0%
		2014	1%	1%	0%
	Percentage of S&P 1500 Disclosing a Discussion of How Non-Audit Services May Impact Independence	2019	84%	79%	77%
		2018	83%	78%	75%
		2017	80%	75%	72%
		2016	81%	73%	69%
		2015	78%	67%	63%
		2014	83%	69%	58%
	Percentage of S&P 1500 Disclosing Audit Committee Responsibility for Fee Negotiations (Figure 3)	2019	19%	6%	4%
		2018	20%	5%	4%
		2017	20%	4%	4%
		2016	17%	3%	5%
		2015	16%	3%	5%
		2014	8%	1%	1%

AUDITOR OVERSIGHT PROXY STATEMENT DISCLOSURES AMONG S&P 1500

CATEGORY	DISCLOSURE QUESTION	YEAR	S&P 500	S&P MidCap	S&P SmallCap
Audit Firm Compensation (continued)	Percentage of S&P 1500 Providing Explanation of a Change in Fees Paid to the Audit Firm (Figure 4)	2019	23%	18%	22%
		2018	28%	26%	30%
		2017	31%	32%	35%
		2016	34%	32%	36%
		2015	25%	24%	28%
		2014	28%	30%	24%
Audit Firm Evaluation/ Supervision	Percentage of S&P 1500 Discussing Criteria Considered When Evaluating the Audit Firm (Figure 5)	2019	50%	39%	33%
		2018	46%	36%	32%
		2017	38%	28%	27%
		2016	34%	26%	25%
		2015	24%	25%	22%
		2014	8%	7%	15%
	Percentage of S&P 1500 Disclosing Evaluation of the Audit Firm Is at Least an Annual Event (Figure 6)	2019	29%	19%	14%
		2018	26%	17%	12%
		2017	21%	11%	8%
		2016	19%	10%	9%
		2015	15%	7%	7%
		2014	4%	3%	4%
	Percentage of S&P 1500 Disclosing Significant Areas Addressed with the Auditor	2019	0%	1%	2%
		2018	0%	1%	2%
		2017	0%	1%	2%
		2016	0%	1%	2%
		2015	1%	0%	1%
		2014	3%	2%	1%
Audit Partner Selection	Percentage of S&P 1500 Stating That Audit Partner Rotates Every Five Years (Figure 7)	2019	49%	23%	13%
		2018	49%	20%	12%
		2017	46%	14%	10%
		2016	39%	10%	8%
		2015	26%	5%	5%
		2014	16%	3%	4%
	Percentage of S&P 1500 Stating That Audit Committee Is Involved in Audit Partner Selection (Figure 8)	2019	50%	22%	10%
		2018	52%	20%	10%
		2017	49%	14%	7%
		2016	43%	10%	6%
		2015	31%	5%	3%
		2014	13%	1%	1%

AUDITOR OVERSIGHT PROXY STATEMENT DISCLOSURES AMONG S&P 1500

CATEGORY	DISCLOSURE QUESTION	YEAR	S&P 500	S&P MidCap	S&P SmallCap
Cybersecurity	Percentage of S&P 1500 Disclosing the Audit Committee Is Responsible for Cybersecurity Risk Oversight (Figure 9)	2019	34%	26%	13%
		2018	19%	13%	7%
		2017	12%	6%	4%
		2016	11%	5%	4%
	Percentage of S&P 1500 Disclosing Whether the Board Has a Cybersecurity Expert (Figure 10)	2019	23%	15%	7%
		2018	14%	10%	5%
		2017	11%	6%	4%
		2016	7%	4%	3%
	Percentage of S&P 1500 Disclosing on What Board Committee(s) the Cybersecurity Expert Serves (Figure 11)	2019	22%	14%	7%
		2018	14%	10%	5%
		2017	10%	6%	4%
		2016	7%	4%	3%

WE WANT TO HEAR FROM YOU

So that we can provide resources that are informative and best address the needs of our stakeholders, we would appreciate your response to **three** short questions.

CLICK FOR SURVEY

SURVEY LINK: https://thecaq.qualtrics.com/jfe/form/SV_9TxYn35wUlsGA5



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YOUR FEEDBACK**

Please send comments
or questions to
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