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Deloitte Global Audit
Value Pulse Survey
Data summary
December 2020



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Introduction

Between April and May 2020, Deloitte Global conducted a survey of 351 c-suite, finance and audit committee respondents, investors, shareholders, and board members to shed light on a number of audit-related topics. Through this survey, Deloitte Global sought to better understand the value that c-suite, finance and audit committee respondents, investors, shareholders, and board members place on audit.

The survey indicates that audits could play an increasingly important role in providing an independent perspective on the areas of risk and increased complexity in the financial reporting ecosystem as businesses navigate complex accounting and financial reporting matters stemming from COVID-19.

Methodology



Deloitte Global and Forbes Insights surveyed **351 c-suite, finance and audit committee respondents, investors, shareholders, and board members** globally across a range of industries.



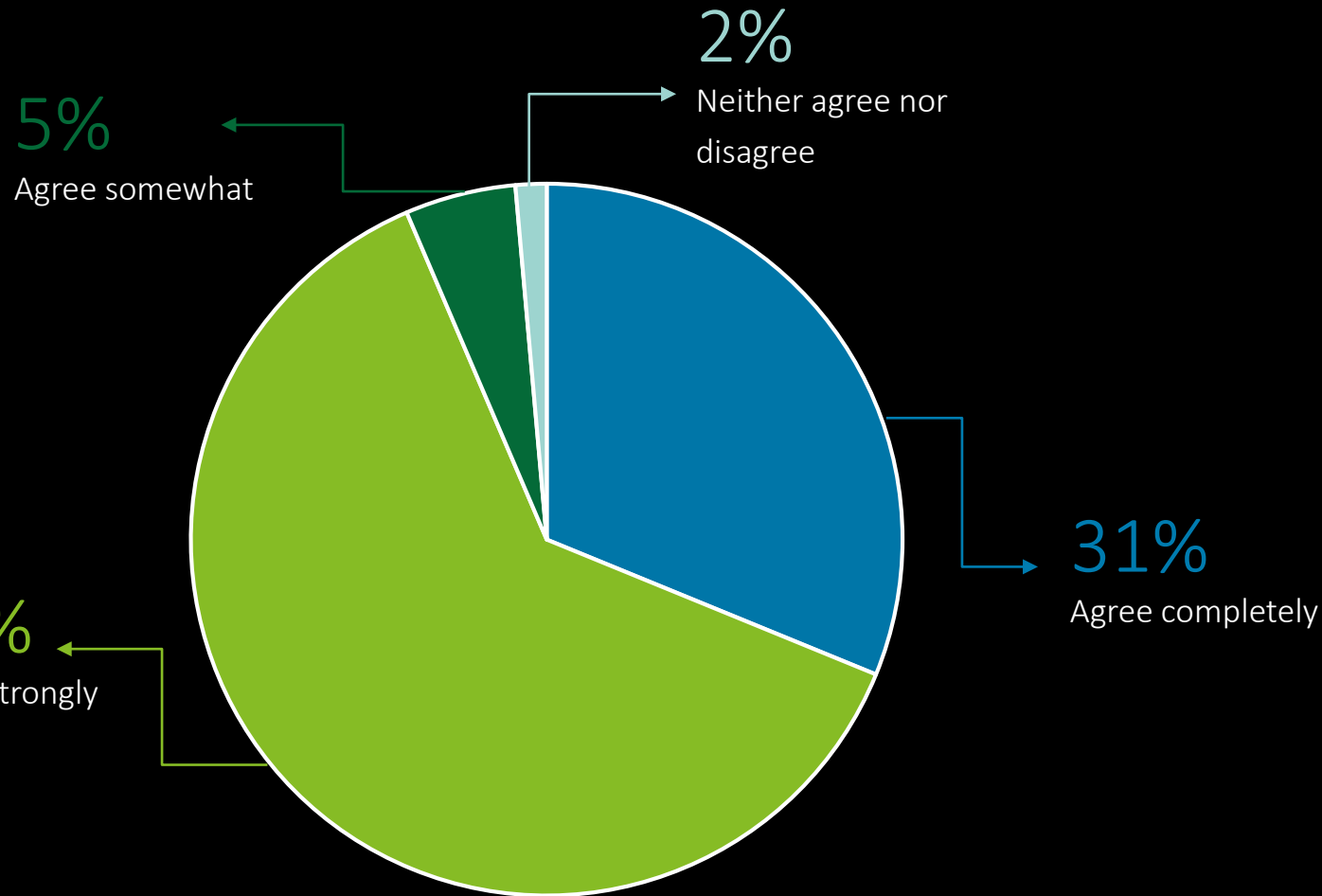
All respondents came from organizations with revenues ranging from **US\$500 million to US\$10 billion or more.**


The respondents came from the:




Audit is essential

Respondents were asked how strongly they agree or disagree with the statement: An audit of your company's financial statements allows you and other users of the financial statements to trust and rely upon the financial statements.



 Nearly all respondents agree that audits allow users to trust and rely upon financial statements, with close to a third completely agreeing

 Respondents from smaller companies (by size) were the most neutral, with 5% saying they neither agree nor disagree with the statement.

Audit process improvements

Confidence in the audit process is improving. Compared to 5 years ago, 94% of respondents are more confident in their financial statement audit process, with nearly a third (32%) much more confident.

Compared to 5 years ago, how has your confidence in the financial statement audit process changed, if at all?



What has driven your increase in confidence? (Select all that apply)



Insights received from audit

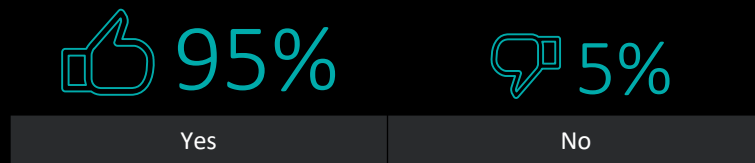
The vast majority of respondents surveyed want to see the audit expanded to include additional direction and insights. When asked which areas they would like to include, they were equally split among numerous options.



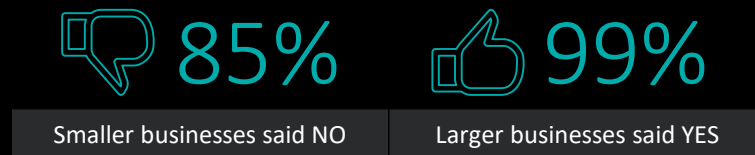
Financial statement audits

The vast majority of respondents surveyed want to see the audit expanded to include additional direction and insights.

Do you believe a financial statement audit should provide additional value beyond providing an independent auditor's report on the historical financial statements?

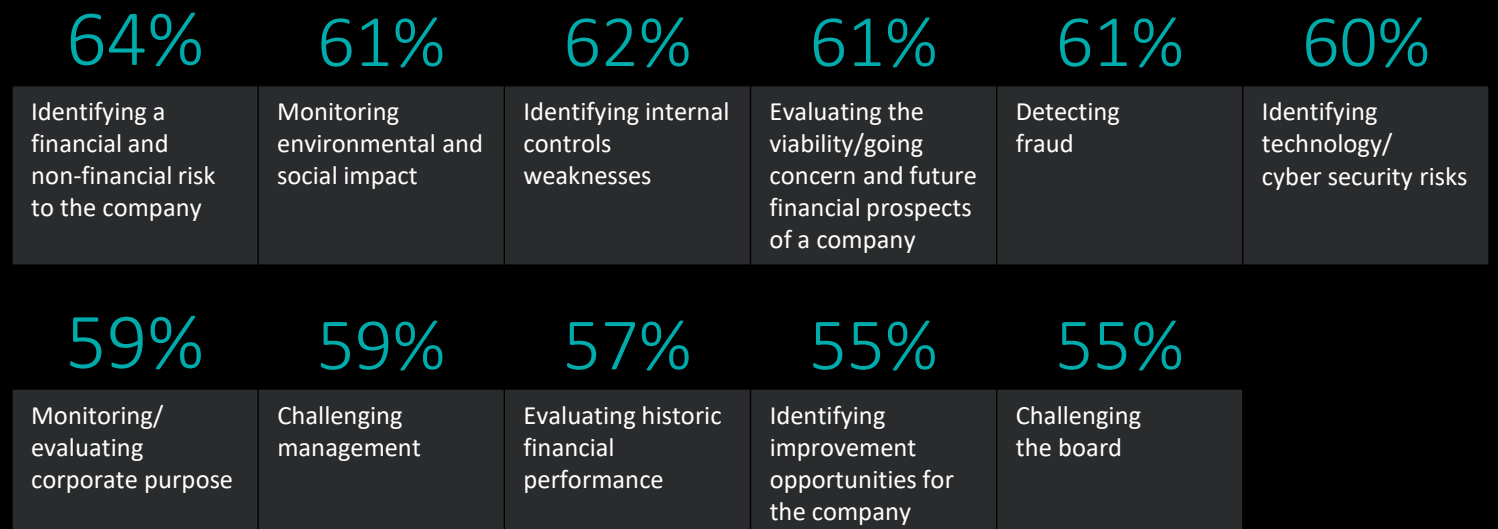


Responses differed based on size of business (by # of employees)



But what should it include? Respondents were not decided about what insights the financial statement audit should include in the future – but over half were willing to consider all of the options provided.

In the future, which areas would you like the financial statement audit to provide greater insights into?



Detecting fraud/expectations gap

As we have discussed previously, the auditor's responsibilities in relation to detecting fraud is an area of continued focus in adapting the scope of the audit and requires the constructive, integrated evolution of standards. As shown in the survey results, there remains a lot of misunderstanding around what audit is designed to do.

Do you believe a financial statement audit is designed to provide assurance that *any fraud* will be detected by the auditors?



When asked how useful a financial statement audit is at providing insight *to detect fraud*, 56% of respondents said it was useful (rated between a 6 and 10 on a 10-point scale with 10 being most useful).



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