



Australian Government
Financial Reporting Council



Australian Government
Auditing and Assurance Standards Board

AUDIT QUALITY IN AUSTRALIA:

THE PERSPECTIVE OF AUDIT COMMITTEE CHAIRS

2nd SURVEY

FEBRUARY 2021

The Financial Reporting Council

The Financial Reporting Council (FRC) is responsible for overseeing the effectiveness of the financial reporting system in Australia. Its key functions include the oversight of the accounting and auditing standards setting processes for the public and private sectors, providing strategic advice in relation to the quality of audits conducted by Australian auditors, and advising the Minister on these and related matters to the extent that they affect the financial reporting system in Australia.

The FRC monitors the development of international accounting and auditing standards, works to further the development of a single set of accounting and auditing standards for world-wide use and promotes the adoption of these standards. It is a statutory body under Part 12 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act).

The Auditing and Assurance Standards Board

The Auditing and Assurance Standards Board (AUASB) is an independent, non-corporate Commonwealth entity of the Australian Government, responsible for developing, issuing and maintaining auditing and assurance standards.

Sound public interest-oriented auditing and assurance standards are necessary to reinforce the credibility of the auditing and assurance processes for those who use financial and other information. The AUASB standards are legally enforceable for audits or reviews of financial reports required under the *Corporations Act 2001*.

The AUASB's role extends to liaison with other standards setters and participation in standard-setting initiatives.

Enquiries

Auditing and Assurance Standards Board
PO Box 204, Collins Street West, Victoria 8007, AUSTRALIA
Tel +61 3 8080 7400 | enquiries@auasb.gov.au | www.auasb.gov.au

Copyright

© Commonwealth of Australia 2020

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, the Financial Reporting Council logo and the Auditing and Assurance Standards Board logo. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Financial Reporting Council or Auditing and Assurance Standards Board material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Financial Reporting Council or Auditing and Assurance Standards Board endorses you or your use of the work).

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the It's an Honour website (see www.itsanhonour.gov.au).

Copyright or media contact

Requests and enquiries concerning reproduction and rights should be addressed to the National Director, Auditing and Assurance Standards Board, PO Box 204, Collins Street West, Victoria 8007.

AUDIT QUALITY IN AUSTRALIA: THE PERSPECTIVE OF AUDIT COMMITTEE CHAIRS

CONTENTS

Introduction4

Executive summary5

Overall results6

Detailed results8

Appendix 1: Raw data of results 17

Introduction

The Financial Reporting Council (FRC) is the peak body responsible for overseeing the effectiveness of the financial reporting system in Australia to which audit quality is integral. Accordingly, the FRC has a legislative mandate to monitor the quality of audits carried out by Australian auditors.

Audit quality can be challenging to define, measure and quantify.

The FRC is engaging with users of financial reports to better understand their views on audit quality, and to help identify if any actions are required.

Audit Committee Chairs (ACCs) play an integral role in the oversight of financial reporting and the performance and quality of their external auditor. In recognition of this, the FRC – in conjunction with the AUASB – conducted a second survey of ACCs (following [the first in 2018](#)) which is designed to gather their perspectives on audit quality. The survey was undertaken in November 2020, thus permitting insights into ACCs perceptions of audit quality in a year significantly impacted by the COVID-19 pandemic.

This report details the results of this survey. It aims to assist audit committees and auditors as they work together with the goal of improving audit quality, and ultimately the integrity of financial reporting.

We thank the ACCs who completed this survey and for generously sharing their views and experiences.

Survey participants

Seventy ACCs completed this survey (ninety-one completed the survey in 2018), comprising listed entities, including those in the ASX300, not-for-profits (NFPs), public sector entities and superannuation funds. ACCs provided comments to share further insights into the factors they considered when assessing their auditor.

This enabled us to capture insights into why they rated audit quality as it is, best practice examples, as well as areas for improvement.

Methodology

This is the second survey of this type that we have conducted in Australia, with the first undertaken in 2018. In order to achieve a direct comparison to perceptions of audit quality in prior years, we elected to replicate specific questions from the 2018 survey. In light of the current focus on audit quality, it is our intention to continue to conduct these surveys periodically as a means of continuing to track the views of ACCs.

Audit Committee Chairs play an integral role in the oversight of financial reporting and the performance and quality of their external auditors.

70 ACCs completed this survey and provided comments to share further insights into the factors they considered when assessing their auditor.

Executive summary

To assess the overall views of ACCs, we asked the following question, which was also asked in the 2018 survey:

Taking all aspects of their service into consideration, which of the following best describes your overall view of your external auditor?

Overall, ACCs have remained very satisfied with the quality of their external auditor with 94% rating them ‘Above Average’ or ‘Excellent’ (Figure 1), which is up from 92% in 2018 (Figure 2). The feedback received on the other questions we asked ACCs was consistent with this overall view.

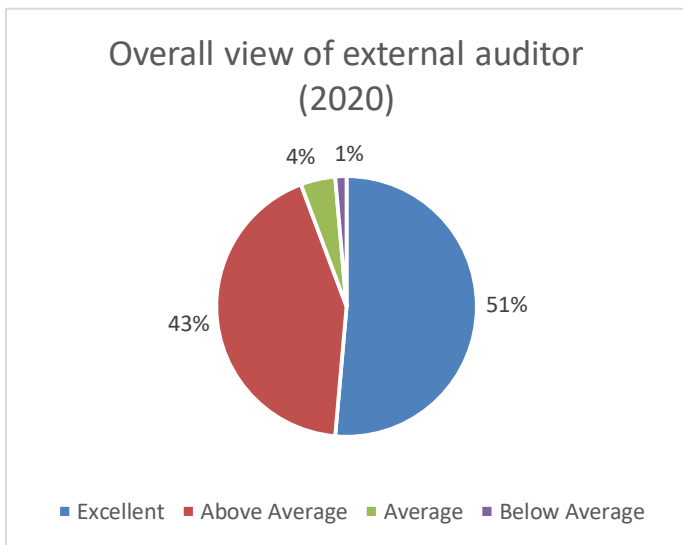


Figure 1 – Overall view of the external auditor (2020)

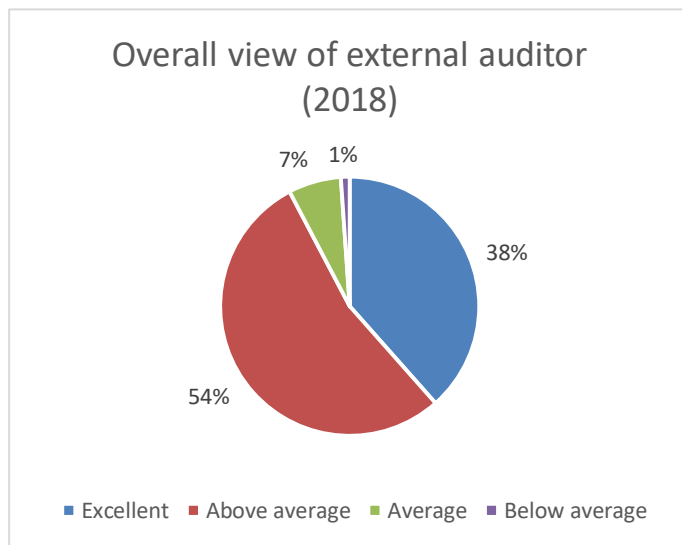


Figure 2 – Overall view of the external auditor (2018)

Important features of a quality audit as specified by ACCs:

- Quality of team (including specialists) – experienced, relevant industry experience, and strong technical skills
- Good, frequent, and open communication – both written and verbal
- Evidence of professional scepticism and independent mind-set
- An understanding of the business, industry and risks
- Skills, experience and mind-set of partner
- Constructive challenge of management
- A clear understanding of the accounting standards

Additionally, ACCs gave the following feedback focused on **activities auditors could consider doing more of:**

- Innovation and use of technology such as data analytics
- Explore future and emerging risks
- More communication with the audit committee
- Benchmarking and best practice insights
- Insights into risk culture and capability of our people
- Timely feedback on audit issues as they arise
- Proactive suggestions to improve systems and processes

Overall results compared with that of 2018 ACC Survey

Figure 3 compares the 2020 results with those of the 2018 ACC Survey on six questions regarding specific aspects of audit quality. An additional three new questions were included for the 2020 Survey. ACCs were asked to rate their auditor on a 1-7 scale (where 1 would suggest a low level of satisfaction, 4 is as expected, and 7 a high level of satisfaction).

The results demonstrate that ACCs remain very satisfied with their auditors, and satisfaction has increased or been reasonably constant in all but one area since 2018.

A sample of comments we received are included to provide insights into why ACCs rated their auditor that way.

The results demonstrate that ACCs remain very satisfied with their auditors, and satisfaction has increased or been reasonably constant in all but one area since 2018.

Comparison of mean scores per question, 2018 vs 2020					
1. How satisfied were you with your external auditor's audit focus, approach and risk assessment?	<table border="1"> <tr> <td>2018</td> <td>5.90/7</td> </tr> <tr> <td>2020</td> <td>5.91/7</td> </tr> </table>	2018	5.90/7	2020	5.91/7
2018	5.90/7				
2020	5.91/7				
2. How satisfied were you that your external auditor has adopted an appropriate approach to quality management for your engagement?	<table border="1"> <tr> <td>2018</td> <td>5.86/7</td> </tr> <tr> <td>2020</td> <td>5.73/7</td> </tr> </table>	2018	5.86/7	2020	5.73/7
2018	5.86/7				
2020	5.73/7				
3. How satisfied were you with the way in which your external auditor demonstrated that they had adopted an appropriate mind-set and culture, and acted with appropriate professional scepticism?	<table border="1"> <tr> <td>2018</td> <td>5.92/7</td> </tr> <tr> <td>2020</td> <td>5.96/7</td> </tr> </table>	2018	5.92/7	2020	5.96/7
2018	5.92/7				
2020	5.96/7				
4. To what degree did the external auditor exhibit independence and objectivity? (1 would suggest a low degree, 4 is as expected and 7 is a high degree)	<table border="1"> <tr> <td>2018</td> <td>6.04/7</td> </tr> <tr> <td>2020</td> <td>6.13/7</td> </tr> </table>	2018	6.04/7	2020	6.13/7
2018	6.04/7				
2020	6.13/7				
5. Do you think the auditor providing non-audit services to you has an impact on their audit quality? (1 would suggest a negative impact, 4 is no impact and 7 is a positive impact) (Not asked in 2018 survey)	<table border="1"> <tr> <td>2020</td> <td>4.54/7</td> </tr> </table>	2020	4.54/7		
2020	4.54/7				

Figure 3 – Comparing Australian ACCs' views in 2020 with those from 2018

Overall results compared with that of 2018 ACC Survey

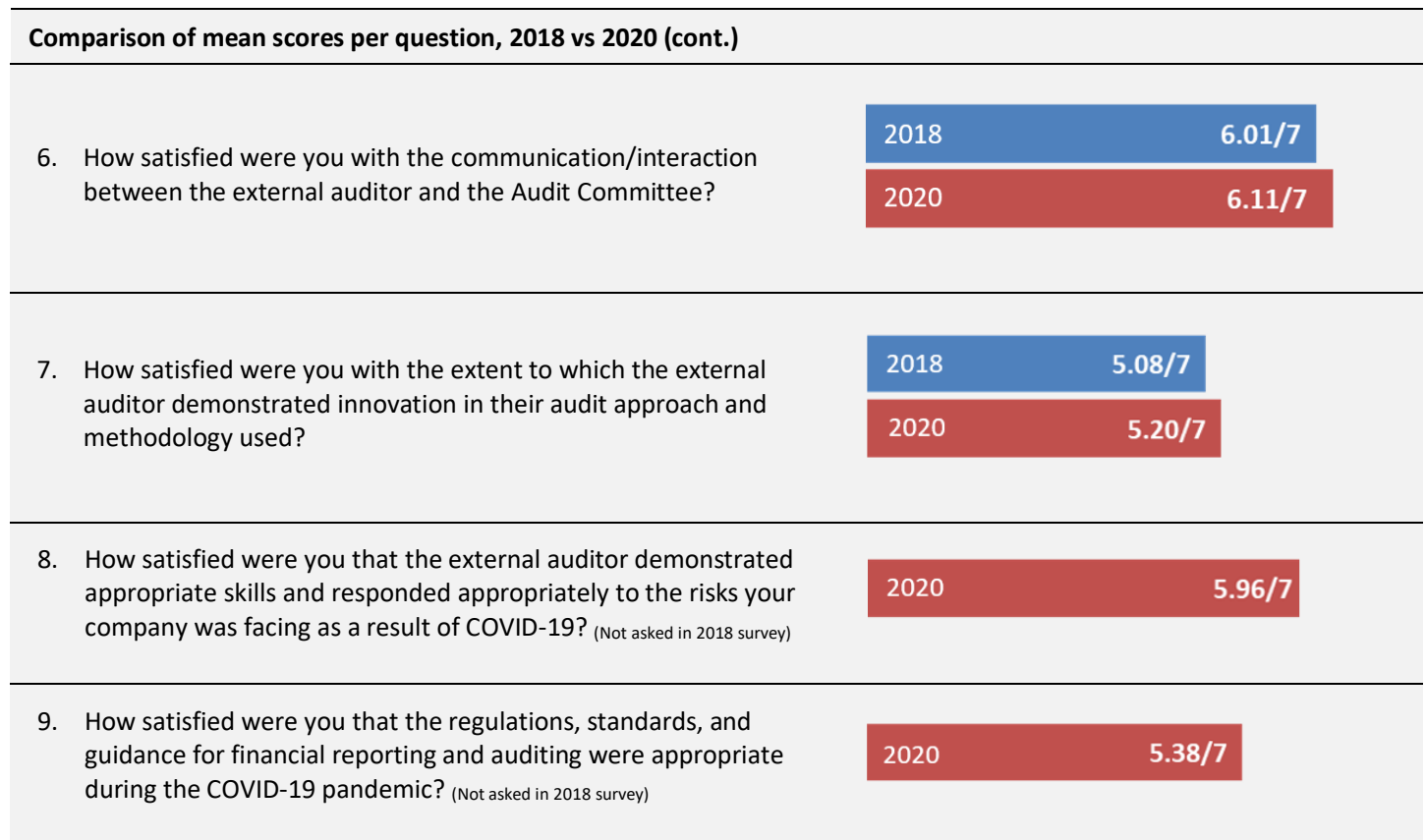


Figure 3 – Comparing Australian ACCs' views in 2020 with those from 2018 (cont.)

Q1: How satisfied were you with your external auditor's focus, approach and risk assessment?

OUR ASSESSMENT

ACCs remain satisfied with their auditor's focus, approach and risk assessment. Risk assessment is fundamental to performing an audit focused on the right things and the foundation of a high-quality audit.

Good risk assessment is based on a deep understanding of the business and its environment, its control environment and financial reporting framework. This requires auditors, management and audit committees to work together and challenge each other to ensure risk assessment is robust.

ACCs are particularly satisfied with their auditor's understanding of the business and industry, their frequent and open communication throughout the audit and their flexibility with regard to changing circumstances.

SURVEY RESULTS

2020 vs 2018:

2018	5.90/7
2020	5.91/7

Risk assessment is fundamental to performing an audit focused on the right things and the foundation of a high-quality audit.

What we heard: Audit Committee Chair commentary

➤ Understanding of the business

"The auditor shows very good knowledge of the business and the major audit issues reflecting a number of years of exposure to the issues. Exposure has not impacted the approach or independence of view."

"Our auditor has got to know our business very well and therefore can take into account the related unique challenges that we are faced with."

"The current external audit team have evolved and refined the audit process over the term of their appointment, including changing focus year-to-year in response to liaison and relevant events and developments."

➤ Frequent and open communication

"Very thorough and professional. Clearly identified the high-risk areas and communicated findings on a timely basis."

"The auditor was very proactive in their approach and transparent on which issues needed to be addressed in the audit plan."

"Good understanding of contemporary issues and good communication skills."

➤ Flexible and adaptive to changing conditions

"The audit team is thorough, professional and responsive to change from planning through to execution."

"Auditor was adaptable as the risk focus changed from half year review to full year audit."

"The impact of COVID required a significant change in the approach to interactions with company board, management and staff. The auditor was able to adapt their approach to maintain appropriate focus and risk management."

➤ Observations for improvement

"The auditor is focussed on their own obligations and risks rather than those of clients".

Q2: How satisfied were you that your external auditor has adopted an appropriate approach to quality management for your engagement?

OUR ASSESSMENT

ACCs are slightly less satisfied in 2020 (compared to 2018) with their auditor’s approach to quality management.

There are extensive legislative requirements and Auditing Standards in relation to an audit firm’s quality management systems, as well as procedures required at the individual audit engagement level.

Specific procedures at the individual audit engagement level include supervision and review of the team by the Engagement Partner, and for listed entities the involvement of an Engagement Quality Review Partner.

SURVEY RESULTS

2020 vs 2018:

2018	5.86/7
2020	5.73/7

There are extensive legislative requirements and Auditing Standards in relation to an audit firm’s quality management systems, as well as procedures required at the individual audit engagement level.

What we heard: Audit Committee Chair commentary

➤ Quality management processes

“Responded very well to feedback over a number of years to a point of high satisfaction.”

“Excellent and timely communication gave me high confidence in audit quality.”

“Forced remote auditing was a good pressure test of the audit systems and processes in place and provided proof that these were well embedded through the teams.”

“The auditor has very clearly addressed risk areas especially given COVID-19.”

“We have an engagement partner and an audit partner providing excellent high-level input.”

“Supporting documentation and liaison is of the highest standard.”

“Good use of technical and subject matter expertise.”

➤ Observations for improvement

“Focus seems to be on sharing technology solutions rather than the results of either ASIC or internal QC reviews.”

“The auditor let themselves down when it came to reviewing the statutory financial report and associated disclosures. They left this too late and probably didn’t allocate enough time to this area.”

Q3: How satisfied were you with the way in which your external auditor demonstrated that they had adopted an appropriate mind-set and culture, and acted with appropriate professional scepticism?

OUR ASSESSMENT

ACCs continue to be satisfied with the professional scepticism demonstrated by their auditor.

Professional scepticism is an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.

Auditors should ensure they demonstrate their professional scepticism, as this gives audit committees confidence in the robustness of the audit. Ways auditors can demonstrate this include communicating to audit committees how they have challenged risk assessment, key assumptions in estimates, accounting policies used, and considered alternatives.

SURVEY RESULTS

2020 vs 2018:

2018	5.92/7
2020	5.96/7

Professional scepticism is an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.

What we heard: Audit Committee Chair commentary

➤ Demonstrate professional scepticism

“As this was our auditor’s first year, all aspects of the business were challenged. As an independent director, that is exactly what I wanted. Thorough, professional and highly competent challenge of our judgemental decisions.”

“The auditors have been very proactive and adopt a questioning and professional critique of all matters – above and below the materiality threshold... this is evident in the closed sessions with the audit committee and chair.”

“Issues were identified, discussed and challenged in a very professional manner.”

“There was appropriate and constructive challenge of management’s position particularly in the areas where judgement was required.”

“Regularly challenged the status quo.”

➤ Observations for improvement

“There was no communication in relation to any regulatory action the audit firm may be subject to, nor was this a question that the Audit Committee asked of the auditor”.

“Where auditors may wish to take an alternate view with judgement issues, this is increasingly being characterised by erring on the side of caution and conservatism.”

Q4: To what degree did the external auditor exhibit independence and objectivity?

OUR ASSESSMENT

Similarly to 2018, this was the highest rated question by the ACCs, and was rated even higher in 2020. Independence and objectivity was identified as one of the most important features of a quality audit by ACCs.

Objectivity and independence of the auditor underpins the integrity of the independent auditor's report, and the confidence it provides to the market.

The Auditing Standards, ethical requirements and the *Corporations Act 2001* have strict rules to protect auditor's independence, including the prohibition of some types of other services to audit clients. Audit committees have a responsibility to oversee their auditor's independence.

SURVEY RESULTS

2020 vs 2018:

2018	6.04/7
2020	6.13/7

Independence and objectivity was identified as one of the most important features of a quality audit by ACCs.

What we heard: Audit Committee Chair commentary

➤ Independence and objectivity in mind set

"No issues with auditor independence or objectivity."

"In having private sessions with the auditor ahead of Audit Committee meetings, there were no matters raised that the auditor was not prepared to raise with the full committee."

"The audit team is suitably independent."

➤ Non-audit services

"The breadth of services offered by audit firms helps to improve the commerciality of members of the audit team, especially where members of the audit team gain exposure to these different areas."

"Over the term of a multi-year audit engagement there develops a mutually-beneficial relationship between the respective presentation/administration and audit staff. This renders the process efficient, whilst permitting issues and anomalies to be discussed frankly and constructively within the exploration process."

➤ Observations for improvement

"Auditors still chase other work. It would be preferable if their role was limited to audit and audit related matters"

"There may be a disconnect in terms of how some of the proxy firms assess independence or objectivity (e.g. joint venture audits and audit of NGER reporting in non-audit services) and we have highlighted to our auditor areas where better disclosure and/or education may be needed."

Q5: Do you think the auditor providing non-audit services to you has an impact on their audit quality?

OUR ASSESSMENT

Overall, ACCs generally believe that auditors’ provision of permissible non-audit services does not significantly impact on, or slightly improves, their audit quality.

56% of ACCs surveyed have auditors who provide non-audit services (Figure 4), the majority of which were related to taxation (Figure 5).

Non-audit services are all those services provided by an external auditor to a client which are separate to the audit engagement.

Auditors are required to maintain independence and objectivity, as outlined by the professional ethical standards specific to those services, when undertaking non-audit services for clients. Audit committees are responsible for determining and approving the non-audit services which are provided.

SURVEY RESULTS

2020 Results (not asked in 2018):

2020 4.54/7

Auditors are required to maintain independence and objectivity, as outlined by the professional ethical standards specific to those services, when undertaking non-audit services for clients.

What we heard: Nature of non-audit services provided

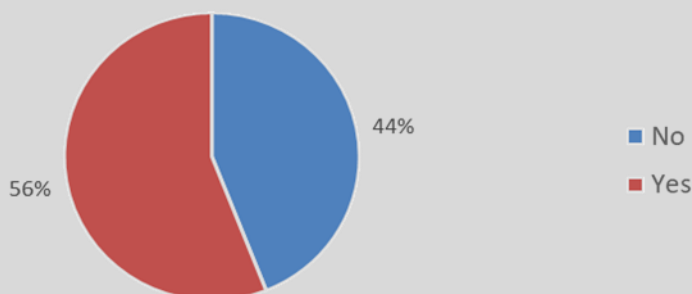


Figure 4 – Whether ACCs’ external auditor provides non-audit services

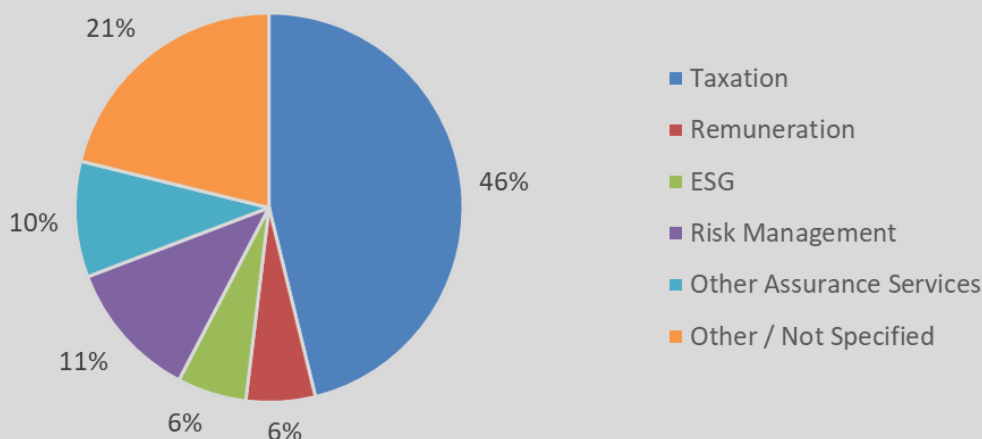


Figure 5 – Types of non-audit services provided by external auditors

Q6: How satisfied were you with the communication / interaction between the external auditor and the Audit Committee?

OUR ASSESSMENT

ACCs have remained very satisfied with the communication / interactions with their auditor.

As previously mentioned, ACCs play an integral role in the oversight of the performance and quality of their external auditor. To do this, communication between the auditor and the audit committee is integral.

ACCs want proactive communication of issues as they emerge. They also want strong written and verbal communication in relation to these issues.

Whilst many ACCs said the communication was of high quality, some said they would like more timely reviews of financial statements and greater sharing of insights and knowledge that adds value.

ACCs continue to especially value the private, one-on-one meetings with their auditor.

SURVEY RESULTS

2020 vs 2018:

2018	6.01/7
2020	6.11/7

ACCs want proactive communication of issues as they emerge.

What we heard: Audit Committee Chair commentary

➤ Clear, high quality communication

“A very open and regular dialogue (both verbal and written) is maintained between the Auditor and the Audit Committee.”

“The auditor was very open and transparent and in the sessions between the Committee and the auditor, the auditor responded very openly and was very forthright in its comments.”

“Solid communication with proactive reaching out to Chair.”

“The auditor’s reports to the Audit Committee are high quality and comprehensive.”

➤ Private sessions with the auditor and ACC

“Auditor also participated in a preliminary discussion with me prior to the audit committee to enable additional and/or more detailed questions/discussion to enable my personal satisfaction ahead of the Audit Committee meeting ... without devaluing the role of the Audit Committee itself.”

“As Chair of the Audit Committee, I also had a number of conversations with the audit partner on various matters in the lead up to the AC meeting.”

➤ Observations for improvement

“The only detractor last year was timeliness in review of financial statements and errors being discovered at the Audit Committee because the Audit partner had not reviewed the financial statements prior to the meeting.”

“Our auditor is good at covering off the basics, but there is no real insight or knowledge that adds value shared.”

Q7: How satisfied were you with the extent to which the external auditor demonstrated innovation in their audit approach and methodology used?

OUR ASSESSMENT

This question received one of the lowest ratings from ACCs, however it has improved from 2018.

This indicates that, although they are more satisfied, innovation in the audit is an area where ACCs believe further improvement can be made.

Some ACCs said the use of innovation, specifically technology, is good, with the impact of COVID-19 resulting in greater innovation in the approaches and methods used to conduct the audit.

SURVEY RESULTS

2020 vs 2018:



... innovation in the audit is an area where ACCs believe further improvement can be made.

What we heard: Audit Committee Chair commentary

➤ Use of technology is good

“Innovation is particularly apparent in the increased use of data and data analytics in the audit.”

“Technological efficiency is enabling better focused and deeper examination of audit tasks.”

“Use of data analysis was helpful.”

➤ Innovation as a result of COVID-19

“The way they have dealt with the needs of this COVID-19 impacted year have shown both innovation and resilience on a number of levels including approach and methodology.”

“Covid-19 greatly affected the process and conduct of the audit, and the audit firm and our staff adapted enormously.”

“The 2020 Audit was a challenge because of the COVID environment requiring adapting to new methods of providing and receiving information as well as conducting meetings. This was handled well.”

➤ More innovation and greater visibility is desired

“Some digital innovation is now being deployed but there is more that can be done in this area.”

“Could report on more data analysis work used to support audit conclusions.”

“More innovation to come I hope.”

“We are told of innovations but don’t have much visibility as an audit committee on how these work in practice. Efficiencies don’t seem to flow through to the bill.”

“Innovation should be more visible to the client.”

Q8: How satisfied were you that the external auditor demonstrated appropriate skills and responded appropriately to the risks your company was facing as a result of COVID-19?

OUR ASSESSMENT

ACCs are satisfied with their auditors' demonstration of appropriate skills and responses to the company risks which arose as a result of the COVID-19 pandemic.

The uncertainty and economic volatility associated with the COVID-19 pandemic resulted in significant challenges for auditors of financial reports in 2020. As such, auditors were required to adjust their audit approach and utilise a greater degree of judgement, particularly with regard to forward-looking estimates.

ACCs were particularly satisfied with auditors' positive and proactive approach to the audit in spite of the challenging circumstances. They desire a greater use of technology to address new issues such as the inability to visit physical sites due to government-imposed restrictions.

SURVEY RESULTS

2020 Results (not asked in 2018):

2020

5.96/7

... auditors were required to adjust their audit approach and utilise a greater degree of judgement, particularly with regard to forward-looking estimates.

What we heard: Audit Committee Chair commentary

➤ Positive, proactive approach to the audit

"Approach to COVID issues was appropriately challenging and comprehensive in identifying the potential issues and the approach taken was suitably pragmatic and realistic given the extent of uncertainties present in the business environment at the time of the audit."

"Covid-19 has presented many challenges however service providers have generally risen to the challenge and our audit this year was very solid."

"Upfront discussions regarding audit impacts"

"They were very good here - proactive and thoughtful."

➤ Use of a wider range of technology

"COVID-19 restrictions meant auditor was unable to visit our mine sites but there was some innovative use of drone and video technology..."

"New systems were put in place very quickly to adapt to working remotely."

➤ Observations for improvement

"The auditor took a checklist approach to working through the COVID-19 risks and didn't spend enough time adjusting the checklist to our specific circumstances."

"COVID-19 restrictions meant the auditor was unable to visit our physical sites which was not ideal – though the use of technology did assist."

Q9: How satisfied were you that the regulations, standards, and guidance for financial reporting and auditing were appropriate during the COVID-19 pandemic?

OUR ASSESSMENT

ACCs are largely satisfied with the appropriateness of regulations, standards and guidance for financial reporting and auditing during the COVID-19 pandemic.

The unprecedented and rapidly changing conditions arising as a result of the COVID-19 pandemic presented unique issues for both financial reporting and auditing. As such, new regulations, standards and guidance were released throughout 2020 to assist preparers and auditors in dealing with these challenges.

ACCs generally found the new guidance and requirements to be helpful and appropriate in dealing with the new circumstances presented by COVID-19. However, they desire greater specificity in key areas and found the application of two newly updated accounting standards on top of the challenges brought about by the pandemic to be difficult.

SURVEY RESULTS

2020 Results (not asked in 2018):

2020

5.38/7

The unprecedented and rapidly changing conditions arising as a result of the COVID-19 pandemic presented unique issues for both financial reporting and auditing.

What we heard: Audit Committee Chair commentary

➤ Appropriate and helpful guidance

“I thought that ASIC's guidance and suggestions were helpful.”

“The adjustments and considerations were appreciated and appropriate.”

“The auditing requirements and auditors' response to the COVID-19 pandemic, in my view, stood up really well.”

“Turned out not to be particularly difficult as our business recovered quickly and we did not need to deal with complex impairment issues. Declines in revenue and jobkeeper were straightforward from a reporting perspective.”

➤ Observations for improvement

“Little guidance provided on potential for increase in fraud risk from working from home.”

“Not specific enough. Did not take into consideration regarding the first principles of trading or one off on recurring items.”

“I think the regulators were slow to provide practical guidance at the start. It has improved since, but it has been the audit firms that provided better guidance and insights.”

“It's been difficult and frustrating to incorporate two major accounting standard changes which had significant impacts on Balance sheet and Income statements into the current pandemic - delays on both sides due to capacity increased frustration”

2020 Audit Committee Chair survey on perceptions of audit quality in Australia – overall results

Please indicate which type of entity you are an Audit Committee Chair of.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ASX 100	12	17.1	17.1	17.1
	ASX 101-200	12	17.1	17.1	34.3
	ASX 201-300	7	10.0	10.0	44.3
	Other listed	14	20.0	20.0	64.3
	Other	24	34.3	34.3	98.6
	Not specified	1	1.4	1.4	100.0
	Total	70	100.0	100.0	

How satisfied were you with your external auditor's audit focus, approach and risk assessment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	2	2.9	2.9	2.9
	4 - As expected	9	12.9	12.9	15.7
	5	5	7.1	7.1	22.9
	6	31	44.3	44.3	67.1
	7 - High	23	32.9	32.9	100.0
	Total	70	100.0	100.0	

How satisfied were you that your external auditor has adopted an appropriate approach to quality management for your engagement?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.4	1.4	1.4
	3	1	1.4	1.4	2.9
	4 - As expected	9	12.9	12.9	15.7
	5	9	12.9	12.9	28.6
	6	35	50.0	50.0	78.6
	7 - High	15	21.4	21.4	100.0
	Total	70	100.0	100.0	

How satisfied were you with the way your external auditor demonstrated that they had adopted an appropriate mind-set and culture, and acted with appropriate professional scepticism?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.4	1.4	1.4
	4 - As expected	10	14.3	14.3	15.7
	5	4	5.7	5.7	21.4
	6	30	42.9	42.9	64.3
	7 - High	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

To what extent did the external auditor exhibit independence and objectivity?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	1	1.4	1.4	1.4
	4 - As expected	8	11.4	11.4	12.9
	5	7	10.0	10.0	22.9
	6	19	27.1	27.1	50.0
	7 - High	35	50.0	50.0	100.0
	Total	70	100.0	100.0	

Does your auditor also provide non-audit services to you, and if so, what was the nature of these services?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	55.7	55.7	55.7
	No	31	44.3	44.3	100.0
	Total	70	100.0	100.0	

Do you think the auditor providing non-audit services to you has an impact on their audit quality?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.4	2.6	2.6
	4 - No impact	26	37.1	66.7	69.2
	5	3	4.3	7.7	76.9
	6	7	10.0	17.9	94.9
	7 - Positive impact	2	2.9	5.1	100.0
	Total	39	55.7	100.0	
Missing	System	31	44.3		
Total		70	100.0		

How satisfied were you with the communication/interaction between the external auditor and the Audit Committee?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	1	1.4	1.4	1.4
	4 - As expected	6	8.6	8.6	10.0
	5	10	14.3	14.3	24.3
	6	20	28.6	28.6	52.9
	7 - High	33	47.1	47.1	100.0
	Total	70	100.0	100.0	

How satisfied were you with the extent to which the external auditor demonstrated innovation in their audit approach and methodology used?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2	2.9	2.9	2.9
	4 - As expected	17	24.3	24.6	27.5
	5	20	28.6	29.0	56.5
	6	23	32.9	33.3	89.9
	7 - High	7	10.0	10.1	100.0
	Total	69	98.6	100.0	
Missing	System	1	1.4		
Total		70	100.0		

How satisfied were you that the external auditor demonstrated appropriate skills and responded appropriately to the risks your company was facing as a result of COVID-19

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	1	1.4	1.4	1.4
	4 - As expected	7	10.0	10.1	11.6
	5	10	14.3	14.5	26.1
	6	28	40.0	40.6	66.7
	7 - High	23	32.9	33.3	100.0
	Total	69	98.6	100.0	
Missing	System	1	1.4		
Total		70	100.0		

How satisfied were you that the regulations, standards and guidance for financial reporting and auditing were appropriate during the COVID-19 pandemic?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.4	1.5	1.5
	3	1	1.4	1.5	2.9
	4 - As expected	18	25.7	26.5	29.4
	5	11	15.7	16.2	45.6
	6	25	35.7	36.8	82.4
	7 - High	12	17.1	17.6	100.0
	Total	68	97.1	100.0	
Missing	System	2	2.9		
Total		70	100.0		

Taking all aspects of their service into consideration, which of the following best describes your overall view of your external auditor?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	36	51.4	51.4	51.4
	Above average	30	42.9	42.9	94.3
	Average	3	4.3	4.3	98.6
	Below average	1	1.4	1.4	100.0
	Total	70	100.0	100.0	