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Financial statement audits, essential to helping the capital markets function effectively and with confidence, are helping today's business leaders improve the performance and operational processes of their companies, according to a new Deloitte survey.

Almost three-quarters of C-suite executives and 91 percent of audit committee members who responded agree: Audits of financial statements identify opportunities

to improve business performance.

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audit practice. “We continue to take great pride in the auditor’s foundational role of enhancing trust and confidence in the capital markets. This survey indicates that board members and executives also recognize the power of the audit to provide insights, identify inefficiencies or risks, and help inform companies’ best practices.”

Eighty percent of C-suite executives and 93 percent of audit committee members agree that a financial statement audit delivers a valuable outside perspective. Further, approximately one-half of the business leaders whose audits delivered information about market or industry insights, inefficiencies or risks report that they would have likely missed this information if not for the audit.

### **A missed opportunity for business?**

Despite overall awareness of the value that today’s audits deliver, many companies still miss out on the opportunity an audit provides to improve their business. According to the survey, 1-in-3 companies rarely or never leverage the information received from their financial statement audits.

Conversely, surveyed business leaders of companies that capitalize on information received from the audit all or most of the time indicate stronger growth than those that do so rarely or never. While there are many factors that contribute to growth, the survey results show that over the last 3-5 years, these companies are 22 percent more likely to achieve growth that business leaders consider “good” (“good” defined as 7 or 8 on a 10-point scale). And, they are 47 percent more likely to achieve growth that business leaders consider “great” over the last 3-5 years (“great” defined as 9 or 10 on a 10-point scale).

The potential benefits from leveraging audit insights resonate with survey respondents as well. C-suite executives and audit committee members noted they would place a higher premium on audits that provide more insights. Nearly all

business leaders polled said they would spend more for an audit that provides

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Auditors and their clients both have room for improvement when it comes to unlocking the full potential of the audit. Nearly one-half (45 percent) of C-suite executives and 48 percent of audit committee members whose companies don't always leverage information from their audits do not have processes in place to leverage insights gleaned from an audit.

In addition, 79 percent of C-suite executives and 94 percent of audit committee members assert that making financial statement audit findings more transparent within their organizations would improve their company's performance.

"Although the survey strongly indicates that many business leaders recognize the expansive value of today's financial statement audits, many still do not realize its full potential impact," said Ucuzoglu. "We have a real opportunity to build on what is already a solid foundation in the work that we do to provide companies and audit committees with innovative and valuable insights to consider."

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