



AQF PROSPECTUS

Launching the second decade of the Forum

HELPING BUSINESS GET IT RIGHT

Business today faces huge, and often conflicting, demands. Society expects business to 'get it right' – to manage these demands and deliver on expectations and it looks to auditors to support confidence in business.

The AQF is exploring the challenges for business of getting it right and how auditors might support this.

Where we are and what have we learnt?

In March 2015, at an event at the Mansion House the AQF marked its 10th anniversary asked the question 'can business ever get it right?'

Investors have always been vital stakeholders in the AQF and we also heard from business leaders, academics, auditors, politicians, charities, journalists, standard setters and regulators. We heard that business gets it right when it pays tax, makes money, looks after people, is transparent, innovates, creates new jobs and cares for the planet – and that, not one, but all of these are important for business to get it right. These issues also underpin the ability of business to create value for shareholders.

A number of people (over a quarter of the audience) questioned whether business can ever get it right because of the conflicting demands of modern society. These demands and the challenges they pose were highlighted in the debate discussions, the keynote speeches, the social media comments and the feedback cards from the event. They included issues with supply chains, short term and long term tensions, innovation, risk, diversity and establishing good behaviours in business. They cut across all the elements noted above and highlight real practical challenges for business.

The AQF has listened and is responding to this.

Where do we want to go?

Having posed the question 'can business ever get it right?' the AQF now has the opportunity to explore these demands, to debate practical solutions and to identify how auditors can help.

We want to focus on real issues that affect business stewardship and impact on society.

We want to debate how business can pay its tax, make money, look after people, be transparent, innovate, create new jobs and care for the planet in a highly complex environment and manage the conflicting demands that these bring. We want to help businesses find solutions to help manage these conflicts and to ensure that auditors are doing all they can to support this. We want to consider what 'right' looks like to society.

Our objective is clear: we want to challenge our stakeholder audience to identify practical actions and solutions to help business get it right.

How are we going to get there?

This ambitious agenda calls for an innovative approach. We need new ideas, new faces and new challenges. We want to involve wider contact groups that can feed into our agenda and future forum debates. We want to engage business and the champions of society.

If auditors are to help support business in getting it right, we shouldn't lose sight of the real practical challenges they face. The AQF will debate these challenges within the framework of this agenda as long as they are relevant to our business audience.

The AQF agenda should also complement the work of a wide range of organisations who are seeking to build trust in business. In particular we will work with the FRC to promote and support its initiative on company culture when we launch the second decade of the AQF at our event in November 2015.

What do we want to achieve?

We want society to believe that business is listening and is doing all it can to get it right and we want to position auditors as the public conscience of business – by helping business meet society's demands and supporting confidence in business.

In separate boxes

What is the AQF?

Formed by ICAEW in 2004, the AQF has established a worldwide reputation for challenging current thinking and practice and informing legislative developments in auditing and reporting. It was established at the request of UK government at a time when there were real concerns about audit. It has no formal status in law or regulation but will continue for as long as there is support for it and issues to debate.

It brings together a range of stakeholders to tackle issues that are relevant to audit quality and confidence in business.

The AQF story

Having looked first at ways to improve **shareholder involvement in audit**, it moved on to look at the **fundamentals of high quality audit** and whether, and how, international standards could help. It became clear with these two programmes of work that it wasn't possible to look at audit in isolation as there were wider factors to consider. Its **evolution** programme therefore considered the impact of audit committees, stakeholder expectations and changes in financial reporting and audit practice.

By now the AQF was an important international voice on audit issues and so the AQF's agenda broadened to look at **global challenges**. This culminated in a landmark paper on how to achieve international consistency in audit quality.

More recently, the AQF has explored an agenda relating to **the reliability of audited financial statements** and how auditors can respond to society's expectations for reliable information, and finally has taken this agenda further to look more broadly at confidence in business. In light of the recent global financial crisis and its wider impact on trust, it seemed right that the audit profession should consider what it can do to help support confidence in business – and this provided the platform for 'Can business ever get it right?'.