A Sound Approach to Professional Skepticism

Cindy Fornelli
Executive Director
Center for Audit Quality

70th Meeting of the IAASB
Professional Skepticism Panel
June 17, 2015
New York, NY
Introduction to the CAQ

• CAQ founded in 2007
• Providing...
  ▪ Thought leadership
  ▪ Research
  ▪ Resources
  ▪ Partnerships
A Sound Approach: Skepticism for Everyone

- Management
- Boards/Audit committees
- External audit
- Internal audit
A Sound Approach to Professional Skepticism

Skepticism Continuum

- Finding the appropriate level of skepticism
- Different approaches have impact on efficiency

Neutral*—neither assuming management dishonesty nor unquestioned honesty.

Professional Skepticism does not include the area of the continuum depicted by complete trust; in the area depicted as complete doubt, the auditor will move to a forensic mindset.

Skepticism Supports an Ethical Culture

• Avoiding ethical pitfalls
  ▪ Example: “Everyone does it”

• Knowing and analyzing behavior
  ▪ Do the “words match the music”? 
Etiquette Is Essential to Effective Skepticism

• Setting
• Word choice and vocal tone
• Listening skills
• Facial expression
• Body language
Thank You

Connect With the CAQ

www.thecaq.org
www.twitter.com/thecaq
www.linkedin.com/company/center-for-audit-quality
www.facebook.com/thecaq
www.youtube.com/theCAQorg