

# Planning Before Planning: Pre-Audit Discussions as a Strategic Quality Control Measure for Enhancing Public Sector Audit Quality

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## ABSTRACT

Despite longstanding global concerns over audit quality failures in both private and public sectors, limited attention has been given to strengthening pre-planning quality control measures within Supreme Audit Institutions (SAIs). This study examines pre-audit discussions as an underexplored but potentially critical quality management measure and develops a structured framework for their institutionalisation in public sector auditing.

The study addresses two questions: (i) whether SAI quality management systems provide for pre-audit discussions, and (ii) what quality control issues are addressed when such discussions are conducted in practice.

A qualitative multiple case study design was adopted, covering four public universities, the Office of the Auditor General Uganda (OAG), and five private audit firms involved in outsourced government audits. Data was collected through semi-structured interviews with 36 experienced audit professionals and analysed using ATLAS.ti software through thematic analysis supported by “a priori” coding.

Findings show that pre-audit discussions are widely recognised but remain largely informal, inconsistently applied, and weakly governed in public sector audits by SAIs. Where implemented, they enhance early risk identification, team coordination, methodological clarity, stakeholder awareness, and professional judgement. However, their effectiveness is constrained by the absence of formal governance structures, standardised procedures, and accountability mechanisms.

The study proposes a structured framework for institutionalising pre-audit discussions as a core Quality Control (QC) measure. The findings offer practical implications for SAIs, regulators, and standard setters globally in strengthening audit quality management systems.

**Key words:** Audit quality, quality control, quality management, public sector auditing, outsourced audits, pre-audit/engagement discussions, engagement performance, engagement planning.

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*“Have you ever felt anxious about something that was about to happen? Imagine that thing was called an audit, your anxiety would be sky high; therefore, an opening meeting aims to remove this anxiety and sets the tone for a smooth and friendly audit that is focussed on improving processes” (Cochran C, 2016).*

## Introduction

Significant debate persists regarding what constitutes audit quality, particularly in the aftermath of large-scale corporate scandals such as Enron (Neri & Russo, 2014; Deis Jr & Giroux, 1992) and Wells Fargo (Corkery, 2017) in the private sector. Notably, many of these entities were audited by leading global firms, including the Big Four, and employed highly skilled and professionally competent staff. This raises critical concerns about whether technical competence and institutional reputation alone are sufficient to guarantee high audit quality.

Certainly, these scandals are not only confined to the private sector but are increasingly evident within the public sector. In Uganda, for instance, notable cases include the Office of the Prime Minister (OPM) and Irish Aid 2012 scams (Kasigwa et al., 2013); the pension scandal of 2015 involving high level Ministry of Public Service Officials (Atwongyeire G., 2019) and the recent 2024 Bank of Uganda funds diversion (Oketch M.L., 2024). These scandals have not only cast significant doubts on the skills, professionalism and quality of work produced by auditors in the financial reporting supply chain (Francis, 2004) but also the effectiveness of audit quality management systems within SAIs.

Existing studies such as Kasigwa et al. (2013), attribute failures, in part, to the high prevalence of reduced audit quality behaviour among auditors in Uganda. Such behaviour undermine the auditors' ability to not only plan well but also perform and report the audits impartially, hence leading to biased reporting that is not in public interest. This suggests that the challenge of audit quality extends beyond technical execution to encompass behavioural and procedural dimensions within the audit process.

Collectively, these developments highlight the growing need for auditors both in the private and public sectors to identify the root causes of audit quality deficiencies and to strengthen engagement-level quality management and control procedures. However, existing literature has predominantly focused on the private sector, with comparatively limited attention given to public sector auditing, (Deis Jr & Giroux, 1992). Additionally, even where studies exist, they largely concentrate on

the traditional phases of the audit process (planning, execution, reporting, finalisation, and follow-up) while paying insufficient attention to the pre-planning stage. This study conceptualises this stage as pre-audit discussions, a potentially critical but underexplored component of audit quality management. The limited emphasis on this phase signals potential gaps in audit quality management practices within the public sector. It is this gap that motivates the present study.

Accordingly, this study aims to establish, evaluate and propose pre-audit discussions as a key audit Quality management measure that can be adopted by auditors both in government and private sector to strengthen audit quality management and control leading to narrowing the debates on audit quality. The study further seeks to develop a practical framework to guide audit teams in conducting effective pre-audit discussions, with the aim of enhancing the overall quality of audit outputs and contributing to the ongoing discourse on audit quality.

It is expected that the results of this study will help strengthen engagement performance quality management frameworks and audit quality in the public sector ultimately leading to reduced information asymmetry problems between stakeholders and auditors, (Ittonen, 2010). Beyond Uganda, the study's recommendations are intended to have broader applicability and to contribute meaningfully to both the theoretical and empirical literature on audit quality and pre-audit engagement practices.

Methodologically, the study utilises a cross-sectional design involving the adoption of a qualitative research strategy; the multiple case studies being those at four public universities, the OAG Uganda and five private audit firms to which government audits are regularly outsourced. The study used semi-structured open-ended interviews administered to 36 respondents selected purposively while data was coded *a priori* and analysed using the Atlas.TI software.

## Literature overview

### Pre-Audit Discussions

Globally, effective preparation is widely recognised as a critical determinant of success in achieving organisational objectives (Sander A. Los., & Marcus

L.J. Schut., 2008). Within the auditing context, this principle implies that well-prepared audit teams are better positioned to execute procedures effectively, exercise sound professional judgement, and deliver high-quality audit outcomes. However, such preparedness depends on the existence of an enabling environment that promotes initiative, innovation, and adherence to professional standards.

In fact in auditing, Lightle *et al.* (2017:46), emphasise that such an environment should be characterised by openness, particularly in seeking clarification, work approach innovations and acknowledging errors. These attributes resonate strongly with the principles embedded in the International Standards on Quality Management (ISQM), particularly ISQM 1, which underscores the importance of a firm's governance and leadership in promoting a culture of quality, professional scepticism, and continuous improvement (IAASB, Para 28, 2022). In this context, pre-audit discussions can be conceptualised as a practical operationalisation of these principles at the engagement level, providing a structured forum through which audit teams can align expectations, identify risks, and clarify uncertainties prior to commencing audit procedures.

Van Son and Winters (1982) define pre-audit discussions as a meeting before the beginning of the audit by the engagement team with the aim of discussing various facts about the engagement prior to its commencement. This according to INTOSAI (2019) and Marschman (1993) helps SAIs to curb damage before it occurs albeit with some extra workload created for the engagement teams. Despite this conceptual alignment, the extant literature reveals several critical gaps.

Firstly, while prior studies acknowledge the importance of planning in auditing, they largely treat it as a procedural phase within the audit cycle, with limited disaggregation of the pre-planning stage. Consequently, pre-audit discussions remain under-theorised and under-empirically examined, particularly within the public sector context. This is notable given that ISQM 1 advocates for a risk-based approach to quality management, which logically necessitates early-stage interventions such as pre-audit discussions to identify and respond to potential quality risks. Similarly, contrasting views in the literature above also emerge regarding the practical utility of pre-audit discussions with critics cautioning that they may introduce additional costs, and increase workload. These tensions highlight the need for a balanced approach that leverages the benefits of pre-audit discussions.

In light of these considerations, the effectiveness of pre-audit discussions is therefore largely dependent on the extent to which audit institutions establish clear and structured framework to guide their implementation. Such a framework should articulate the specific information to be discussed, the procedures for conducting the discussions, and the protocols for documentation and review, in order to ensure consistency, accountability, and meaningful value addition to the audit process.

### **Why Pre-audit Discussions**

Marschman (1993) indicates that they allow for discussion of auditor and client expectations and understanding. Similarly, Lightle *et al.* (2017) found out that they create "*psychological safety and an enabling environment*" for the audit team to work in, which ultimately enhances audit quality. They defined psychological safety to mean "*beliefs about how others will respond when an individual assumes the risk in a team of asking a question, seeking feedback, offering a new idea, or admitting a mistake*".

According to Van Son and Winters (1982), pre-audit discussions play a pivotal role during engagement performance especially in emphasizing the value of two way communication throughout the audit process. Such discussions foster inclusivity within the engagement team, enabling staff especially new members to feel integrated and valued. When conducted in an open and participatory manner, pre-audit discussions help to build confidence, strengthen teamwork, and accelerate the adaptation of new team members to the audit environment.

Furthermore, IAASB (2022) highlights that these discussions provide an opportunity for staff to seek clarifications beforehand, especially about risks with the client and industry they operate in especially for new clients; engagement problems and resolution mechanisms; and reduces audit costs by providing early team orientation to engagement tools like audit methodology, Working Papers (WPs) and time utilisation. In addition, pre-audit discussions contribute to the development of soft yet critical aspects of auditing, including interpersonal relationships, professional judgement formation, and adherence to professional conduct such as dress code. These elements collectively reinforce the professional identity of engagement teams and enhance their ability to interact effectively with clients. At the same time, such discussions enable auditors to better understand client expectations and preferences, thereby reducing the risk of misalignment during the engagement.

Moreover, pre-audit discussions highlight sensitive/problem areas likely to be encountered during the engagement and how the teams can approach them, notably complex transactions that need special procedures, important deadlines especially for inventory counts and cash spot checks, and the likelihood of working overtime. They also draw the team's attention to the ensuing inconveniences in the physical work environment (inadequate space, delays in provision of documents, bad lighting/temperatures, lack of privacy, special working hours, dress code restrictions); which will enable the team to design mitigating approaches early enough, (IAASB 2022).

Similarly, Blough, (1962) and Marschman, (1993) find that these discussions help audit teams anticipate and manage potential misunderstandings between auditors and clients, thereby reducing hostilities and staff anxiety. They also enhance the team's ability to refine the audit scope, ensuring that audit recommendations are practical, actionable, and aligned with client realities. This is particularly relevant to ISQM 2, where the effectiveness of engagement quality reviews is strengthened when key issues have been clearly scoped and documented early in the engagement.

Finally, AFROSAI-E, (2017a) and Van Son and Winters, (1982), profess that these discussions create an enabling environment for proper audit performance and enable the engagement team to respond in a professional manner which leads to increased audit quality.

Notwithstanding these benefits, the literature remains largely descriptive, with limited empirical investigation into the impact of pre-audit discussions on audit quality outcomes, particularly within the public sector. Additionally, while these discussions are associated with improved communication and efficiency, there is limited exploration of potential trade-offs, such as increased upfront time costs or the risk of premature consensus that may affect professional scepticism. These gaps underscore the need for further research to critically evaluate and formalise the role of pre-audit discussions within audit quality management frameworks.

### **QC Activities for Pre-Audit Discussions**

According to AICPA (2019), Audit Scotland (2017:8), IAASB (2019) and OECD (2004), pre-engagement discussions encompass a range of quality control (QC) activities that are fundamental to audit quality. These include clarifying the responsibilities of team members with respect to audit quality, reinforcing the importance of professional scepticism throughout the engagement, and aligning on the overall objectives

of the audit. In addition, such discussions provide an opportunity to enhance the team's understanding of the audit institution's quality control framework, including procedures related to supervision, review, and internal communication, as well as communication with the audit client. Ethical considerations, including the identification of potential threats and the design of appropriate safeguards, also form a central component of these early-stage engagements.

Further discussions by EUROSAI (2010) and Van Son and Winters (1982) emphasise additional areas such as professional behaviour by the audit team, deployment criteria/style and audit methodology. Similarly, ISCA Singapore (2016) highlights the need for engagement teams to develop a comprehensive understanding of the entity's background, including prior-year audited financial statements, audit reports, and management letters (MLs). Other critical areas include time budgeting for the current engagement, clarity on the scope of services as defined in the engagement letter, identification of high-risk areas, and the planned audit approach. Collectively, these elements reinforce the risk-based approach to quality management advocated under ISQM 1, where early identification and assessment of risks inform the design of appropriate audit responses.

Within the public sector context, AFROSAI-E (2017b) and the Chartered Accountants of Australia and New Zealand (CA ANZ, 2016) extend these discussions to include audit timelines, the potential need for experts, public interest considerations, and internal work allocation dynamics. They also emphasise the importance of situational awareness, including current developments and public attention surrounding the auditee. Additionally, AFROSAI-E (2017a) and INTOSAI (2010) provide more activities to include: assessment of the possibility for external quality reviews; stakeholder analysis; need for involvement of other stakeholders such as Civil Society Organisations (CSOs); publicity and media attention towards the auditee; the relevant and appropriate legal and regulatory framework; and financial reporting framework of the auditee. These are summarised in figure 1 below.

Admittedly, despite the breadth of guidance provided by discussions above, a notable gap persists in the literature. Specifically, while there is extensive prescription on what should be discussed during pre-audit engagements, there is limited empirical evidence on a formal framework on how these are conducted and their influence on audit quality outcomes in practice. Moreover, there is little consensus on the optimal structure, depth, or timing of such discussions, raising questions about consistency in



**Figure 1.** Summarisation of pre-audit discussion QC activities. (Source: Mulati SP, 2022:98)

their application across audit institutions. This lack of standardisation may undermine their effectiveness as a quality management measure.

Additionally, contrasting views emerge regarding the cost-benefit implications of pre-audit discussions. Notably, Van Son and Winters (1982) argue that, despite the fact that no auditing standard requires pre-audit discussions and the fact that conducting one is not cost free, “a few extra hours at the beginning of the engagement can save numerous hours later, hence the return can be worth the investment”. However, in resource-constrained environments particularly in the public sector, these upfront investments may be difficult to justify without clear and measurable returns. There is also a risk that overly formalised discussions may devolve into routine compliance exercises, thereby limiting their intended value in enhancing audit quality.

Notwithstanding these concerns, the potential benefits of pre-audit discussions remain compelling. When effectively structured and aligned with quality management frameworks such as ISQM 1 and 2, they provide a proactive platform for addressing engagement risks, strengthening team coordination, and enhancing audit efficiency. It is therefore crucial that audit institutions adopt well-defined parameters to guide pre-audit discussions. This will enable audit teams to

anticipate and navigate engagement challenges more effectively, thereby promoting a more strategic approach to auditing that emphasises working smarter rather than harder.

### Method

The study adopts a cross-sectional research design anchored in a qualitative research strategy, which is appropriate for exploring complex, context-dependent phenomena such as audit quality management and pre-audit discussions. Given the study’s focus on understanding perceptions, experiences, and practices within real institutional settings, a multiple case study approach was employed. This involved four public universities in Uganda (as government audit clients), the Office of the Auditor General (OAG Uganda), and five private audit firms to which government audits are regularly outsourced. The inclusion of both auditees and auditors enhanced the richness, diversity, and triangulation of perspectives, thereby strengthening the analytical depth of the study.

The choice of a multiple case study design is consistent with replication logic, where each case serves as a distinct analytical unit, allowing for cross-case comparison and pattern identification rather than statistical generalisation (Robert K. Yin, 2018). This approach enhances the robustness of findings through

analytical generalisation and supports the identification of convergent and divergent themes across institutional contexts.

### Sampling Strategy and Sample Adequacy

A total of 36 respondents were selected using purposive sampling, as alluded to by Groenewald (2004). The primary selection criterion was participants' experience

and involvement in audit engagement performance and audit quality, particularly within the public sector, with study findings revealing the least experienced participant having seven years, most experienced of over 35 years and average experience of 20 years, as indicated in Figure 2 below. This ensured that respondents possessed the requisite knowledge and insights relevant to the study objectives.

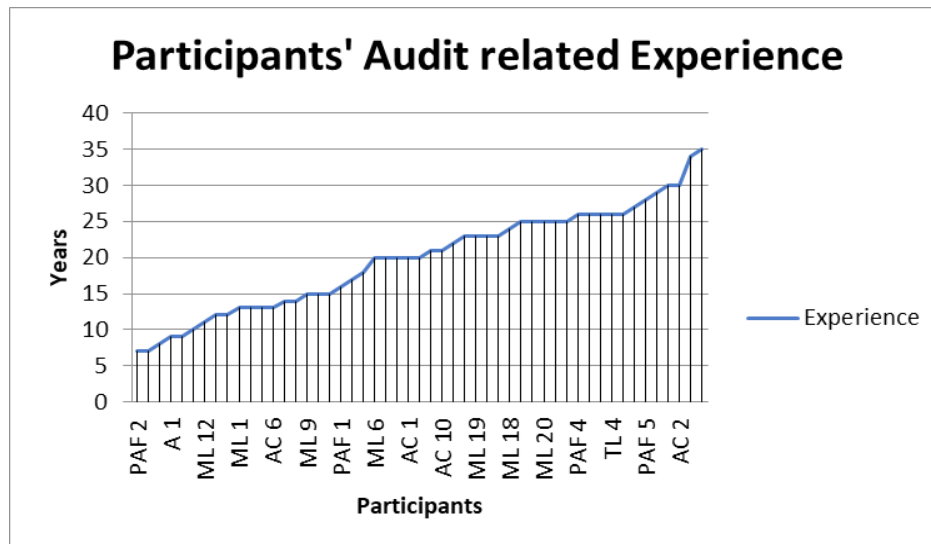


Figure 2. Respondents' audit related experience. Source: Primary data

The distribution of interviewees is indicated in Table 1 below. This distribution ensured geographical

representation and enhanced contextual diversity in the findings.

Table 1. Number of interview participants per region

Case	Geographical regions in Uganda			
	Northern	Eastern	Western	Central
University 1	3			
University 2	2			
University 3			2	
University 4				3
OAG Uganda	3	4	3	10
Private audit firms				6
<b>Total</b>	<b>8</b>	<b>4</b>	<b>5</b>	<b>19</b>

Whereas qualitative studies rely less on statistical formulas to determine sample size, this study's sample adequacy is justified using the principle of data saturation as suggested by Mason (2010:2) and information power. Data saturation refers to the point at which no new themes or insights emerge from the data (Greg Guest et al., 2006; Monique Hennink & Bonnie N kaiser, 2022; and Hennink MM et al., 2017). Empirical evidence suggests that thematic saturation can often be achieved within relatively small samples, particularly where participants are knowledgeable and the research focus is narrow. In addition, the study draws on the information power model (Kirsti Malterud et al., 2016), which posits that the more relevant and information-rich the sample, the fewer participants are required. Thus far, in this study, sample adequacy is strengthened by a clearly

defined research focus (pre-audit discussions and audit quality), the use of experienced audit professionals and institutional stakeholders, strong theoretical anchoring in ISQM 1 and ISQM 2, and a multiple case study design enabling cross-case validation.

### Data Collection Methods

The study utilised both primary and secondary data sources. Primary data were collected through In-depth semi-structured interviews, and observation during engagements and discussions. Semi-structured interviews were conducted using an interview guide developed from the literature review, allowing flexibility to probe deeper into emerging issues while maintaining consistency across cases. In line with interpretivist research principles, the interview guide was shared with

participants in advance to enhance preparedness and facilitate meaningful engagement.

Secondary data was obtained through review of relevant documents provided by respondents, including audit-related reports, supporting materials and peer reviewed articles focusing related to audit quality management from sources such as IFAC, Google Scholar, JSTOR, and EBSCO Host. This enabled triangulation of evidence, ensuring that data collection continued until no new insights were emerging thereby strengthening the validity of findings.

### Data Analysis

All interviews were audio-recorded (with participant consent), transcribed verbatim, and analysed using ATLAS.ti. The study employed an “a priori” coding approach, where initial codes were derived from the literature and theoretical framework (ISQM 1 and ISQM 2), and subsequently refined through iterative analysis. Thematic analysis was used to identify, organise, and interpret patterns within the data, consistent with established qualitative analytical approaches (Virginia Braun & Victoria Clarke, 2006). Cross-case comparisons were conducted to identify recurring patterns and contextual variations across institutions.

### Ethical Considerations

The study adhered to established research ethics standards, including: voluntary participation, Informed consent, Confidentiality and anonymity, and Secure handling of data. Participants were assured that the information provided would be used strictly for academic purposes. The study obtained Ethical Clearance *NWU-00941-20-A4* from North-West University of South Africa. The study adhered to confidentiality and anonymity research principles by assigning them pseudo codes such as “AC” = Audit Client; “A” = OAG auditor; “ML” = OAG middle level manager (from Senior Auditors to Senior Principal Auditors); “TL” = OAG top level management (from Assistant Directors of Audit to Auditor General); and “PAF” = Private audit firm participant.

### Emerging Evidence On Pre-Audit Discussions

Findings from the analysis indicate that pre-engagement discussions were among the most frequently cited quality control measures, underscoring their perceived importance in enhancing audit quality in the public sector. This is further illustrated in Figure 3, which highlights the prominence of pre-audit discussions relative to other quality management practices.



Figure 3. Word cloud for the most quoted QC measures Source: Primary Data

### Findings and recommendations

The study findings are organized around the coded themes emerging from the interview transcripts, as depicted in the network structure in figure 4 and comprehensively discussed in the proceeding sections.

### Governance of Pre-Audit Discussions

According to study findings, pre-audit discussions were commonly referred to as ‘*planning to plan the audit*’

and “*team kick-off meetings*” by different participants and defined as those QC activities undertaken by audit teams before audit commencement. This interpretation is consistent with existing literature wherein Van Son and Winters (1982) defined pre-audit discussions as a meeting before the beginning of the audit by the engagement team.

According to the participants, if formally adopted and consistently implemented by SAIs and audit firms,

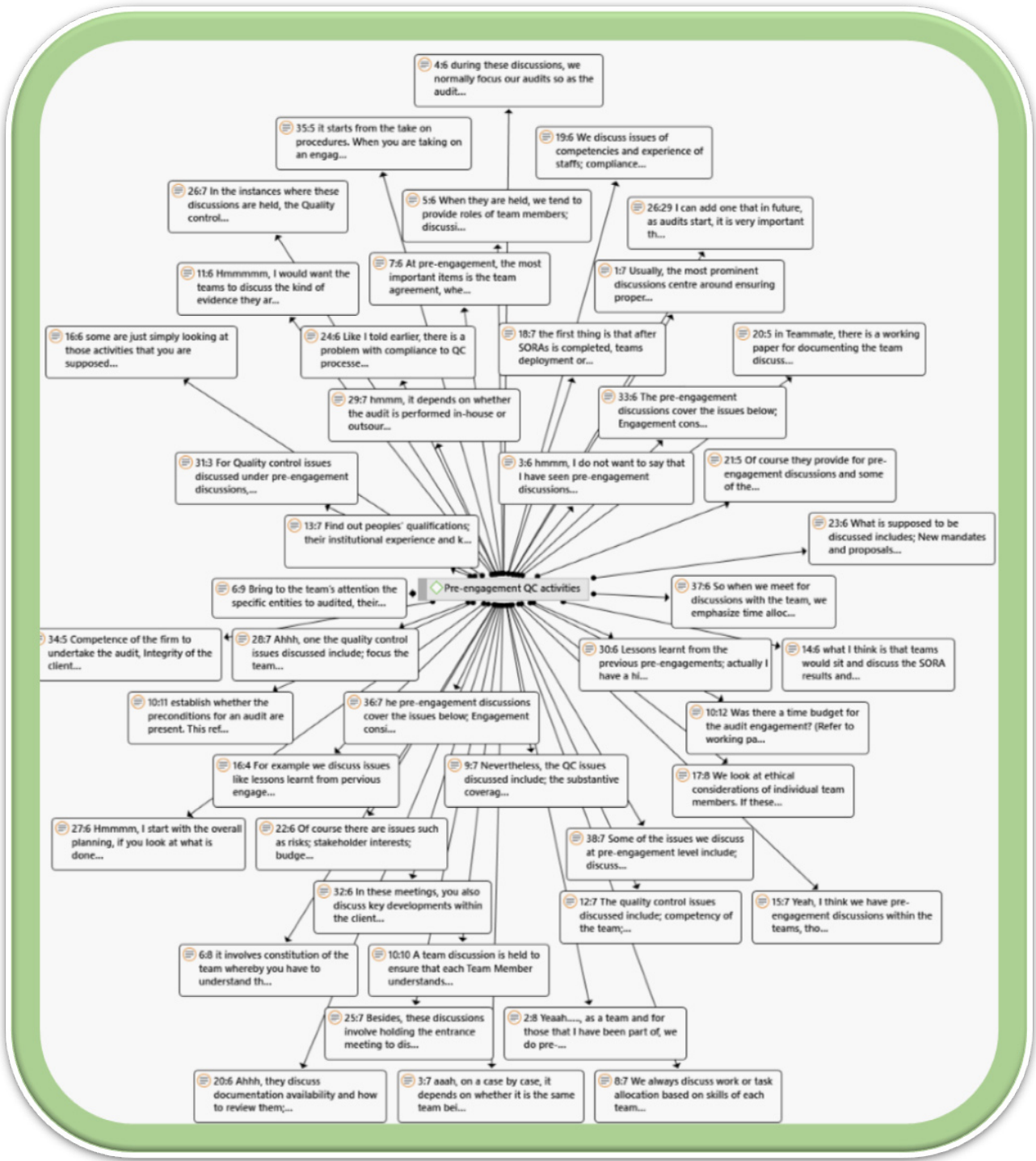


Figure 4. Network Structure for responses to pre-audit discussions. Source: Primary Data

pre-audit discussions have the potential to serve as a significant QC innovation capable of improving the quality of audit outputs. In particular, they were viewed as a mechanism for enhancing coordination, clarifying expectations, and strengthening early-stage risk identification.

However, participants cautioned that unlike the private audit firms where these discussions are provided for and compliance for all teams and experts emphasised in their Quality Management Manuals, such governance and management structures are non-existent in SAI Uganda which if not addressed would limit the impact

of these discussions on public sector audit quality. They argued that despite a few teams in OAG holding these discussions, this is done as a personal initiative rather than institutional policy. This lack of formalisation limits both the consistency of application and the overall impact of these discussions on audit quality. The absence of structured governance arrangements suggests a need for greater institutionalisation of pre-audit discussions within public sector auditing. Participants emphasised that without clearly defined policies, procedures, and accountability mechanisms, the effectiveness of these discussions as a quality management tool remains constrained.

Unquestionably, this calls for SAIs, regulators and standard setters to develop regulations, Quality management Policy frameworks and Standards to guide and provide for the governance, accountability and conduct of Pre-audit discussions. Such frameworks should define expectations regarding their conduct, documentation, and integration within broader quality management systems. This position is supported by prior studies and institutional guidance, including those from ICPAU (2011), the GAO (2018) and the ANAO (2019) for public sector audits. Strengthening governance in this area would enhance consistency, improve accountability, and ensure that pre-audit discussions are systematically leveraged as a strategic tool for improving audit quality.

### **Pre-audit QC Activities**

Despite governance and practice limitations discussions from the preceding section, findings revealed that the OAG and outsourced firms undertake several pre-audit QC activities. These include discussing engagement tasks/scope; criteria for assignment of teams to specific audit areas; and assessing team's understanding of the audit methodology, approach, framework, materiality and sampling concepts; all of which are consistent with earlier studies by Blough (1962), EUROSAI (2010), Marschman (1993) as well as Van Son and Winters (1982).

Secondly, analogous to the literature review by ISCA Singapore (2016) as well as Van Son and Winters (1982), study findings also emphasised the need to review and discuss the effects of prior year audits, issues kept in view and QC issues, materiality level and base, current media and public attention towards the audit or entity, preliminary risk discussions, agreeing on the approach for highly risky areas, threats/risks to achievement of quality and responses, and audit timelines. However, despite discussing assignment of teams to specific audit areas and audit timelines, the OAG is constrained in this area by the inability to establish the unit cost and time per audit.

Thirdly, studies by AFROSAI-E (2017b), AICPA (2019), Audit Scotland (2017), CA ANZ (2016), the IAASB (2019) and the OECD (2004) revealed several pre-audit QC activities in tandem with those from the results of the present study such as emphasis on the audit institution's core values, mode of communication and interactions with auditees, agreeing on the supervision and review plan, and the need for experts.

Moreover, the study findings further confirmed that teams discuss the different data analysis tools and

procedures, audit libraries to be used, objectives of the thematic and compliance areas selected, the need for stakeholder involvement to provide pointers, the possibility for external assurance reviews, the existence of an acceptable financial reporting framework and agreed upon audit approach, which are congruent with the discussions in the literature review and studies by AFROSAI-E (2017a), the IAASB (2022), INTOSAI (2010) as well as Van Son and Winters (1982).

Additionally, more discussion areas included the integrity of management, the consistency of audit evidence to be collected, the availability of staff, the competency and capacity of team members and their supervisors/reviewers, entity policies and their implications for the audit, lessons learnt and challenges from previous engagements plus appropriate responses, budget implementation analysis, the extent of documentation and agreeing on appropriate responses to emergency situations (such as COVID-19) for business continuity and staff safety.

Similarly, respondents also reported discussing entity policies and their implication for the audit, analysis of draft accounts to identify risky areas/components, objectives of the thematic and compliance areas selected, the need for key stakeholder involvement to provide pointers to the salient areas that must be covered; data analysis tools and procedures, financial and non-financial information needs, integrity of management and consistency of audit evidence to be collected, induction of new members, competency and capacity of supervisors and reviewers, materiality and sampling concepts, expectations of the team and client, and availability of staff.

Other notably reported discussion areas included proper risk identification and analysis; team members' qualifications and competence; auditees' promptness in availing requested information, agreeing on the audit approach, the existence of an acceptable financial reporting framework, possibility for external assurance reviews.

For private firms, pre-audit discussions centred around assessing the firm's ability to undertake the audit, acceptance or continuance of clients, preliminary risk discussions, need for IT audits, materiality level and base, related party relationships, fraud and going concern indicators and audit libraries to be used.

Finally, the study results also reported that discussions centre around the auditees' promptness in availing requested information, assessing the firm's ability to undertake the audit, the need for IT audits, related party relationships, fraud and going concern indicators,

**Table 2.** Pre-audit discussion framework

QC measure	PRE-AUDIT DISCUSSIONS		
PRE-AUDIT DISCUSSIONS	Details	QC activities and questions	
	Quality objective	What quality objectives are you pursuing?	
	Governance structure	What frameworks govern pre-audit discussions at engagement level?	
	Quality risks	What risks are likely to affect the achievement of the quality objectives being pursued?	
	QC activities	Which of the following QC activities will you perform to guarantee appropriate team pre-audit discussions, and why?	<ul style="list-style-type: none"> <li>• Audit scope/tasks and data analysis tools and procedures</li> <li>• Entity risk level and audit approach or responses</li> <li>• Agreeing assignment of teams to specific audit areas</li> <li>• Audit timelines and how to establish the unit cost and time per audit</li> <li>• Emphasising core values and practical induction of new members</li> <li>• Extent and consistency of audit evidence to be collected</li> <li>• Following the audit plan during audit execution</li> <li>• Mode of communication and interactions with auditees</li> <li>• The need for experts, IT audits and financial and non-financial information</li> <li>• Appropriate responses to emergency situations like COVID-19</li> <li>• Agreeing the supervision and review plan and procedures to be undertaken</li> <li>• Lessons learnt and challenges from previous engagements and appropriate responses</li> <li>• Auditees’ promptness in availing requested information and integrity of management</li> <li>• Possibility for external quality assurance reviews</li> <li>• Effects of prior year audit issues and those kept in view</li> <li>• Discussing entity policies and their implication on the audit and expectations of the team and client</li> <li>• Analysis of draft accounts to identify risky areas/components</li> <li>• Objectives of thematic and compliance areas selected</li> <li>• Team dynamics, morale and agreed upon responses</li> <li>• Knowledge of audit methodology, framework, materiality and sampling concepts</li> <li>• Availability of staff and potential conflicts of interest by team members and responses</li> <li>• Audit libraries to be used, materiality level and base and related party relationships</li> <li>• Fraud and going concern indicators (led by the engagement leader)</li> <li>• Ascertaining the dress code, client organogram and principal personnel/positions</li> <li>• Inconveniences in the physical work environment (inadequate space, bad lighting/temperatures, lack of privacy and special working hours)</li> <li>• Objectives of the audit procedures and QC</li> <li>• Possible accounting/auditing problems and fulfilment of ethical requirements</li> <li>• Threats/risks to achievement of quality objectives and responses</li> <li>• Expected professional behaviour and time budgets for the current year</li> <li>• Scope of services and the engagement letter and likelihood of working overtime</li> <li>• Special accounting policies and understanding the SAI’s mandate</li> <li>• Need for involvement of other stakeholders such as CSOs, the media and the public to share their views about the auditee for consideration</li> <li>• Prior year QC issues for discussion</li> <li>• Team member’s qualifications and competence</li> <li>• Competency and capacity of supervisors and reviewers</li> <li>• Existence of an acceptable financial reporting framework</li> </ul>
		<ul style="list-style-type: none"> <li>• Assessing the firm’s ability to undertake the audit</li> <li>• Guidelines on quality management for outsourced audits</li> <li>• Due diligence on all firms and clear TORs developed in the RFPs prior to pre-qualification and bidding</li> <li>• Encouraging firms to participate in thematic areas</li> <li>• Agreeing the provision of incentives and sanctions for quality</li> <li>• Agreeing stratification of firms to ensure capability</li> <li>• Agreeing a plan for continuous sensitisation of firms and the exit strategy</li> <li>• Discussing the risks versus the rewards of outsourcing or doing it in-house</li> <li>• Discussing the risk management mechanisms in place to accept, decline, modify or transfer the risk</li> <li>• How to avoid the seven deadly diseases of outsourcing (Outsourcing services that should not be outsourced, selecting a wrong ESP, poor contract terms, overlooking personnel, loss of control over outsourced services, overlooking the hidden costs and failing to set an exit strategy)</li> </ul>	

Source: Primary data and literature review results

of which findings revealed that fraud discussions are led by the engagement leader or director to ensure that appropriate responses are designed based on their prior knowledge of the entity.

### **Pre-Audit Discussions Framework**

On the whole, the study findings, together with insights from the literature review, provide a strong foundation for the development of the pre-audit discussion framework presented in Table 2. If adopted and implemented consistently, this framework has the potential to enhance the coordination, structure, and effectiveness of pre-audit discussions within SAI Uganda and other audit institutions where it may be deemed applicable. This further underscores the need for standard setters and regulators to consider developing formal regulations and standards requiring both public and private audit institutions to institutionalise pre-audit discussions as part of their quality management systems.

The framework is structured around a logical sequence that begins with the clear definition of audit quality objectives for a given engagement. It then requires audit teams to identify the relevant internal and professional governance frameworks that guide audit quality, ensuring consistency and compliance in application. Subsequently, teams are expected to identify risks that may hinder the achievement of the stated quality objectives. Based on this risk assessment, audit teams then design appropriate quality control (QC) activities to be discussed either internally within the SAI or jointly with outsourced audit teams, depending on the engagement structure.

The relevance, practicality, and applicability of the proposed framework were further validated through a group discussion with six audit experts drawn from the OAG and its outsourced audit firms, using the Delphi technique as guided by Ho (2006). This iterative expert validation process strengthened consensus on the framework's structure and enhanced confidence in its suitability for guiding pre-audit discussions during engagement performance.

### **Limitations of the Study**

Despite the rigor applied in the design and execution of this study, several limitations should be acknowledged.

First, the study adopts a qualitative cross-sectional design, which captures perceptions and practices at a single point in time. While this approach is appropriate for exploratory and interpretive analysis, it limits the ability to observe changes in audit practices over time or establish causal relationships between pre-audit discussions and audit quality outcomes.

Second, the use of purposive sampling, although suitable for selecting information-rich participants, may introduce selection bias. The findings are therefore not statistically generalisable but are instead intended to achieve analytical generalisation, consistent with case study research approaches. However, this limitation is mitigated by the diversity of respondents across multiple institutions and roles within the audit ecosystem.

Third, the study relies heavily on self-reported data obtained through interviews, which may be subject to response bias, including social desirability and recall bias. Participants may have presented idealised views of audit practices rather than actual behaviours. To address this, the study incorporated data triangulation through document review and cross-case comparisons.

Fourth, although the study justifies sample adequacy using data saturation and information power, the concept of saturation itself is inherently interpretive and may vary depending on analytical depth. Nonetheless, the inclusion of 36 respondents across multiple institutional settings enhances confidence that saturation was achieved.

Fifth, the study is conducted within the Ugandan public sector context, which may limit the transferability of findings to other jurisdictions with different regulatory, institutional, and cultural environments. However, the integration of internationally recognised frameworks such as ISQM 1 and ISQM 2 enhances the broader relevance of the findings.

Finally, while the study identifies and proposes a framework for pre-audit discussions, it does not empirically test the causal impact of these discussions on audit quality outcomes. This presents an opportunity for future research to adopt quantitative or mixed-method approaches to validate and extend the proposed framework.

### **Overall Contribution**

This study makes a significant conceptual and practical contribution to the auditing literature by positioning pre-audit discussions as a distinct and underexplored engagement QC measure, particularly within public sector auditing. While prior literature has extensively examined traditional audit phases such as planning, execution, and reporting, this study shifts attention to the pre-planning stage, conceptualised as pre-audit discussions, and demonstrates its relevance as a structured measure for strengthening audit quality management.

First, by empirically examining pre-audit discussions within both public sector audit institutions and private

audit firms, the study advances understanding of how early-stage engagement interactions influence audit quality. The findings demonstrate that pre-audit discussions are not merely informal preparatory meetings, but structured QC activities that support risk identification, team alignment, methodological clarity, and professional judgement formation. In doing so, the study contributes to the growing discourse on engagement-level quality management, complementing and extending the principles embedded in the International Standards on Quality Management issued by the IAASB.

Second, the study makes an important contextual contribution by incorporating perspectives from a diverse set of stakeholders, including auditees, the Office of the Auditor General (OAG), Big Four audit firms, and local audit firms in Uganda. This multi-stakeholder and multi-firm perspective provides a more balanced and realistic understanding of audit quality practices across institutional settings. It also enhances the external validity of the findings by capturing variations in practice between highly resourced global audit firms and resource-constrained public sector audit environments.

Third, the study contributes methodologically by integrating cross-case qualitative analysis with expert validation using the Delphi technique. This strengthens the credibility and practical relevance of the proposed pre-audit discussion framework, ensuring that it is not only theoretically grounded but also operationally applicable within real audit environments.

## Conclusion

This study set out to establish, evaluate, and propose pre-audit discussions as a key audit quality management measure that can be adopted by both public and private sector auditors to strengthen audit quality and improve consistency in audit engagement performance. The findings indicate that while pre-audit discussions are already being practiced in both the OAG and outsourced audit firms, their implementation remains largely informal, inconsistent, and insufficiently institutionalised, particularly within the public sector.

The study further reveals that pre-audit discussions contribute meaningfully to audit quality through enhanced team coordination, early risk identification, improved methodological clarity, and strengthened professional judgement. However, their effectiveness is constrained by the absence of formal governance structures, clear guidelines, and standardised implementation frameworks.

Accordingly, the study proposes a structured pre-audit discussion framework that integrates quality objectives, governance structures, risk identification, and tailored quality control activities. If consistently adopted and institutionalised, this framework has the potential to significantly improve audit engagement performance and strengthen audit quality management systems.

The study therefore recommends that the OAG and similar audit institutions formalise pre-audit discussions through clear policies, procedures, and accountability mechanisms to ensure consistent application across all audit engagements. In addition, standard setters and regulators should consider developing formal standards and guidelines that mandate and structure pre-audit discussions within both public and private audit environments.

Beyond Uganda, the findings are relevant to SAIs, professional bodies, policymakers, and governance stakeholders, including civil society organisations, as they provide practical and conceptual insights for strengthening audit quality management frameworks. Ultimately, the study contributes to narrowing conceptual debates on audit quality by highlighting the strategic role of pre-audit discussions as a proactive and value-adding quality management measure of the audit process.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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