Hello and welcome to the fifth edition of our Newsletter.

The privilege of serving as the Chairman of the Auditing Special Interest Group of the British Accounting Association continues to be a wonderful experience for me. It has been a great pleasure to communicate with so many of the members of our Special Interest Group and the broader auditing profession community.

As you know by now, one of the exciting activities of our Special Interest Group is the production of this Newsletter. I want to encourage you to help us help you by keeping us informed of relevant developments affecting our profession. Please see the Editor’s Column on page 4 for more details on the objectives of The Newsletter and the call for contributions. We will strive to keep you informed through our website, and through our Newsletter. We will also periodically keep you informed of upcoming events and important information through email.

At the last annual general meeting that took place in Exeter during the 2009 National Auditing Conference, the membership of the Executive Committee of our Group became enlarged by one extra member.

Kevin McMeeking (University of Exeter) has agreed to join the Executive Committee and we look forward to working with him on the Executive Committee.

We need you! Please contribute your views, ideas, news, articles or any other relevant information to i.g.basioudis@aston.ac.uk  Tel: +44 121 204 3024  Fax: +44 121 204 4915
Chairperson's Letter

I would like to thank Kevin and the rest of the Executive Committee for their willingness to work diligently on behalf of the Auditing Special Interest Group.

The main present focus of interest for members of BAA’s Auditing SIG continues to be the National Auditing Conference, and in 2009 we celebrated our nineteenth conference. It took place in Exeter, on 27-28 March 2009 and was supported by the University of Exeter Business School. Kevin McMeeking was the conference co-ordinator. The papers accepted for presentation were organised in plenary session. This provided an excellent opportunity for members to interact and have dialogue about important issues related to the audit profession. You can see the papers presented in the conference on the Research section of the Newsletter.

A distinctive characteristic of the National Auditing Conference lies in its willingness to gather a unique mix of practitioner and academic audience and presentations. As a result, we are very pleased to see among others the ICAEW’s continuing support in terms of their willingness to talk about current auditing issues that occupy the accounting profession, and practitioners’ enthusiasm to participate in our conference.

The first keynote address of the 2009 National Auditing Conference was given by Diana Hillier (Senior Partner, Pricewaterhouse-Coopers). The subject of Diana’s talk was about the challenges facing auditors in the current environment. See an article written by Diana under the Features section of the Newsletter.

There were four research papers presented during the first day of the conference. These papers addressed a broad array of topics and research methods. The first day finished with the plenary panel session which considered the topic of The impact of the credit crunch on the profession, and the difficulties of auditing fair values. Steve Maslin (Head of External Professional Affairs, Grant Thornton), Shona Godefroy (Audit Partner at Thomas Westcott), and Margaret Woods (Nottingham University Business School) presented their views on the topic of the session. The panel concluded with a Q&A session, and very interesting questions were raised and equally motivating answers were given. The lively discussion ended because Auditing SIG’s annual general meeting and the evening dinner were on hold.

The second day began with one keynote speaker, Tony Bromell, Head of Accountancy Markets and Ethics, ICAEW. Tony’s speech was on Ethics, markets, regulation and the public interest and was very informative. See page 32 for the follow-up article. Four research papers were then presented on various auditing areas. All papers presented in the conference were particularly informative in providing information to help improve Auditing SIG’s members’ research.

The Organising Committee of the 2009 National Auditing Conference wish to thank our sponsors – the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England and Wales (ICAEW), and the Institute of Chartered Accountants of Scotland (ICAS) who generously sponsored the 2009 National Auditing Conference in Exeter.

Next year, we celebrate the 20th National Auditing Conference (NAC). The 20th NAC in 2010 will take place in Aston Business School, in Birmingham on April 16-17, 2010. The planning of the conference is already underway, so make sure that you prepare your paper submission by the deadline, and be sure to put the 20th NAC in 2010 on your next year’s spring calendar. For the call of papers and other information, see page 9.

Closing this letter in a (possibly) funny way, and having seen many Britons driving on the opposite side of the road when they are abroad, I would like to offer some advice to everyone on the hiring and driving of cars when abroad. In my opinion, the first rule of hiring a car is to ensure we choose it and that we choose wisely. Otherwise we may end up with a Fiat Cinquecento with one mule power, no air-conditioning, and the unmistakable
Chairperson’s Letter

odour of prior student habitation! So, in my opinion we should consider avoiding very small cars because they are slow and may not satisfy our needs at the end. But also we should consider avoiding big cars because they can be difficult to manoeuvre, are not eco-friendly, and in an unfamiliar busy street we may hit something expensive to repair, such as another tourist! Further, we should avoid the same car we drive at home, I think, as the familiarity may cause us to drive on the left, which only occurs in Japan, Australia and very few other places....

We should be sensitive to the GDP of the country we are visiting. We may be tempted to splash out on a very expensive, fun and flash car, but it can prove to be a poor decision if the locals are still riding ...goats! We should make sure we know where the wipers, lights and horn are before hurtling blindly into oncoming traffic. Also, a good idea may be to take our own satnav with us. Whilst difficult to follow and complicated enough in English, the hired satnav would be much harder, let’s say, in Russian, even if Natassa does sound sexier than plain Jane when barking commands. Finally, I would suggest to everyone when driving abroad to stay away from drinking, speeding, and using the mobile phone whilst driving. Otherwise we will be caught, either by will-hidden cameras, or by men with machine guns! And remember, we may not be able to spell out any pathetic excuses, especially if the other person standing on the outside side of the driver’s window understands no English at all...

If you would like to pass on any other advice or funny incidents abroad, please email me with your advice or stories, and I will make sure that they are included in the next issue of the Newsletter.

Finally, please feel free to contact me or other Auditing SIG Committee members if you have comments or questions regarding Auditing SIG activities. Our contact information is on the Section’s website (http://www.abs.aston.ac.uk/newweb/AcademicGroups/FAL/ASIG/FirtsPage.html) and at the back page of this Newsletter.

Best wishes for a relaxing and renewing summer. I look forward to seeing you in Aston Business School in Birmingham on April 16-17, 2010. Make plans now to be there!

ilias G Basioudis.
Chairman
BAA’s Auditing SIG
Aston Business School

BAA 2010 Annual Conference Announcement

The BAA’s flagship event is its Annual Conference which provides the opportunity for delegates to present their current research, develop their academic network, and an opportunity for the professional bodies and publishers to meet with academics and promote dialogue between them.

The BAA 2010 conference will take place in Cardiff at the 30 March – 1 April, 2010

Letter from the Editor

Welcome to the fifth edition of The Newsletter for the Auditing Special Interest Group (ASIG) of the British Accounting Association (BAA).

The Newsletter provides a focus for supplying and receiving information on research and teaching in the auditing area, in the hope that new networks involving active contact and collaboration will arise. The aim at the moment is to publish the Newsletter twice a year. The Newsletter will be produced in hard copy and will also be available on the ASIG’s website: http://www.abs.aston.ac.uk/newweb/AcademicGroups/FAL/ASIG/FirtsPage.html

The Newsletter relies heavily on members and non-members of the Auditing Special Interest Group to contribute views, ideas and any other relevant information. In the ‘Research’ section, information about relevant research being funded or in progress, working papers, articles ready for publication, etc, etc are of particular interest which we would like to include in The Newsletter. Also, if you have read a journal published article which you think it is of high quality and of particular interest to others, please let us know, as there will also be a dedicated section in The Newsletter on already published research.

Also, we are very interested in contributions to our ‘Features’ section in The Newsletter. This section includes short articles or commentaries of maximum 1,500 words. Examples of such submissions include critical reviews of literature, proposals for auditing innovations, case studies involving audit firms, or essays on professional or regulatory developments. In the current Newsletter an article on auditor’s report provided by Steven Leonard of the Auditing Practices Board is included under the ‘Features’ section. The nature of articles likely to be included in this Newsletter would more closely resemble the types of audit-focused pieces one might find in periodicals such as Accountancy or other similar practice outlets. Articles will be much shorter and unlikely to contain statistical analyses.

There is a dedicated ‘Teaching’ section in The Newsletter. This section also relies on your contributions, such as news of activities and developments related to teaching of auditing, teaching materials, case studies, etc. Also, vignettes or anecdotal accounts of challenging teaching-related incidents and how they were dealt with would be of high interest to our members.

The fifth edition of The Newsletter includes news about forthcoming conferences, one article by ICAEW’s Tony Bray on the ethics, markets, regulation and the public interest, an article by Breda Porter on the significant changes in the auditing arena, a note by Diana Hillier on the challenges that they auditors face in today’s world, our Newsletter poem, other important news that are highly relevant to our profession, and other relevant information from the professional institutes. So, make sure that you peruse this important information carefully.

In addition, please start collecting any items of news, teaching or research initiatives and events. Then send us these pieces which would be most appreciated, I can assure you!

Please send your letters and email messages to ilias G Basioudis, Aston Business School, Aston University, Birmingham, B4 7ET, UK. Email: i.g.basioudis@aston.ac.uk

We look forward to hearing from you in due course. Let’s develop The Newsletter of Auditing SIG into a worthwhile medium for news and information relating to our discipline.

Best wishes

Joanna Stevenson
Editor
Auditing SIG Newsletter
Audit Scotland
ICAS SAYS US ACCOUNTING CHANGES SHOULD NOT BE ADOPTED BY IASB.

Recent changes to accounting rules in the United States that allow greater scope to value certain financial assets based on their own models, rather than market prices, could undermine confidence in financial reporting and should not be adopted by the International Accounting Standards Board (IASB). That’s the view of The Institute of Chartered Accountants of Scotland in a recent submission to the IASB. Click through for further details:

http://accountingeducation.com/index.cfm?page=newsdetails&id=149399, or
http://www.accountingweb.co.uk/cgi-bin/item.cgi?id=198003&d=1025&h=1021&f=1026

APB ISSUES EXPOSURE DRAFTS OF CLARIFIED ISAs (UK AND IRELAND)

On 2 March 2009, following a period of consultation, the Auditing Practices Board (APB) announced its intention to update its auditing standards for the new, clarified, International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Recently it has issued for public comment exposure drafts of 33 clarified ISAs (UK and Ireland) and other related documents. Click through for further details:

http://accountingeducation.com/index.cfm?page=newsdetails&id=149401
http://www.frc.org.uk/apb/publications/clarified.cfm

FREE ACCESS GRANTED TO IASB STANDARDS ONLINE

In a significant development for furthering the acceptance of IFRS as global accounting standards, it has been announced recently that access to unaccompanied IASB standards (the core standards, excluding additional content such as basis for conclusions) are now freely available from the IASB website.

Please click here for access to IFRSs®:
http://www.iasb.org/IFRSs/IFRS.htm

3RD EUROPEAN RISK CONFERENCE: RISK AND ACCOUNTING.

Venue: Deloitte's Training Centre (City of London) Dates: 3-4 September, 2009.

Papers with topics relating to risk management, internal control and corporate governance will be presented on parallel sessions.

Further details can be found at the ERRN home page at:
http://www.nottingham.ac.uk/business/rmgic/

BUSINESSES FAIL TO PUT ROLLING IT INTERNAL AUDIT PLANS IN PLACE, FINDS KPMG SURVEY

KPMG’s IT internal audit survey has found that only 16 per cent of respondents have a rolling or quarterly planning processes in place, and a quarter of respondents don't use a planning framework at all, which can leave the IT audit vulnerable and allow core business risks to go unaddressed by management. Please click through for further details:

http://accountingeducation.com/index.cfm?page=newsdetails&id=149363
**2010 British Accounting Association**

Cardiff, UK, 30 March – 1 April, 2010

http://www.baa.group.shef.ac.uk/

**2010 European Accounting Association**

Istanbul, Turkey, May 19-21, 2010

http://www.eaa-online.org

**Fifth European Auditing Research Network (EARNet) Symposium 2009**

Valencia, Spain, October 30-31, 2009

The Ph.D. Workshop is preceding the conference on October 29, 2009

To be eligible for presentation, manuscripts written in English must be sent via the webpage www.adedit.uv.es/SearnetValencia by June 30th 2009, submitted on Word format and accompanied by an abstract.

Further information on www.ear-net.eu

**The 5th Annual Workshop on “ACCOUNTING IN EUROPE”**

University of Catania, Faculty of Economics, Sicily, Italy, September 10-11, 2009

The workshop is organised by the European Financial Reporting Research Group (EUFIN) in cooperation with the journal Accounting in Europe (www.eaa-online.org) and is likely to be of value to those who are interested in the harmonisation of accounting in Europe, the regulation of financial accounting and the process of change in accounting and accounting regulation, as well as the internationalisation of accounting generally.

For information about the Workshop:

Giuseppe Davide Caruso – Area di Economia Aziendale – Faculty of Economics – University of Catania – 95100 Catania (Italy)

(gdcaruso@unict.it)

For general information on EUFIN: www.essec-kpmg.net/fr/fr/eufin/index.html

**2nd Balkans and the Middle East Countries Conference on Auditing and Accounting History (BMAC)**

Istanbul, Turkey, September 15-18, 2010

Further information on www.mufad.org

**20TH ANNUAL CONFERENCE ON FINANCIAL ECONOMICS AND ACCOUNTING**

November 13-14, 2009

Levin Building on the Livingston Campus of the Rutgers Business School in Piscataway, USA. The deadline for submitting papers is August 15, 2009 and authors will be notified by September 15, 2009.

For more details, contact Bikki Jaggi Email: jaggi@business.rutgers.edu, or Suresh Govindaraj, Email: sureshg@andromeda.rutgers.edu.

**UK Auditing Practices Board activity**

Check on page 13 for a report from APB
ANNUAL CORPORATE REPORTING & GOVERNANCE CONFERENCE

Hyatt Regency, Irvine, Orange County, California, USA, September 17-18, 2009.

The conference is organised by the Center for Corporate Reporting & Governance, Steven G. Mihaylo College of Business & Economics, California State University, Fullerton, USA. Speakers include: Tom Linsmeier - Financial Accounting Standards Board, and Bob Bunting - President of the International Federation of Accountants.

All papers should be received by July 24, 2009, and emailed to: ccrg@fullerton.edu

Please visit http://business.fullerton.edu/centers/ccrg for conference updates.

2nd Annual EuroMed Conference, The EuroMed Academy of Business

University of Salerno, Salerno, Italy, October 26-28, 2009

Call for Papers

Submission Deadline: June 30, 2009

Please submit your paper or abstract to EMRBI@ymail.com by strictly following the author guidelines of the EuroMed Journal of Business found at http://info.emeraldinsight.com/products/journals/author_guidelines.htm


Recession leading graduates to take longer term view.

Students looking for a career after university are beginning to take a longer term view of their career path due to the recession, according to a survey by KPMG. With students worried about their employment prospects in the economic downturn, they are placing a significant emphasis on training and development as the most important criterion when looking for a graduate scheme place – ahead even of job security or salary. Please click through for further details:

http://accountingeducation.com/index.cfm?page=newsdetails&id=149362

Challenges facing auditors in the current environment

See an article on page 19 from Diana Hillier, a partner with PwC
**News, Auditing SIG Conference Announcement**

**Symposium on “An International Perspective on Executive Compensation and Performance Evaluation”**

**Journal of Accounting Auditing and Finance**

Special Issue

SDA Bocconi School of Management, Milano, Italy, July 13 – 14, 2009.

**7th International Conference on Accounting**

Athens, Greece, July 6-9, 2009.

The 7th International Conference on Accounting is organised by The Business Research Division of the Athens Institute for Education and Research (ATINER).

Conference Website: [http://www.atiner.gr/docs/Accounting.htm](http://www.atiner.gr/docs/Accounting.htm)

**16th International Symposium on Audit Research**

Singapore, June 24-25, 2010

The 16th Annual International Symposium on Audit Research (ISAR) is jointly organised by the University of Southern California (USA), Maastricht University (Netherlands), Nanyang Technological University (Singapore), and the University of New South Wales (Australia).

Call for papers: papers should be submitted no later than 31st January 2010. Visit the ISAR website at [www.isarhq.org](http://www.isarhq.org) for further information.

**FRC - Third Progress Report - Choice in the UK Audit Market**


Progress achieved in implementation of MPG recommendations following the November 2008 update includes:

- The issue by the Consultative Committee of Accountancy Bodies of the Voluntary Code of Practice on Disclosure of Audit Profitability; and
- The publication by the Audit Inspection Unit (AIU) of public reports on audit firms which had been subject to a full scope AIU review.

Other relevant developments include an exposure draft of revised Ethical Standards and the closure of consultations by the European Commission and the Audit Firm Governance Working Party on, respectively, ownership rules and a governance code for audit firms.


**Financial Accounting and Reporting Section - 2010 midyear meeting**

**American Accounting Association**

January 22-23, 2010

San Diego, California

CONFERECE ANNOUNCEMENT AND CALL FOR PAPERS

20th National Auditing Conference in 2010

16 & 17 April 2010, Aston Business School, Birmingham, UK

The 20th National Auditing Conference, organised by the Auditing Special Interest Group (ASIG) of the British Accounting Association (BAA), is hosted by Aston Business School and be held in Birmingham, UK on Friday 16 and Saturday 17 April 2010.

The conference aims to provide a forum which: i) allows faculty from higher education establishments to meet and exchange ideas and experiences, ii) encourages the discussion of educational objectives and teaching methodologies within auditing courses, and iii) promotes the dissemination of current research and professional practice.

This conference has been successfully held at venues around the UK for the past 19 years and attracts a mix of academic and professional speakers from the UK and abroad. An important feature of the conference is that it is held in plenary session with papers presented serially rather than in parallel. Approximately 40 minutes is allowed for the delivery of each paper including an allowance of 10-15 minutes for discussion and questions. The conference organising committee invites papers in any area of auditing.

E-mail or post submissions to ilias G Basioudis (please see the back of this Newsletter for contact details). Submissions (abstracts or full papers) must be received by November 1, 2009 to be considered for the programme. Full paper submissions will be given priority. Submissions are not eligible for consideration if they will have been published or accepted for publication by November 1, 2009. Final version of accepted papers will be required for binding into the conference proceedings by 28 February 2010.

Early submission is highly encouraged. Any questions should be addressed to the conference co-ordinator and ASIG’s Chairman, ilias G. Basioudis (e-mail: i.g.basioudis@aston.ac.uk).

Auditing SIG’s website: http://www.abs.aston.ac.uk/newweb/AcademicGroups/FAL/ASIG/FirtsPage.html

20TH ANNUAL CONFERENCE ON FINANCIAL ECONOMICS AND ACCOUNTING
Levin Building, Livingston Campus, Rutgers Business School, Piscataway, USA
November 13-14, 2009

The deadline for submitting papers is August 15, 2009
Please submit completed papers as e-mail attachments to the accounting chair, Bikki Jaggi (Email: jaggi@business.rutgers.edu).

VII Workshop on Empirical Research in Financial Accounting and the
III Research Forum of the Spanish Journal of Finance and Accounting

Technical University of Cartagena, Spain,
November 18-20, 2009

The deadline for submission is 15th July 2009.
Papers must be submitted to the following email address: viiaccountingworkshop@upct.es.

For more information, please visit the workshop’s website:
http://www.viiaccountingworkshop.upct.es/
ERNST & YOUNG BURSARY OF £1,500 FOR A UK ACADEMIC TO TAKE A PAPER TO THE AMERICAN ACCOUNTING ASSOCIATION INTERNATIONAL SECTION MID-YEAR CONFERENCE,  

28 – 30 JANUARY 2010 

AT PALM SPRINGS, CALIFORNIA, USA 

Ernst & Young are offering a Bursary of £1500 for a UK academic to take a paper to the American Accounting Association International Section Mid-year Conference. Ernst & Young recognise the limited resources available to UK academics and have established the Bursary to enable a UK academic to attend this conference and to make a contribution to better understanding between academics in UK and US, and to encourage collaborative work. The Bursary is managed by Peter Walton, Chair of the British Accounting Association International Section and by Stella Fearnley, Chair of the AAA International Section’s International Relations Committee.

For 2008-9, the Bursary was awarded to Dr Eleanor Dart, Cardiff Business School, for her paper *UK shareholders’ views on the threats to auditor independence*. Eleanor enjoyed the conference and benefited from the experience.

UK academics are encouraged to submit papers in financial reporting, auditing or corporate governance, explaining briefly why they believe the paper will be of interest to an academic audience comprising mainly US and some international members.

On behalf of AAA and BAA International Sections, Peter Walton and Stella Fearnley thank Ernst & Young for providing UK colleagues with this opportunity.

The Bursary is open to academics at all stages of their careers. **Submission of papers should be made electronically to Peter Walton P.J.Walton@open.ac.uk by 30 September 2009.** Papers should not be published or accepted for publication at the time of submission. The award will be announced by 30 November 2009.

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45th ANNUAL (2010) JOURNAL OF ACCOUNTING RESEARCH CONFERENCE  
University of Chicago  
May 7-8, 2010  

Papers should be submitted electronically through the links provided on the Journal of Accounting Research Web site at:

http://www.chicagobooth.edu/jar/

The submission fee is $400.00. The deadline for submission of papers is January 4, 2010

Journal of Contemporary Accounting and Economics (JCAE) and Seoul National University (SNU) Joint Symposium  

January 4-6, 2010: Seoul, Korea  

Manuscripts should be submitted in MS-Word format to j.cae@polyu.edu.hk. Manuscripts previously published or currently under review by other publications must not be submitted.

Deadline for paper submissions is September 1, 2009.

For further enquiries, please email Ms Amy Kwan at afnyk@inet.polyu.edu.hk Or, visit the symposium website:

Research

Have You Read This?


Please let us have any interesting papers you have read and would like others to read too.

Working Papers

These working papers were presented in the ASIG’s 19th National Auditing Conference in Exeter, March 27 & 28, 2009:

“Audit quality and the partner effect: evidence from European listed companies”, by J.P. van Buuren (Nyenrode Business Universiteit, Netherlands)

“Factors Affecting Audit Quality and Financial Reporting Integrity in the 2007 UK Regulatory Environment: Perceptions of Chief Financial Officers, Audit Committee Chairs and Audit Engagement Partners”, by Vivien Beattie (University of Glasgow, UK), Stella Fearnley (University of Bournemouth, UK), and Tony Hines (University of Portsmouth, UK)

“Competition, Choice and Governance in the UK Audit Market: Interview Evidence”, by Kevin McMeeking (University of Exeter, UK)

“Cultural Classification and Internal Auditing Standards: A Comparative Study of Use and Compliance in 19 Countries”, by Mohammad J. Abdolmohammadi (Bentley University, USA) and Gerrit Sarens (Université Catholique de Louvain, Belgium)

“Naivete or muddled methodology? The accounting and auditing implications of Independent Insurance”, by David Gwilliam (University of Exeter, UK)
“Perceived auditor independence and audit firm fees”, by Kevin Holland (University of Southampton, UK) and Jennifer Lane (Aberystwyth University, UK)

“Practical training for auditors: the views of students”, by Neil Marriott (The University of Winchester, UK), Marlene Davies (University of Glamorgan, UK), Jonathan Evans (University of Glamorgan, UK) and Brian Telford (University of Glamorgan, UK)

“Threshold concepts: a new framework for pedagogy within auditing?”, by Susan Whittaker (University of West of England, Bristol, UK)

Other Working papers:

“Does accounting and financial expertise in the C-suite aid or mitigate earnings management?”, by Gopal Krishnan (Lehigh University, USA), Lixin (Nancy) Su (Hong Kong Polytechnic University), and Gnanakumar Visvanathan (George Mason University, USA)

“The Joint Effects of Materiality Thresholds and Voluntary Disclosure Incentives on Firms’ Disclosure Decisions”, by Shane Heitzman, Charles Wasley and Jerold Zimmerman (all from University of Rochester, USA)

“Auditing Practices, Capital Structure and Corporate Governance”, by Ismail Adelopo (Leicester Business School, De Montfort University, UK)

“The Characteristics of Board of Supervisors and Earnings Management: an Empirical Study”, by Yuedong Li (Southwestern University of Finance & Economics, China)

“eMaturity Model for Auditing: An Exploratory Study”, by Kamil Omoteso, Ashok Patel and Peter Scott (all from Leicester Business School, De Montfort University, UK)

The staff capacity of the internal audit function of German cosporations”, by Ulfert Gronewold (Ruhr University Bochum, Germany) and Andre Heerlein (University of Potsdam, Germany)

“Rugged landscapes: K and N values for global and mid-size professional firms in transition”, by K. P. McMeeking and R. F. Baskerville (both from University of Exeter, UK)

“Litigation Risk and the Link between Auditor quality and Earnings Conservatism- A US-UK Comparison”, by Shaling Li (University of Potsdam, Germany), Wendy Beekes (Lancaster University), and Ken Peasnell (Lancaster University)

“Can Individual CPA Sanction Improve Audit Quality of the Firm?”, by Chien-Heng Jennifer Chang and Ling-Tai Lynette Chou (both from National Chengchi University, Taiwan)

Have you got any work-in-progress papers that you would like our members to know about? Send us your contributions to: i.g.basioudis@aston.ac.uk
Features

This section includes short articles or commentaries of a maximum 1,500 words. Examples of such submissions include critical reviews of literature, proposals for auditing innovations, case studies involving audit firms, or essays on professional or regulatory developments. The nature of articles likely to be included in this section of The Newsletter would more closely resemble the types of audit-focused pieces one might find in periodicals such as Accountancy or other similar practice outlets. Articles will be much shorter and unlikely to contain statistical analyses.

Also, this section incorporates vignettes or anecdotal accounts of challenging teaching-related incidents and how they were dealt with. Finally, this section may include short profiles of members of Auditing SIG. Please send your letters or email messages to ilias G Basioudis, Aston Business School, Aston University, Birmingham, B4 7ET, UK. Email: l.g.basioudis@aston.ac.uk

Some recent Auditing Practices Board activity

By Steven Leonard, Project Director, Auditing Practices Board

The Auditing Practices Board (APB) has been quite busy over the last few months laying the groundwork for what will be quite significant developments in the UK auditing landscape. The most significant of these developments has been APB’s decision to update almost its entire suite of auditing standards with the new clarified International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB).

The one exception is that the APB is not proposing to adopt clarified ISA 700 “Forming an Opinion and Reporting on Financial Statements”. It recently issued a revised ISA (UK and Ireland) 700, “The Auditor’s Report on Financial Statements” which addresses the requirements of UK company law and also provides for a more concise auditor’s report, reflecting feedback to recent APB consultations. ISA (UK and Ireland) 700 (Revised) has been revised into the IAASB’s clarity format, and published with the other Exposure Drafts.

Exposure drafts of clarified ISAs (UK and Ireland) issued

In March 2009, following a period of consultation, the APB announced its intention to update its auditing standards for the new clarified ISAs issued by the IAASB. The APB consulted on this in October 2008 and the results of the consultation supported APB’s view that the new clarified ISAs are more rigorous and clearer than the existing ISAs and, accordingly, should be implemented in the UK and Ireland as soon as is practicable.

APB has issued for public comment exposure drafts of:

- 33 Clarified ISAs (UK and Ireland);
- Clarified International Standard on Quality Control (UK and Ireland) 1 (ISQC (UK and Ireland) 1); and
- a revised statement of the Scope and Authority of APB Pronouncements.
Features

The period for comment ends on 22 July 2009. When finalised, the new standards will replace the existing ISAs (UK and Ireland) and ISQC (UK and Ireland) with effect for audits of financial statements of periods ending on or after 15 December 2010.

The proposed clarified ISAs (UK and Ireland) and ISQC (UK and Ireland) (with the exception of ISA 700) adopt the clarified versions as issued by the IAASB with some proposed supplementary requirements and guidance, distinguished by grey shading of the text, that APB considers necessary to:

- address specific UK and Irish legal and regulatory requirements;
- provide other guidance relating to legal and regulatory matters relevant to an audit; and
- maintain a small number of other current APB requirements and guidance that are, in the APB’s view, necessary to prevent changes in audit practice to the detriment of audit quality.

Over the last few years the APB has invested a considerable amount of time responding to the draft clarity ISAs when they were exposed by the IAASB. The IAASB has been responsive to comments received and made important changes to their final standards. In particular, many of the APB’s recommendations for improvement were accepted and, as a result, the APB has been able to propose reducing significantly the number of supplementary requirements in the revised ISAs (UK and Ireland).

The Consultation Paper, that accompanies the Exposure Draft, discusses the structure of the Proposed Clarified Standards and provides an overview of the Proposed Supplementary Requirements. The APB’s reasoning for retaining the supplementary requirements is attached to each of the Exposure Drafts.

I would encourage those academics having an interest in auditing to respond to these Exposure Drafts.

Revision of ISA (UK and Ireland) 700 “The auditor’s report on financial statements” issued.

In March of this year the APB published a revision of ISA (UK and Ireland) 700 in order to facilitate a more concise auditor’s report. In 2007 the APB issued a Discussion Paper entitled “The Auditor’s Report: A time for change?” which sought views on what changes needed to be made to UK auditor’s reports to reflect the changes introduced by the Companies Act 2006, and whether more wide ranging changes should be made to the form and content of the auditor’s report. An article on the Discussion Paper appeared in Issue 4 of this journal.

Institutional investors, preparer organisations, public-sector bodies and some auditing firms and individuals observed that there were opportunities for streamlining the current report especially in relation to the current descriptions of the auditor’s and directors’ responsibilities and with the summarised description of the scope of an audit.

Many of the institutional investors also called for the auditor’s report to be made more informative. Some called for the auditor’s report to provide more of an insight into the quality of the work which the auditor has carried out whilst others suggested much greater use of emphasis of matter paragraphs.
Features

Improving the conciseness of the auditor’s report is the first phase of APB’s work to respond to the views of commentators. The new ISA (UK and Ireland) 700 (Revised) facilitates shorter auditor’s reports in a number of ways including allowing cross reference to a “Statement of the Scope of an Audit” that is maintained on APB’s website. Illustrative auditor’s reports for companies accompany the ISA (UK and Ireland) 700 (Revised). This is the first instance that I am aware of where a standard setter permits cross reference to its website in the auditor’s report. The APB believes that providing a fuller description of the scope of an audit on its website will be informative to users of auditor’s reports.

The second phase of APB’s work to respond to commentator’s views will be to undertake research to better understand what can realistically be done to make auditor’s reports more informative.

In the preface to ISA (UK and Ireland) 700 (Revised) the APB makes clear that it does not preclude auditors from including additional comment in the auditor’s report to highlight matters which they regard as relevant to a proper understanding of their work. To facilitate the inclusion of such additional comments in the auditor’s report the APB has introduced into the revised ISA (UK and Ireland) the requirement relating to “Other matter paragraphs in the auditor’s report” from ISA 706 “Emphasis of matter paragraphs and other matter paragraphs in the independent auditor’s report” (see paragraph 55 of ISA (UK and Ireland) 700 (Revised)).

The form and content of the auditor’s report is a matter of active consideration internationally. In particular, the European Commission has yet to decide on the form and content of auditor’s reports within the EU and the IAASB has agreed to consider recent research and developments with regard to the auditor’s report. The APB believes that there is a “window of opportunity” during which it can influence international decisions on the structure of the auditor’s report, especially if its ideas are implemented in practice and are found to be beneficial by the investor community.

The APB intends to monitor reaction to the changes it has made to the auditor’s report and in particular the extent to which:

• reference is made to the longer version of Scope of an Audit on APB’s web site; and
• auditors decide to provide additional comment in the auditor’s report to highlight matters which they regard as relevant to a proper understanding of their work in “Other Matter” paragraphs.

All of the APB’s publications can be downloaded from the publications section of its web site at www.frc.org.uk/apb/publications. The descriptions of the scope of an audit on the APB’s web site can be found at www.frc.org.uk/apb/scope.

Steven Leonard is a Project Director at the Auditing Practices Board any views expressed in this article are entirely personal.
Reflections of the retiring co-ordinating editor of the International Journal of Auditing (IJA)

A glimpse into IJA’s history
Growing from a mere idea in June 1994, IJA has become a well respected international journal, publishing papers on a wide range of topical issues of interest to auditing academics and practitioners alike. It is underpinned by the following principles:

(i) it publishes only articles of high quality;
(ii) it embraces all of auditing sub-disciplines and all research methodologies (provided the method adopted is appropriate for the issue investigated and applied with academic rigour);
(iii) it publishes articles on international auditing issues and articles reporting research conducted in any geographical region.

Progressively, the inaugural editors (Andrew Chambers, David Hatherly, Tom Lee, Ian Percy and Brenda Porter) have found it necessary to resign and a new team – Anne Loft, Thomas McKee and Jenny Stewart have taken over. The new editorial team are committed to, and enthusiastic about, the journal and its future. However, thanks are due to those who have helped secure IJA’s success: Richard Baggaley, of John Wiley & Sons (who, in 1994, agreed to publish the journal), those who attended the journal’s ‘birth’ in June 1994 (especially Iain Gray and the late Mary Bowerman who forged a special link between IJA and the National Auditing Conference), and the journal’s editors, publishers, editorial assistants, editorial advisory board, other reviewers, authors, readers, subscribers and supporters.

Significant changes in the auditing arena since the inception of IJA
Since 1994, the auditing arena has been transformed. Among the significant changes are those mentioned below.

(i) Audit methodologies: In 1994 the audit risk approach to auditing was in vogue but was soon overshadowed by the ‘business risk’ approach. According to its supporters, the latter improved audit effectiveness as auditors gained more detailed knowledge of their auditees’ business and risks and, in the final analysis, all aspects of a client’s business affect its financial statements to some extent. However, according to sceptics, the business risk approach provided opportunities for audit firms to gain more lucrative consulting work – a view fuelled by large audit firms’ promoting themselves as ‘business advisors’ rather than ‘auditors’; pride in being ‘an auditor’ all but disappeared! However, the economically devastating events at the turn of the 21st century served as a sharp reminder of the importance of an effective audit function to the smooth operation of financial markets. Even before the Enron, WorldCom, Tyco, Parmalat, HIH and similar debacles, many commentators (especially from the Securities and Exchange Commission in the USA) were critical of the extent of consulting work auditors provided to their audit clients, and stringent auditor independence requirements were already in train. Additionally, questions were being asked within audit firms about the cost-effectiveness of the business risk approach (Porter, Simon & Hatherly, 2008, Chapter 2).

Since the early 2000s, audit firms have retreated from the business risk approach but its key principle of gaining an in-depth understanding of the audit client as the basis for identifying and assessing risks of material misstatement in the financial statements has been enshrined in international auditing standards.

(ii) Changes in corporate governance: In 1994, corporate governance issues were only just surfacing. The Committee on the Financial Aspects of Corporate Governance (Cadbury Committee; 1992) produced the world’s first significant report on corporate governance in 1992. Since then, virtually every developed country has produced a similar report and imposed corporate governance requirements on listed, if not all public, companies. In all these reports, internal audits, external audits and audit committees feature prominently, and the critical role of these distinct but complementary elements of the audit function in securing responsible
Features

corporate governance has gained universal recognition.

(iii) Professions change from self- to externally imposed regulation: In 1994, the auditing profession largely enjoyed self-regulation. However, within the European Union (EU), the auditors of public companies had to be registered with (to use UK terminology) a Recognised Supervisory Body (RSB). Although most RSBs are also professional accounting bodies, in their capacity as RSBs they are regulators and exercise powers delegated to them by legislation.

In 2002, largely as a result of the Enron, WorldCom and similar debacles, the Sarbanes-Oxley Act of 2002 was enacted in the USA; this, *inter alia*, established the Public Company Accounting Oversight Board (PCAOB) to “oversee the audit of public companies that are subject to the securities laws ...” (sec.101). The PCAOB is responsible for registering audit firms which audit these companies; promulgating auditing, quality control, ethical and independence standards; inspecting work performed by the firms and, in applicable cases, investigating, disciplining and sanctioning errant firms or auditors. Since 2002, most developed countries have established similar bodies to oversee the audits (and/or auditors) of public companies. In the EU, for example, the 8th Directive (EU, 2006) requires all Member States to “designate one or more competent authorities ... [to be] in charge of the regulation and/or oversight of statutory auditors and audit firms”. The functions of the ‘competent authorities’ closely resemble those of the PCAOB except that, rather than Member States promulgating their own auditing standards, statutory audits in all Member States are to be conducted “in compliance with international auditing standards adopted by the European Commission” (EU, 2006, Art 26).

Thus in a few short years, the auditing profession has, in general, ceased to enjoy self-regulation and is now subject to external regulation.

*Globalisation and audit concentration*: Globalization of auditing is particularly evident in the widespread adoption of International Standards on Auditing (ISAs). Since the turn of the century, encouraged by the International Organisation of Securities Commissions, virtually every developed country, other than the USA, has adopted ISAs as the standards to be applied in the audits of listed, if not all public companies (and, in some countries, in the audits of all private and public sector entities’ financial statements). However, many countries are adding to the ISAs to a greater or lesser extent and promulgating their own version thereof.

It is interesting to note that the ISAs are developed by a professional body; that is, the International Auditing and Assurance Standards Board (IAASB), which was established by the International Federation of Accountants (IFAC) – a global organisation for, and of, the accountancy profession. Thus, while responsibility for setting and enforcing the requirements which govern the work of auditors has, in general, passed from the profession to regulators, the standards that are enforced by regulation are developed and promulgated by a self-regulating professional body.

The increasing concentration of audits in large audit firms has caused concern among regulators, politicians and others for many years but especially as the ‘Big 8’ firms shrank to the ‘Big 4’; these four firms audit the vast majority of listed companies around the globe. There have been some significant ‘second tier’ firm mergers (for example, between BDO Spicers and Horwath & Horwath in the international arena, and Grant Thornton UK and RSM Robson Rhodes in the UK, both in July 2007) and, in time, these may grow into ‘large firms’. However, with progressively more demanding auditing standards, smaller firms are withdrawing from the audit market; they no longer find auditing a cost-effective activity. The result is reduced competition among audit firms and an inadequate supply of audits and experienced auditors. In December 2007, a senior ‘Big 4’ audit partner observed that, with more far-reaching and exacting audit requirements in the near-term future, there will be a serious shortage of those willing, and those able, to supply audits to entities that are required by law to have audits. To reinforce his point, he noted: “At present in Indonesia, some 20 audit licences are being surrendered every week”.

Future developments
Given the changes of the past 14 years, it may be time to ‘let things settle’. However, this seems unlikely and changes in the next 14 years may be even greater than those of past years. Some of the changes that might be expected are outlined below.

1. The senior audit partner referred to above also observed: “With the introduction of International Financial Reporting Standards, financial statements are now unintelligible to the vast majority of people”. He noted that, despite more than 30 years of auditing listed companies and extensive international auditing experience, the level of technical detail in financial statements is now virtually beyond even him. This raises questions about why, and for whom, organisations are required to produce audited financial statements. In the audit partner’s view, a new audit product will emerge, especially for non-listed companies – one that is less costly and more meaningful to the users of these companies’ (simplified) financial statements. He envisages something different from ‘reviews’ and negative assurance engagements but is, as yet, unclear of the form it may take.

2. Given the exponential increase in societal, political and media interest in environmental and social (or ethical) matters in recent years, and in climate change in particular, it seems likely that, in the not-too-distant future, it will be commonplace for external auditors to be required by legislation or regulation to audit at least some of the information published by entities on their carbon footprint and/or other environmental and social impacts.

3. Another likely change is a strengthening of auditors’ position vis à vis that of preparers’ of financial statements. The UK Companies Act 2006 may point to changes that might be expected in other jurisdictions. Among other things, the Act requires the directors of companies whose financial statements are subject to audit, to include in the directors’ report a statement to the effect that, in the case of each director:
   (a) so far as the director is aware, there is no relevant audit information of which the company’s auditor is unaware, and
   (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company’s auditor is aware of that information. (s.418)

Additional to the above are ‘perennial chestnuts’ such as:
• the ‘rights’ and ‘wrongs’ of limiting auditors’ legal liability and the need to balance the ‘rights’ of auditors against those of financial statement users who rely on auditors’ reports;
• given that auditors seem unlikely to ‘bite the hand that feeds them’ and that, in many jurisdictions, even non-executive directors have a legal fiduciary responsibility to the company per se rather than to the company’s shareholders or other stakeholders, who should be responsible for appointing and remunerating auditors? – and how might something that is theoretically ‘desirable’ be operationalised?

The field is rich for auditing researchers – the impact of recent changes, and the nature, form and effect of likely future changes, provides untold opportunities for purposeful investigation – and investigation that could have significant regulatory and policy implications. IJA is an excellent ‘outlet’ for manuscripts reporting research into any of these – or indeed, any other relevant – issues.

Brenda A Porter

References
Challenges facing auditors in the current environment
By Diana Hillier, Partner, PricewaterhouseCoopers LLP

This article is based on the presentation made by Diana Hillier, Partner – Global Assurance Standards, PricewaterhouseCoopers LLP, to the BAA Auditing Special Interest Group 19th National Auditing Conference at Exeter University in March 2009.

Few of us would have predicted at this time last year the events that were about to unfold, the unique economic period that we were about to live through, and the challenges they would create for financial reporting and auditing.

The perfect storm
Last summer, we were worrying about world oil prices reaching unprecedented high levels and the reappearance of inflation. Far from worrying about liquidity, the availability of credit and going concern, we were asking ourselves whether there would be sufficient resource to continue to fuel the engines of growth.

But then, the effects of the collapse of the US mortgage market subprime lending started to be felt. And with it, an unprecedented global liquidity and credit crisis was unleashed.

Individual markets and institutions were hit first – the US, followed closely by the UK and others. We watched the demise of the US investment banking model in disbelief and held our breath as major banks and other financial institutions sought massive support from governments. Whilst credit markets were the first to be affected, the contagion subsequently reached all asset classes, particularly those that were reliant on a combination of cheap money and high leverage. Countries from Iceland to Hungary found themselves needing to seek support from the IMF to avoid bankruptcy.

The fallout from the collapse of the sub-prime lending bubble spread quickly across the globe, and what began as a crisis for individual markets and institutions ultimately shook the foundations of the entire global financial system. If we needed evidence of the full extent of the interconnected nature of the world’s financial markets, we now had it. Consumers, investors and companies all suffered a crisis of confidence that many blamed on behaviours driven by greed and the pursuit of excessive financial reward. Major economies around the world fell into the worst recessions their economies had experienced in years, if not decades.

All of these challenges put the 2008 reporting season into context. It was clearly not going to be easy. Indeed, the combined effects of the credit crisis and recession created significant challenges for directors in ensuring that their financial statements were transparent in telling “their story”, and for auditors in forming their opinions on whether the financial statements gave a true and fair view.

Going concern
An article in the Financial Times on 26 January 2009 made the following observation: “A chilling phrase is about to make its first appearance for a long time in many company accounts: “significant
doubt”. Those two words are particularly worrying when they are linked to another pair: “going concern”.

Going concern is a fundamental principle in the preparation of an entity’s accounts. Under the going concern assumption, an entity is viewed as being able to continue in operation for the foreseeable future and, as a result, assets and liabilities are recorded on the basis that the entity will be able to realise its assets, discharge its liabilities, and obtain necessary refinancing in the normal course of business. If the entity isn’t a going concern, the accounts need to be prepared on a liquidation basis. If there are material uncertainties related to an entity’s ability to continue as a going concern, financial reporting frameworks (such as IFRS) require the entity to disclose that uncertainty, and auditing standards (such as ISAs) require the auditor to emphasise this matter in their audit reports.

Although the accounting and auditing literature sounds fairly straightforward, there are many difficult judgments involved. Given the economic conditions that existed at year end—which created a level of economic uncertainty that affected virtually all entities—questions surfaced regarding what constitutes a material uncertainty and when does the auditor need to include an emphasis of matter paragraph in the auditor’s report?

There were early fears that there would be a proliferation of emphasis of matter paragraphs that would further exacerbate the economic crisis. Detractors of going concern emphasis of matter paragraphs have often cited the fear that they have the effect of being a self-fulfilling prophecy.

However, there was quite early consensus that the economic environment, on its own, didn’t constitute a material uncertainty. Further, the fact that an entity included disclosures about its liquidity and how it was dealing with the current economic conditions in its financial statements—disclosures that were encouraged by, for example, the Financial Reporting Council in its guidance for directors of listed companies—was not indicative, on its own, that an emphasis of matter paragraph was needed in the auditor’s report. Rather, guidance to auditors, such as IAASB’s Staff Audit Practice Alert, “Audit Considerations in Respect of Going Concern in the Current Economic Environment”, reinforced that consideration of the need for an emphasis of matter paragraph was a judgment that needed to be made in the context of an entity’s own circumstances.

Now that we are a long way through the reporting season, what has been the result? So far, there has been an increase in going concern disclosures and emphasis of matter paragraphs, but not the massive increase that some feared.

However, whilst there have recently been some promising signs of good economic news, we may still have a long way to go in the recession (for evidence, look at what has happened this month to General Motors). In addition, a lot of debt taken out in 2004-2007 may not be coming due until 2010 or later and companies that still had “head room” through the credit crisis thus far, may yet find it difficult to obtain refinancing next year. As a result, going concern issues are likely to continue to be an issue in interim financial reporting this year, and may be even more acute in the 2009 year end accounts.
Other challenges
Going concern was not the only challenging aspect of the FY08 financial reporting season, and for many entities not the most significant challenge. Other complex accounting issues and related risks and uncertainties included, amongst other matters: determining the fair values of financial instruments (particularly in thin markets or when there was no active market); reclassifications; impairment; hedge effectiveness (given currency fluctuations); provisions; consolidation of special purpose entities (SPEs); guarantees and loan commitments.

In addition to accounting complexities, auditors needed to think about the competency of directors and management to deal with these extreme conditions. Many had never faced the type of economic conditions they were now trying to manage through; and nor had many on the audit teams. The current conditions heightened the risk of fraud by increasing the incentives for both fraudulent financial reporting and misappropriation of assets. As Warren Buffet put it so well, only when the tide goes out do you discover who has been swimming naked. Furthermore, cost cutting initiatives may well have cut internal audit or affected other internal controls, which collectively could have had pervasive effects on an entity’s overall control environment. Previously immaterial matters might now have looked more material given the current financial position and performance of the entity. And dealing with all of these issues often resulted in robust discussions—and tensions—amongst auditors, directors and audit committees.

Despite all of these various pressures, it could be observed that, at least so far, the accountancy profession “has had a good war”. But then, perhaps different from other recent failures, this crisis was not at its heart a reporting crisis, nor an auditing crisis. It was a crisis arising from excessive risk.

*We thank Diana Hillier from PwC for the above article.*

ICAEW Article

**Forthcoming ethics attractions**

What new attractions are we expecting on the ethics rollercoaster in 2009/10? Believe it or not, we are likely to see the further consultations and changes to auditor independence requirements and the ICAEW’s Code of Ethics. There are two engine drivers for these forthcoming attractions: the Auditing Practices Board (APB) and the International Federation of Accountants (IFAC). Want to find out more about the key features of the ethics rollercoaster? Read on....

**APB Ethical Standards**

After a long climb, you may recall that the APB issued revised Ethical Standards on auditor independence on 4 April 2008, which applies to audits in the UK and ROI of periods which commence on or after 6 April 2008 (please see June 2008 article). As well as issuing the revised standards, the APB announced in its feedback paper that it intended to undertake further work in the following areas:
Features

- appropriate period for the rotation of the audit engagement partner and engagement quality control reviewer on listed entity audits;
- managers with a long association with an audited entity becoming key partners involved in the audit;
- independence issues which arise from using internal audit staff to work directly for the audit team;
- possible conflicts of interest arising from the same firm providing auditing services and restructuring services as well as other related issues raised in the Treasury Select Committee report on Northern Rock;
- prohibition on financial interests of new partners joining the firm arising from previous employment;
- amendments to align with the IFAC's revisions to revisions to independence requirements included in Section 290 (Independence – Audit and Review Engagements); and
- alignment of APB's affiliate definition with that used in the IFAC Code.

The APB has now completed this work and published a consultation paper for comments by 15th June 2009.

IFAC’s Code of Ethics

The main accountancy bodies in the world, including the Institute and the other CCAB bodies, are required to comply with the principles in the IFAC Code of Ethics. So what loops, swoops and crossovers are likely to affect the ICAEW’s Code of Ethics?

The first curve stems from IFAC’s Ethics Standards Board (IESBA)’s drafting conventions project. The intent of these changes is to remove inconsistencies or ambiguities in the IFAC Code (and therefore the ICAEW Code) but not to change the substance of the Code or the requirements. The key proposed changes include:

- replacing should with shall;
- replacing ambiguous words such as consider with more specific action words such as evaluate or determine;
- including a temporary departure from meeting specific requirement of the Code, or part of the Code, in exceptional and unforeseen circumstances;
- revising the description of each of the five categories of threat and clarifying the relationship or circumstance where threats arise; and
- replacing the concept of clearly insignificant threats with threats that are not at an acceptable level.

IESBA is hoping to finalise the revisions to the Code,

The second curve relates to IESBA’s numerous consultations on independence requirements (Section 290 and Section 291 of the IFAC Code) which are summarised on our ethics website pages. It is our understanding that the proposed changes to independence requirements will be included as final and not subject to further consultation in the re-drafted IFAC Code of Ethics. There are a number of changes in this area, but perhaps the most significant relates to the independence requirements for audit and review engagements. Currently, in the UK and ROI, audits must be conducted in accordance with the APB Ethical Standards and review engagements in accordance with Section 290
Features, Teaching

included in the ICAEW’s Code of Ethics. Going forward, IFAC has deemed that review engagements should comply with the same independence requirements as audits. Since the APB’s remit is only audit engagements, the ICAEW is considering whether the revised ICAEW Code of Ethics should include an additional section for independence requirements relating to review engagements.

So, potentially, there could be three sets of independence requirements depending on the type of engagement being conducted: audit (follow APB Ethical Standards), review engagements (section in the ICAEW Code derived from IFAC Code Section 290) and non-audit, non-review engagements (section in the ICAEW Code derived from the IFAC Code Section 291).

Further developments on these forthcoming attractions and other ethical matters is available at www.icaew.com/ethics

ACCOUNTING EDUCATION: an international journal
(The official education journal of the IAAER)
CALL FOR PAPERS
Audit Education

Accounting Education: an international journal invites submissions for a themed issue on the topic of audit education.

The Call covers a wide range of potential topics including education and knowledge in accounting and the profession, computers and systems, law, regulation, risk management and team-building as well as how to engage learners in such skills and responsibilities.

Submissions should be original work which combines in some manner audit or assurance and education or training. The editors are open to quality research in any paradigm including, for example, field or experimental investigations, archival or survey research, interpretive or critical studies and case study research. Assessing practice is a global challenge, so we also encourage international studies.

The deadline for submissions is December 15th, 2009, and the co-editors are happy to discuss expressions of interest in more detail. Submissions should be made electronically in accordance with AE’s policies and style and sent to either guest editor:

Guest Editors
1. Professor Karen Van Peursem, Department of Accounting, University of Waikato, PB 3105 Hamilton, NEW ZEALAND, kvp@waikato.ac.nz
2. Dr Elizabeth Monk, School of Accounting & Finance, University of Dundee, Dundee, DD1 4HN, Scotland, UK, e.a.monk@dundee.ac.uk

This is a dedicated to ‘Teaching’ section in The Newsletter. This section relies on your contributions, such as news of activities and developments related to teaching of auditing, teaching materials, case studies, etc. Also, vignettes or anecdotal accounts of challenging teaching-related incidents and how they were dealt with would be of high interest to our members. Email us in: i.g.basioudis@aston.ac.uk
The British Accounting Association, which was established in 1947, is a UK organisation which brings together those interested in teaching and research in accounting and finance. Please note that the Association is not a qualifying body for the purposes of practising accounting and finance, and members are not allowed to use or advertise their membership for business purposes. The Association currently has about 780 members, many of whom are employed in UK Higher Educational institutions. Other members include representatives from leading firms of accountants as well as a significant number of private individuals and people based outside the UK. The benefits of membership include:

- free subscription to the quarterly refereed journal The British Accounting Review;
- a free copy (in the year of publication) of the biennial The British Accounting Review Register – the authoritative reference work on UK accounting and finance departments and the lecturing/research interests and publications of 1,500 academic staff members across over 100 UK institutions;
- eligibility to:
  - join the seven Special Interest Groups of the BAA (which includes Auditing, Corporate Governance, Education, Financial Accounting and Reporting, Interdisciplinary Perspectives, International and Public Services);
  - join the four Regional Groups of the BAA (which includes North, South East, South West and Scottish);
  - attend the conferences, seminars, research workshops, and doctoral colloquium organised by the BAA and its sub-groups;
- reduced personal subscription rates for other journals, including Critical Perspectives on Accounting and Accounting Education.

During 2009 the Association’s Officers and Representatives are:

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If you would like to join the Association, or if you require further information, please contact:
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Registered Charity Number 299527
The International Association for Accounting Education and Research (IAAER) and the Association of Chartered Certified Accountants (ACCA) will be inviting research proposals to support the work of the International Auditing and Assurance Standards Board (IAASB). The program will support academic research directed at informing the IAASB’s standard setting activities. Funded projects will be showcased at three events involving representatives from the IAASB as well as renowned researchers specializing in the area of audit and assurance. ACCA, IAASB, and IAAER plan to publish a practice focused briefing report summarizing the primary research findings of the program. Research teams may publish an academic report of their individual findings in the outlet of their choice. Funding for this program will be provided by ACCA.

Program Objective

The call will promote and support research directed at developing theory and evidence to inform the IAASB’s decision process. Proposals addressing (i) the implications of financial reporting and other trends and developments on auditing, (ii) conceptual aspects of assurance standards, or (iii) international convergence and implementation of International Standards on Auditing (ISAs), are especially welcome. Topics of interest include, but are not limited to, the following:

Trends and Developments

- What factors influence auditors’ decisions about whether sufficient appropriate audit evidence has been obtained when evaluating management judgments on fair value estimates (and related disclosures) that are not determined based on observable inputs? For such fair value estimates, how do the efforts of management, auditors, and those charged with governance differ with respect to determining the “right number” versus evaluating the reasonableness of the process followed in developing the estimate?

- What are users’ perceptions of the reliability of financial information elements filed in XBRL format? How are these perceptions affected by users’ assumptions about the nature of auditor involvement with that information? What are users’ longer-term expectations regarding the nature of assurance that will attach to XBRL data?

Institute News

- What is the current state globally of mandatory or voluntary requirements (regulatory or otherwise) for reporting on the effectiveness of internal control, including the criteria to be used for assessing the effectiveness of internal control and reporting deficiencies? How do differences in these criteria affect what is communicated to management, those charged with governance, regulators and users of the financial statements?

*Conceptual Aspects*

- What implications for international auditing and assurance standard setting can be drawn from academic research on the subject of professional judgment and on the subject of audit quality?
- What are users’ perceptions with respect to the inclusion (or not) of an Emphasis of Matter paragraph or Other Matter paragraph in the auditor’s report?
- How does the perceived degree of assurance, if any, by management/those charged with governance and users of financial statements vary across agreed-upon procedures, compilation, review, and audit engagements, particularly in the context of smaller entities?

*International Convergence and Implementation*

- What factors, such as cultural, economic, or regulatory differences, significantly enhance or impede adoption of, or convergence with, ISAs across different jurisdictions? How do these factors affect perceptions of adoption or convergence being in the public interest?
- What are the major challenges faced in connection with implementation of ISAs? How do these challenges differ according to factors such as size of firm, size of clients serviced, and whether the auditor practices in a developed versus developing nation environment?
- What are the implications of international convergence of auditing standards on audit quality?

Please sign up to receive email updates and an early notification of the Call at [http://www.accaglobal.com/publicinterest/activities/research/email](http://www.accaglobal.com/publicinterest/activities/research/email)

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**ICAERewarch News**

Research catalogue

The latest catalogue of research and thought leadership publications from the ICAEW is now available. To request a copy tel +44 (0)20 7920 8634, send an email to centre@icaew.com or download at [http://www.icaew.com/index.cfm/route/135530/icaew Ga/pdf](http://www.icaew.com/index.cfm/route/135530/icaew Ga/pdf).

**New report from the Audit Quality Forum**

A new report in the *Evolution* series publishes in June: *Changes in Financial Reporting and Audit Practice*. Developments in financial reporting in recent years include significant changes in financial reporting standards, a greater use of fair values and the growth of narrative reporting. Developments in auditing standards and practices have been and are being driven, to some extent, by these changes. This has raised
Institute News

questions about the interaction between changes in financial reporting and changes in audit practice. The Audit Quality Forum established a working party to consider these questions. This report presents the results of its deliberations.

New report in the re: Assurance series

Alternatives to Audit: Report on the ICAEW Assurance Service consultation will also publish in June. The ICAEW began a two-year consultation on a new limited assurance service, an alternative to audit based on the framework issued by the IAASB. The report presents findings from the experience of providing the new service over the next two years and presents views of users of financial information that help in assessing the relevance of the service to their needs. The topic is even more relevant as the IAASB put the revision of ISRE 2400 Engagements to Review Financial Statements on its agenda.

To order copies of these reports, which are all available free of charge, email sarah.king@icaew.com or tel +44 (0)20 7920 8594. Papers are also available as downloadable pdfs from www.auditqualityforum.com and www.icaew.com/assuranceservice.

Want to find out more about the key features of the ethics rollercoaster? Read on.... p. 21

ICAS RESEARCH FUNDING

ICAS has recently published its new research funding brochure which can be downloaded at www.icas.org.uk/researchfunding

ICAS is committed to supporting high quality research which is timely and relevant to the accountancy profession or business. Applications are encouraged from researchers and institutions anywhere in the world and are welcome at any point in time. Successful applicants benefit from a close working relationship with a world class professional body that has close links with national and international policy makers and regulators. Research results are widely distributed and discussion events may be held to launch reports and encourage debate.

ICAS seeks research proposals that are in the public interest and which will help to inform the development of future policy. Research proposals should demonstrate that they contribute to one or more of the following policy objectives:

- Ensuring accountants act in the public interest
- Ensuring accountants act with ethics and integrity
- Supporting principles rather than rules and the exercise of professional judgement
- Improving the effectiveness of regulation
- Improving the entrepreneurial environment

The research themes which are of particular interest are:
Institute News

- The Future of Financial Reporting and Assurance
- Ethics and Integrity
- Key Business Issues
- Insolvency
- Not for Profit Sector
- Development of the Profession

Specific examples of topics within these themes which are currently of interest to ICAS are set out in the Research Priorities list which is updated regularly on the ICAS website. Some of the current priorities in the audit and assurance area are:

- Boundaries of financial reporting and auditing
- Accounting and assurance for smaller companies
- Audit quality
- Collaborative processes for resolving audit problems avoiding cost and time of court proceedings
- Corporate responsibility to society and the environment - reporting and assurance

For further details of the application process and to download an application form please go to www.icas.org.uk/Researchfunding. For an informal chat about a research proposal please contact the ICAS Research Centre on 0131 347 0237 or research@icas.org.uk.

ICAS Research Publications

The Research Committee of ICAS has published seven new research reports in 2008 and, to date, two new reports in 2009. All of these reports are available to download free of charge from the ICAS website www.icas.org.uk/research

Noted below is a brief summary of one of our recent reports which is of particular relevance to auditing:

**Competition, Choice and Governance in the UK Audit Market: Interview Evidence**

*Kevin McMeeking – University of Exeter*

The large listed audit market is dominated by the Big 4 accounting firms; this has led to concerns about the lack of competition and choice in the audit market and the establishment by the Financial Reporting Council of the Market Participants Group. Most stakeholders agree that additional choice in the audit market would be beneficial but should this be left to market forces or should regulatory measures be adopted? This interview based study investigates: the extent of such concerns; to what extent there is a desire to improve audit choice; and the challenges and likely impact of the Market Participants Group’s 15 recommendations made in 2007. The author makes a number of recommendations for stakeholders with an interest in the audit market to consider.

Available to download at www.icas.org.uk/mcmeeking

If you would like to subscribe to receive email notification of our new publications, research opportunities and our Newsletter, please contact the Research Centre - research@icas.org.uk
ICAS has recently awarded the following relevant grants:

**The teaching research nexus in accounting**
Angus Duff - University of West of Scotland and Neil Marriott - University of Winchester

This project aims to assess how academic research in accounting and finance influences the curriculum, teaching practice, and student learning in universities and professional training. A significant literature has evolved which examines the relationship between academic research and teaching. However, no prior study has considered how research affects teaching, or vice-versa, in the disciplines of accounting and finance, with strong links to professional bodies.

The study investigates academics’ perceptions of the relationship between research in the accounting and finance curriculum, student learning, teaching practice, curriculum development and intrinsic/extrinsic rewards for creating integrating research into teaching, and vice-versa. This is termed as the teaching-research nexus. A survey, case study and interview approach will be adopted in the study.

**The role of auditors in Swiss banking supervision**
Ian Dewing and Peter Russell – University of East Anglia

The small research project builds on previous ICAS sponsored research on the role of auditors in financial services supervision and an ICAS Seedcorn Grant to investigate the specific role of auditors in Swiss banking supervision. The researchers plan to conduct a set of post-financial crisis interviews with inter alia Swiss audit partners and the Swiss Federal Banking Commission (SFBC). The aim of the research is to gather further data on the role of auditors in Swiss banking supervision that employs auditors to a much greater extent than in the UK. The research may help to inform future UK and international policy developments in banking supervision, which is likely to be subject to increased public scrutiny now and in the future.

**The history of the Cadbury Committee**
Laura Spira - Oxford Brookes Business School

There can be little doubt that the report of the Cadbury Committee published in 1992 has had a very significant influence on standards of corporate governance around the world and in both the private and public sectors. The impact of the original Cadbury Code and of subsequent regulatory initiatives has been investigated but little attention has been paid to the processes of code and policy development. How are members appointed to the committees that pronounce on policy? How do the committees undertake their work? Committees perform their work and are then usually disbanded: thus, insights gained through the process of their work, which could inform subsequent processes, are lost. This Seedcorn project undertakes a historical evaluation of the work of the Cadbury Committee to capture some of these insights.

**SMALL PROJECT – RESEARCH RESULTS**

**Understanding plagiarism by accounting students**
Xin Guo and Angus Duff - University of the West of Scotland
Institute News

The purpose of this project is to create a model of what motivates accounting students to engage in plagiarism. A literature review identifies eight factors that are likely to influence accounting students’ plagiaristic behaviour. These eight factors are labelled: (i) moral capability; (ii) demographics; (iii) attitudes; (iv) pressures; (v) the pedagogy and curricula of accounting education; (vi) new technology; (vii) institutional issues; and (viii) cultural influences.

To allow a better understanding of the intersection of plagiarism, accounting education, and the cultural context three focus groups were conducted. The focus groups used undergraduate and postgraduate participants from different cultural backgrounds. An 81-item questionnaire was created to measure students’ attitudes towards the precursors of plagiaristic behaviour and the extent of plagiarism involved. The inventory was administered to 381 students enrolled in accounting programs at two universities in Scotland. Structural equation modelling (SEM) via AMOS 7.0 was used to assist data analysis.

Results indicate that gender, moral capability, cultural influences, and attitudes towards study are the four antecedents of plagiarism. Specifically: 1) male students are more inclined to engage in plagiarism than their female peers; 2) low levels of moral capability may encourage plagiarism; 3) the lack of course work experience and ambiguous knowledge of authorship are the principal causes of plagiarism; and 4) students’ lack of academic integration and laziness are associated with plagiaristic behaviour.

The research has six implications for accounting educators seeking to prevent and reduce the incidence of plagiarism:

- educate students what constitutes plagiarism with a special focus on paraphrasing;
- equip students with a clear understanding of the problems and copyright implications of plagiarism;
- provide additional language support for overseas students;
- provide institutional support to integrate students into academic life;
- provide clear guidance and feedback on students’ written assignments; and
- adopt a consistent and ethical approach to encourage students not to fall into plagiarism.

NEW ICAS RESEARCH ADVISER

ICAS is pleased to announce the appointment of Professor Angus Duff from the University of the West of Scotland as its Research Adviser from 1 August 2009. Angus takes over from Professor Christine Helliar, in providing advice and academic leadership to the ICAS Research Committee and ensuring the quality of ICAS sponsored and SATER funded academic research projects and resulting publications.

Angus Duff is a Professor of Accounting and Finance and the Academic Director of the Division of Accounting and Finance at the University of the West of Scotland. He is a member of the Chartered Institute of Management Accountants and the Association of Corporate Treasurers. He has published numerous articles in academic and professional journals. His current areas of interest are: accounting education; the accounting profession; and financial services.
ICAS TECHNICAL NEWS

ICAS key policies in relation to the economic and financial crisis

The accountancy profession, with its involvement and expertise in financial reporting, auditing and the business and financial communities more widely, clearly has a vital part to play in re-building confidence in the current economic climate. ICAS recognises that accountants have a role to play at all levels of the economy and has developed policies to guide members and its work as a leading representative of the accountancy profession through the challenging times ahead. ICAS seeks to be involved in the debate in those areas where it has a recognised standing and clear expertise.

A copy of the key policies is available on the ICAS website at: www.icas.org.uk/EconomicCrisis

Fair value accounting and its role in the current financial crisis

At the annual Aileen Beattie Memorial Lecture, hosted by The Institute of Chartered Accountants of Scotland (ICAS) on 23rd March 2009, Professor Avinash Persaud, one of the world’s leading financial experts, Chairman of the Warwick Commission and Member of the UN Commission of Experts on Financial Reform, argued that accountants are right to be concerned that fair value accounting should not stray from its primary objective of serving shareholders, but for some types of institutions, there are alternatives to “mark-to-market” that may serve both shareholders and the financial system better. He stated that while fair value accounting has its detractors, employing it in a boom and suspending it in a crisis cannot be right from a systemic point of view.

A full transcript of the event is available on the ICAS website at www.icas.org.uk/AileenBeattie

Can financial reporting be made simpler and more useful?

ICAS is a member of The Global Accounting Alliance (GAA), an alliance of ten of the world’s leading accounting bodies, brought together to promote quality services, share information and collaborate on important international issues.

The GAA has published its report Getting to the heart of the issue – Can financial reporting be made simpler and more useful? - which is based on a series of interviews conducted in 2008 with financial regulators from the UK, Canada, China, the United States of America, South Africa, France, the European Commission as well as international regulators. Interviewees also included a leading US litigation lawyer and representatives of the world’s leading accounting and auditing practices.

The research was undertaken to consider the barriers to the implementation of a more principles based accounting regime, and the increasing complexity and detail in company financial statements. The GAA is arranging a number of roundtable events where regulators and other stakeholders in financial reporting around the world can begin discussions on a number of ideas emerging from the research.

A copy of the report is available to download at: www.globalaccountingalliance.com
Ethics, markets, regulation and the public interest

This article is based on the presentation made by Tony Bromell, head of Accountancy Markets and Ethics of the ICAEW to the BAA Auditing Special Interest Group 19th National Auditing Conference at Exeter University in March 2009.

The connection? First, they refer to conditions that surround and underpin audit and other professional and business activities, and second, we are looking at these areas as part of an ICAEW thought leadership programme using the umbrella title Market Foundations.

Ethics

In 2007 we produced ‘Reporting with Integrity’. Following this up we are asking two key questions:
- how do individuals make decisions in practice? and
- what influences these decisions?

Our current focus is on:
1) Our code of ethics. This is largely about objectivity and independence but we think integrity is actually the most important ethical principle and merits further discussion in the professional code.
2) Ethics in the wider business community. We have commissioned research from Leeds University, funded by the Institute’s research trusts, to look into how organisations influence and promote ethical behaviour.

The output should be of interest not only in business but to organisations like ours, when considering how we best embed ethical behaviour in our own membership. How should ethics education be built in to the ACA? How do people absorb behavioural requirements for CPD purposes? We have an e-learning sustainability package called BSP: would there be scope for something similar on professional ethics and auditor independence?

Now we have mentioned auditor independence, we move on to the vexed question of how best to write codes. We continue to believe that a principles-based approach, where the intent is clear and where, if necessary, the principles prevail, is flexible but more robust than a mere set of rules, however long. This is because it focuses on the spirit of the guidance and encourages responsibility and the exercise of professional judgement. However, although the generality of the IFAC Code of Ethics is principles based, the independence section, and the differently-styled but broadly similar APB Ethical Standards on independence in the UK, are leaning towards being rules-based, not least because of continued attention by regulators with a different view.

There has been much research into auditor independence comparing, say, some measure of independence with fees or non-audit services. While of interest, there is inevitably a problem with the artificiality of the independence measure. We are particularly interested in the behavioural aspects. Is principles-based guidance applied in spirit? How do smaller firms deal with it? How do they deal with pages of rules? Does rules based guidance encourage a box-ticking mentality or is it needed to address a tendency to self-justify what we want the answer to be? Does our threats and safeguards approach concentrate on the right threats? This could produce interesting and relevant findings for auditing standards and other regulations as well as independence and other ethical codes.
Markets

Our Market Foundations programme starts from the basic premise that every market needs participants as principals, agents or advisers, every market needs mechanisms of exchange and sometimes for control in the public interest and every market needs accepted conventions and standards of behaviour – above all trust.

These mechanisms usually develop in an ad hoc manner and are often so ingrained that people don’t really think about whether some are better than others or even if they are still fit for purpose. So, what are the key conditions for market success? Is there something we should be doing at the basic level rather than tinkering with the niceties?

Professions participate in markets in various capacities. The words profession, professionalism, professionals, are not always applied in the way we use them - consider ‘oldest profession in the world’ or ‘professional foul’. This all helps to confuse the meaning in general usage.

What I mean by a profession involves professionals exhibiting professionalism for the protection of common values, a common reputation, and the promotion of trust, in the public interest. In my view exhibiting professionalism is about customers being able to expect you to act over and above the strict form of legal requirements, and about adhering to a standard of behaviour that combines competence with integrity.

The need for this is especially true of occupations like accountancy and auditing where the work is very specialised and consumers can’t assess quality by kicking the tyres.

The issue of whether professions benefit society is actually at the heart of our work in this area. The occupations underlying the professions exist because there is a demand. Given that, is there a better way of controlling them, and if not can changes be made to the existing structure to benefit society more?

Regulation

External regulation is an obvious alternative to professional self-rule. It is also, more generally, the means by which amoral market outcomes are corrected or diverted towards some outcome society wants rather than outright market ‘efficiency’.

Everyone seems to agree on the need for ‘better’ regulation and yet we still get rafts of new rules which never quite achieve quite what they were intended to (consider MPs’ expenses!). Why is that? Do regulators not understand actual human behaviour? Do cultural differences mean harmonisation can only go so far?

There is a mine of behavioural analysis (again) to be dug here. This is of course highly relevant to audit, where there has long been a concern that the more form-filling and check-listing that has to be done, the less time there is to actually do an audit and spot the wood as well as the trees.
The public interest.

This term is used by just about every government, politician, regulator, lobby group, professional body, activist, business in the public eye, and academic to justify just about every policy proposal that affects a range of people (particularly, it would seem, auditors). But do we know what we mean by it? Does it even exist? Can it be measured? Is it just a smokescreen to justify self-interest?

My initial reading has barely scratched the surface of the extensive writings in this area. I do think, even at this stage, that we can show that the public interest does exist. However, those who set themselves up as judging what it is that’s in the public interest have, in a modern complex society, to make a series of trade-offs of different sets of interests. There’s a lot that has been and can be written about what values, calculations, guesses and other factors might feature in those bases but, inevitably, different people will use different bases in different circumstances. Perhaps they should be asked to explain themselves rather than get away with some glib assertion.

Then we get onto what the public actually wants. For example governments tend to assume people want growth, often at the expense of stability and less quantifiable things. Regulators tend to assume people want certainty, if necessary at the expense of common sense flexibility. Maybe it would help if we had some proper debates on what society really wants from those who purport to act, or set standards in the public interest, including from auditors.

This article is a very cut-down version of the presentation I gave in Exeter, which also dabbled in areas such as audit competition and liability limitation. I have indicated what we are working on and areas where research might be of interest. We would be delighted to talk further, because that is what we do.

Tony Bromell was an auditor a very long time ago but is now head of Accountancy Markets and Ethics at the ICAEW. Contact tony.bromell@icaew.com or see www.icaew.com/thoughtleadership for more information.

We thank Tony Bromell from ICAEW for the above article.
This year marks the 150th anniversary of the birth of Robert Burns so it is fitting that I give you one of his songs. It was written for a young woman, Jessie Lewars, the eighteen year old sister of a fellow exciseman, who had inspired him by her playing on the piano. He called on her one morning, not long before his death, and offered, if she would play him any tune of which she was fond, to write new verses to it. She sat down at her piano and played over several times the air of an old song beginning: 'The Robin cam to the wren's nest'. Here is what Burns wrote for her—

O wert thou in the cauld blast
O wert thou in the cauld blast,
On yonder lea, on yonder lea,

My plaidie to the angry airt,
I’d shelter thee, I’d shelter thee;

Or did Misfortune’s bitter storms
Around thee blaw, around thee blaw,

Thy bield should be my bosom,
To share it a’, to share it a’.

Or were I in the wildest waste,
Sae black and bare, sae black and bare,
The desert were a Paradise,

If thou wert there, if thou wert there;
Or were I Monarch o’ the globe,

Wi’ thee to reign, wi’ thee to reign,
The brightest jewel in my crown

Wad be my Queen, wad be my Queen.

It is not often that a gay woman born in the Gorbals, Glasgow and brought up in Stafford becomes Poet Laureate of the United Kingdom, as Carol Ann Duffy has just done. I saw her at StAnza, the St Andrews Poetry Festival, last March and she was brilliant – both most amusing and very incisive. The following is taken from her Selected Poems:

Head of English

Today we have a poet in the class.
A real live poet with a published book.
Notice the inkstained fingers girls. Perhaps we’re going to witness verse hot from the press.
Who knows. Please show your appreciation by clapping. Not too loud.

sit up straight and listen. Remember the lesson on assonance, for not all poems, sadly, rhyme these days. Still. Never mind.

Whispering’s, as always, out of bounds – but do feel free to raise some questions.
After all, we’re paying forty pounds.

Those of you with English Second Language to see me after break. We’re fortunate to have this person in our midst.
Season of mists and so on and so forth.

I’ve written quite a bit of poetry myself, am doing Kipling with the Lower Fourth.
Flashback, Executive Committee

The National Auditing Conference

The Previous Years:

The first National Auditing Conference took place in March 1991 and since then conferences have been arranged on an annual basis. Past conferences have been supported by the following institutions:

1991  **Sheffield Hallam University, Sheffield**

1992  **University of the West of England**

1993  **University of Staffordshire**

1994  **University of Central Lancashire**

1995  **Sheffield Hallam University, Sheffield**

The programme and papers presented in all National Auditing Conferences can be found in our website:

[http://www.abs.aston.ac.uk/newweb/AcademicGroups/FAL/ASIG/FirtsPage.html](http://www.abs.aston.ac.uk/newweb/AcademicGroups/FAL/ASIG/FirtsPage.html)

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Auditing SIG

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