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Government inspections and peer reviews are basic measures taken to ensure quality through dealing with perpetual problems in the field of accounting and finance. These two methods are used to assess the quality control policies and procedures of audit in companies, and to assess whether these policies are implemented per accounting professionalism. How quality control is designed, implemented, and supervised is used to determine whether the regulatory system has achieved its goals-protecting public interest and the interest of investors.

Critics alleged that the peer review program was clubby. Under the peer review audit program, audit firms would find another firm to undertake a review of their quality regulatory system and the audit engagements. The reviewer would then report their own opinion on the performance of the company under review. This system was criticized for expressing a lack of independence and a very limited scope of review. In his own words (William, 2002), "Peer evaluation/review seems to be too perverted in its current form." It is implied that a new accounting-industry-specific system should be introduced.

Sarbanes-Oxley Act is a federal law whose aim is to provide quality information for investors, required to assess the quality of audit firms. The Sarbanes Oxley act was officially enacted into law in 2002. This was done to respond to the prolonged period of accounting scandals that emanated from the corporate sector in the United States. This act was intended to address the abuse of accounting regulations by companies like Enron and WorldCom. The executives of these companies took advantage of the peer-reviewed auditor program to trick investors and inflate the stock prices. However, the system was criticized by media, academics, and researchers and consequently leading to its replacement.

The PCAOB was a non-profit regulatory board that replaced the peer review audit program. The board inspects both large audit firms and tiny audit firms formed on internally developed

models. For instance, the purpose of the inspection is to highlight significant deficiencies and summarize them into two broad categories, the public portion which was in part I of the report, and the nonpublic section which was found in part II of the report. The PCAOB conducted a thorough evaluation of the audit firm regulatory process. Some quality management issues that were reviewed by the board included the following, procedure, policies, audit performance, independence compliance of the system, among others.

In case the inspector identifies a significant quality control issue, he addresses the issue with the audit firm and writes a report highlighting the issues encountered. Sox then mandate the company to address the issues within 12 months to the Board. If the company under review fails to address the issues, then the report is made public and the quality control issues are exposed.

To achieve a quality financial report, external auditors play a key role. However, researchers like (Palmrose, 2006) have argued that the PCAOB gives a detailed report of audit deficiency findings but fails to give an overall summary of the evaluation. In his research, he raises an interesting concern that despite PCAOB taking over the control of auditors there is still criticism of auditors. According to Palmrose SOX continues to undermine the viability of large audit firms as financial gatekeepers. He criticizes the PCAOB for over auditing while ignoring the critical risk of fraud surrounding financial reporting.

Studies have revealed that the quality deficiency reports are not easily accessible and therefore there is so little in terms of research that has been explored in this area. (Ragotham 2012) is one such study that compares the deficiencies identified by PCAOB and those established by AICPA. The study found PCAOB seemed to disclose some higher number of quality control deficiencies when compared to the AICPA. However, on the same note, research focusing on part II of the report were only contained descriptive information of the QC report. This paper, therefore,

seeks to clarify whether audit clients find the information found in the QC reports are credible and useful in determining the quality of an audit firm.

Research question.

The author of this article guides us to the hypothesis by first establishing a rationale for the research. Specifically referring to the AICPA'S statement which requires firm audits to have a QC system of their own, and whose procedures adhere to the following factors: freedom, dignity, personal management, acceptance and client engagements, monitoring, and engagement efficiency (PCAOB, 2003).

The basis of a company's ability to give a precise financial statement depends upon its system of quality control. the transparency of the selected quality control system for an audit organization is an important aspect in assessing the audit firm quality. A detailed Qc vulnerabilities report issued by the PCAOB would greatly improve the quality assessment of an audit company. The findings of QC flaws, on the other hand, which were not made public by PCAOB automatically renders the information on the QC report unhelpful for investors and the general public. The information hidden from the public raises questions among investors as to what is hidden within non-public part of the analyzed document. This study, therefore, examines if the information contained in the QC report is credible to determine the quality of an audit firm leading According to the hypothesis, the PCAOB's disclosure of knowledge about quality control defects results to a decline in various audit company's business dominance.

Based on the above discussion the PCAOB fails to perform its primary role of informing and protecting investors against fraudulent audit reports by not disclosing deficiencies within the concerned quality management and control framework of the audit companies. since this

information is crucial in assessing the quality of an audit firm investors and the general public doesn't find the PCAOB final reports to be quite informative.

Empirical analysis

This study was conducted to identify indicators of companies losing market share after the firm's reputation was tarnished. The data included a QC report sample for accounting firms that had initially fail to satisfy the quality control criticism by PCAOB. The QC sample is useful for organizations that have several reports. The initial QC analysis was used for the research. The types of data collected included, audit firms no longer performing audit, multiple QC report for the same audit part, QC reports of non-United States-based firms, QC report disclosed after June 2012, and audit firms not in audit analytics. The research also determined the QC report part II public disclosure months by referring to the initial date of issuance. The data also included a controlled sample which consisted of the US-based, non-dark audit companies and which were placed in the audit analytic data records.

Findings

According to the study's findings, the time between both findings can have an effect on the QC report's credibility. By the end of the 12-month deadline any company wishing to keep the QC criticism nonpublic will submit a report addressing the criticism. The process involved in determining if the company has fully addressed every criticism requirement may not be resolved instantly. Also, if the firm's board concludes that the firm hasn't sufficiently addressed the criticism; the firm rights to contest the decision as well as the entire process may end up increasing the disclosure time lag.

Reference.

Palmrose, Z. V. (2006). Maintaining the value and viability of independent auditors as gatekeepers

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PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7