

Current affairs in audit

Australian Companies listed on the United States Exchanges

One issue that has yet to be resolved is whether auditors of Australian companies listed on US exchanges will be subject to the checks normally conducted by *The US Public Company Audit Oversight Board* (PCAOB) or will the US authorities accept checks conducted by the ASIC and as outlined above as sufficient? Recently there have been articles in the media devoted to this issue and the contents of these articles provide an interesting contrast between US governmental regulation and Australian governmental regulation relating to auditors. Given the greater severity of US regulation it is not surprising that Australian companies wish to be regulated by the Australian regulator (Moore, 2004, p.4).

As noted in previous editions of *Current Affairs in Auditing* the impact of the auditing crisis and accounting scandals was far greater in United States and thus the regulation introduced through the Sarbanes Oxley act was far more severe than that introduced in CLERP 9. However we have also noted in previous editions of *Current Affairs in Auditing* that the regulations included in CLERP 9 are based upon the assumption that you cannot prevent corporate collapse or corporate excesses. Thus in future regulatory debates relating to possible audit failure in future corporate collapses would examine the US regulation to see if Australia can learn from the American experience.

References

Public Company Accounting Oversight Board, 2004, *Report on 2003 Limited inspection of Deloitte & Touché LLP*, August 26, www.pcaobus.org/Inspections

Moore Ali, 2004, *Interviews: Diary of a corporate cop*, 28 November, businesssunday.ninmsn.com.au