

## CONCLUSION/REFLECTIONS ON MARCH

The March edition of *Current Affairs in Auditing* discussed the corporate governance systems adopted within companies. The government's proposed reforms recommended in CLERP 9 are based upon a co-regulatory approach that relies on effective corporate governance practices adopted by companies. This edition discussed the meaning of corporate governance, why the recent emphasis on corporate governance has occurred, its relationship to external audit and factors relevant to the effectiveness of corporate governance systems.

Federal Treasurer Peter Costello stated that it is impossible use legislation to prevent all company failures (Pascoe, 2002, p. 1). This statement emphasises investors adopting a *caveat emptor* mentality in any investment decision. Investors and other parties having financial dealings with companies should protect their own interests by making thorough and on-going investigations of companies and taking the appropriate actions. In the future there will be corporate collapses that have a major economic impact, where the question of blame will be heatedly debated. No doubt the resultant debate will recycle many issues relating to auditing, corporate governance and company regulation that has been presently discussed.

### References

Pascoe Michael, 2002, 'Interviews: Corporate Crackdown', *Business Sunday*, Channel 9, 22 September, accessed 4 April 2003, [http://businesssunday.ninemsn.com.au/businesssunday/Interviews/stories/story\\_1726.asp?x=1](http://businesssunday.ninemsn.com.au/businesssunday/Interviews/stories/story_1726.asp?x=1).