

## Overview to August

We are witnessing a modification of the roles of auditors and directors in ensuring financial statement reliability. Reports occurring in August have highlighted these trends. They deal with a report from Sir David Tweedie, Chairman of the International Accounting Standards Board (IASB), who warned that auditors might become extinct; and reports commenting on the pending retirement of David Knott, chairman of the Australian Securities & Investments Commission (ASIC). The retirement of David Knott highlights ASIC's increasing pressure on directors to ensure financial statement reliability.

In addition to discussing the above issues, this month's edition of *Current Affairs in Auditing* will discuss calls for the review of the ASX Corporate Governance guidelines and the important issue of reform to the insurance and legal liability of auditors. Last month's *Current Affairs in Auditing* noted that the Institute of Chartered Accountants in Australia (ICAA) offered suggestions for increasing the scope of audits. The implementation of these suggestions was contingent on legal reforms. These legal reforms now seem likely.