

## **Extinction of audit profession**

Sir David Tweedie, chairman of the IASB, stated that spineless auditors and another wave of corporate collapses could destroy the auditing profession (Gettler & Ravlic 2003, p. 1). He stated the auditing profession could become extinct if it succumbed to pressure by clients and approved dodgy accounts. Tweedie stated that the market killed Arthur Andersen when clients withdrew. He added that an accounting firm that experiences two or three scandals could experience the same fate (Gettler & Ravlic 2003, p. 1). Tweedie stated that auditors need backbone when dealing with clients, and if they do not stand up to clients then the question could be raised: why have an audit? He added this could be a big danger, as there are only four big firms (Gettler & Ravlic 2003, p. 1).

The report containing the above comments notes that the IASB accounting standards will be principles-based, with Tweedie noting that the adoption of these standards could cause some companies to not be as healthy than previously thought (Gettler & Ravlic 2003, p. 1).

## **Reference**

Gettler, Leon and Ravlic, Tom 2003, 'Spineless auditors could kill off the profession: standards chief', *The Age*, 'Business', 7 August, p. 1.