
Editorial

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Biographical notes: Joshua Onome Imoniana is a Professor of Graduate Accounting at the *Universidade Presbiteriana Mackenzie*, Brazil. He received his PhD in Accounting from the University of São Paulo with past experiences as a Senior IS Auditor at PwC and ISA Manager at Deloitte. He is a Fellow at the *Università di Bologna* and a Visiting Professor of Information Systems Auditing at IESEG School of Management of *Université Catholique* of Lille/Paris. He is certified in the governance of IT and also ISACA advocate. With over 120 academic publications, his researches feature in more than 30 peer reviewed journals and congress proceedings. He is cited as being in the forefront of academic research into information systems auditing in Brazil. He is the Guest Editor of *IJEA*, editorial board member of *IJMFA* and host of others.

1 Introduction

It is very delightful and pleasing to announce the first issue of an inspiring high-impact quality research; a scholarly indexed peer reviewed refereed *International Journal of Auditing Technology (IJAUDIT)* which feature researches and development covering auditing and information technology. This is just the beginning of many more of quality articles to come.

2 Issue contents

We have gone through the hurdles of the peer review process of the first issue and after a rigorous double-blind review; eight papers were selected for publication. The papers considered for publication touched all works of life converging to auditing and information technology as the editorial coverage would permit us.

Paper one covers mandatory audit firm rotation and auditor independence taking empirical evidence from Nigerian listed banks. In 2006, Central Bank of Nigeria (CBN) incorporated External auditor rotation in its Code of Corporate Governance for banks post consolidation. Its Article 8.2.3 of the code states: "The tenure of the auditors in a given bank shall be for a maximum period of ten years after which the audit firm shall not be reappointed in the bank until after a period of another ten years". About auditor's nomination, in Brazil auditors in publicly listed companies are rotated every five years and in Italy it occurs every nine years, and better still after three years the auditor could

be reconsidered. This research employs cross sectional research design to gather panel data from Mega money deposit banks in Nigeria using multivariate logistic regression as method of analysis. It is found that there is no significant relationship between audit firm rotation and auditor independence. The research concludes that using available data on audit qualified opinion in Nigeria; there is no statistically significant relationship between audit firm rotation and auditor independence in the long run. This means rotation of audit firm does not improve auditor independence and hence mandatory rotation may not do otherwise.

Paper two took a critical look by discussing the SOX legislation (the Sarbanes-Oxley Act) and explores some of the difficulties that it is beginning to encounter. In so doing, it summarised the basic implications of SOX for accountants as: The Public Company Accounting Oversight Board (the PCAOB) was created to be overseen by the SEC. The Board, made up of five full-time members, oversees and investigates the audits and auditors of public companies, and sanction both firms and individuals for violations of laws, regulations and rules; new roles for audit committees were stated whereby auditors would have to report to it; criminal penalties and protection for whistleblowers. That is, the law creates tough penalties for those who destroy records, commit securities fraud and fail to report fraud; issuers of public stock and their auditors must now follow new rules and procedures in connection with the financial reporting and auditing process; audit reports must contain description of internal controls testing; and implications for CPAs with tax practices, expert' services are not defined in the Act. The study undertook a qualitative approach by analysing the critical perspective of SOX, the pros and cons of SOX. Concludes that even though it imposed costs, that have given rise to appeals to rollback or repeal the requirements (for small firms, overseas firms, etc); one thing is clear, it is an emerging technology, analytic monitoring, offers a possible answer to this impasse. It tenders a family of solutions that are potentially cheaper and more effective than traditional systems of control.

Paper three argued on the audit of object-oriented (OO) software reverse engineering models using extended semantic dimensions. Given the importance of methodologies to reverse engineering a software system, there is a need to rigorously carry out performance analysis on them based on relevant criteria. This paper therefore, presented a set of auditing criteria for methodologies developed to reverse engineer OO software systems using the extended semantic dimensions of the recovered abstractions. The work also went further to build a performance evaluation methodology based on these criteria. The criteria defined were both informational and evaluational and a number of dimensions were deployed in building the methodology.

Paper four discusses the increasing dependence on information systems (IS) by many businesses which have resulted in concerns regarding auditing. To define the IS auditor's requirements for the key knowledge areas, a qualitative research approach was followed, using a combination of non-empirical (literature survey) and empirical studies (structured interviews). The study assured that IS auditing landscape has changed from auditing 'around the box' to a hands-on approach (auditing through and within the box). The study observed that it is quintessential that both the IS and the financial reporting aspect agree with each other to be delivered as an integral audit system. So the study craved the indulgence to establish the necessary knowledge and skills needed for IS auditor.

Paper five verified auditing of IS – going beyond compliance by expatiating on the security needed and the general rules of compliance for Payment Card Industry Data Security Standards (PCI DSS). This paper discusses the requirements and security

assessment procedures. The article further stressed on broader perspectives of auditing of IS. Noted that compliance to industry standards is just the minimum requirement for auditing and that auditing for compliance purposes such as that of PCI should not be viewed as a onetime or an ad hoc effort but should be continuous.

Paper six discusses the competitive business environment of a family run Brazilian auditing firm. By emphasising the growing reality of globalisation has contributed too many new challenges in the auditing and related services industries, which placed more pressure on audit firms' of all sizes drive for long-term sustainability. The key objective of this article was to identify and consider key factors in the competitive environment of an established nationally-based Brazilian audit firm, that not only embraces a thorough understanding of its business environment, but also of resilient strategies to support the firm's long-term sustainability. Based on a PEST and SWOT analysis, it was found that the firm's internal competencies and business environment, as well as the unpredictable role of government together complex bureaucratic regulations, makes for both challenging and promising times in the Brazilian auditing and related services industry.

Paper seven analysed the main factors influencing IS adoption in the medical education sector. It also evaluated the results of the adoption of one such innovation: e-class, an information system used as a teaching aid by faculty of the Santa Casa de São Paulo School of Medical Sciences. The study conducted a survey of faculty members in the undergraduate school programme in medicine, nursing, and speech-language pathology and audiology. Data were collected by means of a questionnaire and subsequently treated through multiple linear regression analysis and structural equation modelling. Results suggest that adoption of e-class is influenced by the perceived characteristics of innovation, and influences the perception of new possibilities for innovation in the medical education field.

Last but not the least, article eight examined the effectiveness of U.S. Statement of Auditing Standard (SAS) No. 99 red flags in detecting fraud as perceived by both the Malaysian internal auditors and external auditors. SAS No. 99 and International Standards on Auditing require external auditors to use red flags in detecting fraudulent financial reporting activities, while conducting financial statement audits. Questionnaires were completed by 52 Malaysian internal auditors and 40 Malaysian external auditors. Statistical analysis determines that Malaysian external and internal auditors perceive each of the 59 red flags as perceiving different levels of effectiveness in detecting fraudulent financial reporting activities. In addition, significant differences were found to exist between Malaysian external auditors and Malaysian internal auditors concerning the fraud detecting effectiveness of 12 red flag.

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Noteworthy, that we have just started and assured that more articles would be coming to buttress your stock of knowledge through *IJAUDIT*. We hope that you enjoy reading our issue and find it useful as a professional and social tool and also a source of citation for your researches in academia.