
Editorial

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Biographical notes: Lapo Mola is an Assistant Professor at the University of Verona, Verona, Italy and Affiliate Professor at IESEG School of Management, Lille, France. His research focuses on organisational impacts of information systems. He has published, among others, in the *European Journal of Information Systems (EJIS)*, *European Journal of Operational Research (EJOR)*, *Electronic Markets (EM)*. He is a member of the AIS, Association for Information Systems and he presented his works at the International Conference on Information Systems (ICIS), at the European Conference on Information Systems (ECIS) at the Academy of Management Meeting, etc.

We have received 12 manuscripts from the Italian authors for consideration in the special issue. This number was considered as reasonable taking the time frame and language barriers to submitting to English speaking journal from Italy. After a rigorous double-blind review process, five papers were accepted for publication. The papers considered for publication touched all works of life with restriction to compliance, audit, accounting and IS management as the editorial coverage would permit us.

The recent financial and economic crisis had stressed the trade-off between the continuous research for high performance/competitive advantages and the need of compliance to rules and legislations designed to guarantee stakeholders rights.

The primary objective of this special issue is to provide research and disseminate information on compliance in Italy. It also aims to acquaint our readers with various compliance rules and regulations, the control procedures, emerging methods, tools and techniques for assessment, that are applicable to a variety of types of compliance issues in Italy and organisational approaches.

Compliance addresses the consistency in which the organisation adheres to applicable regulations, laws, policies, contracts, values and strategies.

This definition is very wide. In the business and organisational environment, compliance is seen as the capability of organisation to follow or adhere to external norms, rule and regulations, often coercive, that shape and re-shape internal business process and procedures.

The topic of compliance is becoming central in companies everyday life due to the number of rules that organisations have to adhere to. From national legislations such as SOX (in USA) or Legislative decree 231 (in Italy), to international standards such as ISO 9001, ISO 14001 to international regulation such as Basle 1, 2 and 3, there are thousand of obligations that affect the organisation design strategies, accounting and auditing practices that require considerable investments and costs.

Many researches and surveys are conducted every year on compliance costs. One of these studies “highlighted the continuing diverse pressures on compliance functions with shifting supervisory expectations, no let-up in the volume of regulatory change and the start of the big implementation programmes for major complex legislation”. Moreover, “the financial crisis has highlighted the need for the clarification of the role of compliance, especially in view of the plethora of evolving legislation and increasing levels of scrutiny from both regulators and consumers. Also, compliance risk often takes second place to other areas of risk within a firm, and this can lead to the deficient implementation of appropriate compliance processes” (Hammond and Walshe, 2013).

The present special issue aims at contributing in clarify the complexity of the topic of compliance circumscribing the field of investigation to a single country in order to avoid the bias of the influence of heterogeneous environments.

As a result, the issue presents five different contributions that investigate five different aspect of the compliance in Italy:

Paper one investigates the strategic alignment of the big-four independent audit firms and their respective clients in Italian environment. Like other companies, independent auditors aim at profitability and optimisation of resource while minimising risks. Thus, the auditing partners in this tone are questioned about the relationship with their clients and the more appropriate strategies for competitive alignment. This study borrows a leaf from similar study carried out in Brazil that concludes for alignment of competitive priorities among auditor and their clients. Investigating auditor-client alignment through competitive priorities therefore, tends to bridge the gap between academia and practice particularly, when it touches some of the key players of corporate governance, auditor and client. It is interventionist in nature and tends to produce thought leadership information to improve business decision-making, interpret complex questions affecting auditor-client relationship and finally establish a fact base for auditors, auditees, regulatory agencies and professional organisations. The study is exploratory in nature, and starts the following question: Is the independent audit firm aligned with their clients based on competitive priorities? The study is composed of a non-probabilistic purposeful sample of eight independent audit firms and their respective eight clients. Thus, the paper concludes for no association of competitive priorities more valued by the auditors aligned strategically with the clients in Italian environment. It is possible that this finding be related to a new economic scenario of crisis which Europe is passing through.

Paper two, ‘Corporate governance and profitability. Value relevance of compliance to corporate governance best practice in Italian listed SMEs’, analyses the debate on the relation between corporate governance quality, firm value and performance is on the top since last years. Authors highlight that the literature research shows segmented evidence on the topic depending on the market observed, the sample considered, the statistical model adopted and specific characteristics considered. So that, the question is still open. The paper analyses the relation between corporate governance characteristics as noted in Italian code for listed firms and profitability focusing on industrial listed small-medium entities (SMEs) in Italy in the fiscal year 2011. Results seems to emphasise that top

management of SMEs caution in applying external governance and control and rules is widespread among Italian firm, because of the belief that those mechanisms are expensive and a 'waste of time', this generating lower business performance.

Paper three, 'Graicunas principle and hyperlinks in the prevention of audit failures. A challenge for auditors and ICT audit supports', aims to analyse and discuss the structural methodologies of organisational design that companies with fraudulent governance could use to avoid audit controls. The study aims to answer two main questions: the first, theoretical one is to demonstrate that the Graicunas span of control and hyperlinks are two different expressions of the same phenomenon concerning obstacles of information control. The second question, more operative refers to the feasibility of an algorithm that by using the Graicunas span of control and hyperlinks this could detect areas where organisations are more vulnerable to fraud, owing to the emergence of structural obstacles within audit activities. The research outlines that these two basic concepts in managerial theory, if correctly applied, can streamline and accelerate audit activities to detect danger areas, where internal controls could be weak and organisational structures create obstacles to external controls.

Paper four, 'Liability of corporations in Italy and risk prevention: toward a cloud-governance system' describes the Italian regulation on liability of corporations (Italian Legislative Decree 231 issued in 2001) and the consequent requirements in terms of risk management and corporate governance. Starting with an analysis of the literature on the relationships among governance, risk management and compliance, the paper investigates the new challenges emerging from this legislative scenario. Moreover, the paper describes the critical phases towards the implementation of a risk management process, that helps managers to monitor all the responsibilities imposed by the Decree. Finally, the paper analyses when and how cloud-based solutions can support companies in managing critical risks, and particularly those risks that are formally mentioned by the Italian regulation on liability of corporations.

Last but not the least, paper five on 'Italian compliance programmes in groups of companies' investigates the implication of the Legislative Decree 231/01 that introduced corporate criminal liability into the Italian legal system: companies are exempted from the liability if they set up and implement a suitable compliance programme (called 'Model 231'). Recent statements in the sphere of jurisprudence have drawn attention to these compliance programmes in groups of companies, although the legislation does not cover them. By means of empirical evidence this paper investigates the organisational set-ups adopted by companies within groups and the measures drawn up to implement a compliance programme. Special attention is paid to elements of differentiation that make the compliance programme 'specific' to each company and therefore more likely to prevent criminal offences.

Acknowledgements

Thanks to the *IJAudit* editorial board, who have made their kind and steadfast support to this issue of *IJAudit* without which it could not have been possible. The Inderscience publishing team, the editor in-chief – Prof. Joshua Onome Imoniana and staff, individual authors, reviewers, to mention just a few, and finally, thanks to all those who have contributed in one way or the other for making this issue a success.

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