
Editorial

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Biographical notes: Aida Sy obtained her PhD with First Class Honours from the Sorbonne. She received her Master's, Bachelor's and a degree in Chief Manager. She teaches accounting and taxation in the USA, Farmingdale State College, SUNY, edits, and co-edits four refereed journals. She was a plenary speaker, speaker, Chair and Discussant in the USA and international conferences. She is a member of the American Accounting and European Accounting Associations. She has numerous publications in refereed journals and a book.

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New research by ACCA's head of audit and assurance reveals that 48% of the public believe audits "could prevent company failures" and that "the profession has long spoken about the expectation gap in audit, and our research shows it has failed to close that gap" (Gambier, 2018). ACCA's 2019 'Closing the expectation gap in audit' report found that: "The auditor's responsibilities for identifying and reporting fraud is probably the area with most misaligned expectations between the general public and the audit profession" [McGhee, (2019), p.14]. Newspapers headlines such as "Auditors are there to protect us, and they're still sometimes failing" (Stock, 2018) raises concerns of audit quality and audit failure to not only investors but also regulators. Sikka (2004) writes that external auditing is promoted as a trust-engendering technology but that the recurring audit failures show that "accountancy firms are firmly focused upon the need to make a profit, possibly at the expense of wider social obligations" (p.186). Briloff et al. (2015) provide a "critic of failure of companies of the most elementary GAAP rules and regulations as far as auditing of financial statements of listed corporations is involved" (p.213).

Over the last two decades, the field of auditing has undergone significant changes in reaction to the collapse of ostensibly solid companies, which has placed question marks across the usefulness of audits and validity of the audit profession. Such events fuelled suspicions that auditors lack the requisite independence, expertise and incentives to construct the promised 'true' and 'fair' account of corporate affairs. These events provide both an opportunity and a challenge to auditors, professional institutes; accounting educators and researchers, policy makers, businesses and other stakeholders to reflect and (re)construct the role of auditing in contemporary society. Adding to this mix is the advances in technology such as artificial intelligence and blockchain that brings in further challenges to accountants and auditors roles in the not too distant future. Insightful research into the audit field is imperative to ensure the long-term survival of this profession.

This special issue draws papers from both practitioners and established and emerging researchers in the area of auditing. Van Peurseem provides an analysis that draws on critical literature and on an ancient philosophy to offer how judicial interpretations and legitimating regulatory discourse on audit professionalism represents, or fails to represent, the mindset associated with the philosophical sceptic. The ancient teachings of Pyrrho of Elis, Sextus Empiricus and their modernist peers are brought to bear on concepts formed around what it means to be a 'sceptic'. Using professional discourse derived from international auditing standards, ethical code, interviews and a legal judgement from the New Zealand Dairy Containers case, meanings are drawn, professional audit discourse is reflected upon, and implications are derived. Found to exist in professional discourse is a reductionist form of the sceptical mindset. The philosophical intent gives way to a more narrowly defined, risk-directed, structured and occasionally re-interpreted understanding of scepticism. There is an economy to the professionally sceptical mindset which recognises an end-point to enquiry and which does not overtly engage in reflexive critique. An outcome is in questioning the contribution of the professional discourse that is drawn from these ancient and respected sources. A conclusion is that more care should be given to the free-form nature of improvisational enquiry, and less to the dogma-inspiring structures that implicitly restrict the audit process. The benefits of self-reflection and self-questioning are also considered. The philosophy of the sceptics has much to contribute to audit practice, current standards and legal interpretations could do more to nurture true enquiry in the audit process.

Oladejo and Jack explore in their paper the challenges posed by blockchain to forensic accountants in the prevention and detection of fraud. They explain that the intention of blockchain is to create a decentralised environment where transactions and data have no third-party control and its potential uses in accounting and audit are the facilitation of traceable audit trails, automated audit processes, development of smart contracts and inventory management that assist businesses with their financial transactions, reporting, and accounting functions. However, they also identify that this technology is capable of disrupting the accounting and audit professions because it is capable of automating financial records and audit processes, thereby challenging the traditional roles of accountants and auditors. Oladejo and Jack present that fraud analysis in a digital environment is complex and the evolution of new technologies or innovations such as blockchain, artificial intelligence, and robotics have added to the challenges confronting the accounting and audit profession. Their study found that on the one hand, inbuilt features like permanent record-keeping, thwart double-spending, encrypted transactions and disintermediation could make some types of fraud difficult to be committed but that these features can also make blockchain attractive to criminals, money-launderers and terrorists. They also indicate the regulatory authority may find it difficult to track suspicious transactions. These challenges make the blockchain technology features to be a double-edged sword. This study subsequently emphasise the need for empirical research to ascertain the likely practical implications blockchain will have on the accounting and auditing profession.

The corporate world has once again been shaken by yet another scandal. The Steinhoff Corporate Scandal with the collapse of the company in December 2017 has been reported as one of the biggest cases of corporate fraud in South African business history, affecting millions of people, with operations in many countries, including Germany, The Netherlands, Australia, New Zealand, and South Africa. Once again, the media and the public questions the absence of organisational ethics. Botes et al. review the key roles and responsibilities of specific stakeholders in relation to ethical conduct. It deliberates on a combined assurance effort and offers the structure for a comprehensive implementation of organisational ethics. The paper is a multi-disciplined literature study. Botes et al. argues that scant attention has been paid to the development of a framework to facilitate an ethical culture. The paper uses the 'five lines of defence framework' to illustrate the distinct roles of the various internal and external role players to provide a structured approach to the governance of ethics.

Saadeh and Allen explain that due to the exponential increase in internet use and advances in communication technology over the last decade, social media have become exceedingly popular. And that social media play an increasingly important role as both a means of communication and a source of information. Saleh and Allen noted that the number of worldwide active social media users passed 2 billion in 2015, representing approximately third of the world's population and that furthermore, GlobalWebIndex (2014) found that the average social media user spends 2 hours and 30 minutes of his/her daily online time on social media websites. Given such prominence, Saleh and Allen write about their challenges and lessons from conducting audit research in Jordan using social media. The purpose of their paper is to broaden researchers' understanding of the potential of using social media to facilitate qualitative research, and to guide them in the selection and use of social media channels considering the contextual differences. Saleh and Allen adopt a qualitative methodology aimed at reflecting on the researcher's

experience of recruiting participants and conducting interviews using social media. They write that social media provides a variety of time and cost-efficient, as well as participant-friendly, communication and networking channels, which expand the research repertoire in terms of recruitment and conducting interviews. The paper is the first of its kind to explore the potential of incorporating social media as a tool in qualitative research in audit while considering the contextual and cultural factors.

Botes et al. investigates whether the new auditing standard (ISA 701: Key Audit Matters) released in December 2016 addresses issues historically presented by audit reports. They write that the extensive literature around audit reporting highlights that past reforms resulted in a lack of success and the continued existence of the audit expectation gap. One of the major concerns arising from the new auditing standard from practitioners' viewpoint is the increased auditor liability arising from the expansion of the audit report to include key audit matters. Their paper looks for this evidence through the examination of the most recent audit reports of the top 100 listed companies on the NZX, ASX and FTSE. Key audit matters were identified and a qualitative content analysis was conducted to identify the common themes and ideas presented in the key audit matter equivalent sections. The findings portray the impact key audit matters have, through the identification of the most common matters and the approaches used by auditors to address these issues during the course of the audit. The results of the study found that goodwill and intangibles, revenue recognition and taxation were the most common key audit matters. They found that tests and procedures, questioning of assumptions and judgements and the use of external parties and specialists were the most frequently used responses used by auditors in response to these risks. The paper concluded that overall, the results of these findings suggest that key audit matters go a long way to addressing the audit expectation gap and issues presented by audit reports.

Given the ongoing challenges that confronts the audit profession because of the audit expectation gap, the concerns about audit quality and audit failures and the significant impact on society when corporations fail, further research into these ongoing audit concerns are imperative to ensure the credibility, trustworthiness and sustainability of this profession that provides crucial assurance services to investors and regulators. Given that ISA 701: Key Audit Matters was only recently released in December 2016 and that audit reports are just starting to reflect these new directions, further research will be required to explore whether the audit expectation gap has been addressed in any meaningful way. Concerning ISA 701, further research is also important to test whether practitioners' viewpoint of increased auditor liability is justified. The advances in technology continue to challenge accountants and auditors' roles in society. It is presented that the latest advances in blockchain technology will pose significant challenges to forensic accountants in the prevention and detection of fraud – empirical research is needed to inform us whether this is the case.

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