

Perceptions Over the Audit Committee Practices in the Context of Corporate Governance: Evidence from India

Dr. Dhiraj Jain

Symbiosis Centre for Management Studies,
Symbiosis International (Deemed University), Pune

Abstract

Over the past two decades, the corporate governance role in accounting and auditing has grown rapidly. The corporate governance focus is primarily on corporate board and audit committee issues. The study offers an agenda for future research on important Indian corporate governance and auditing issues, and briefly addresses the accounting practice implications. There are many measures to put corporate governance (CG) in place and practice, an important tool essential for the success is the efficacy and effective functioning of an audit committee (AC). Being mandatory under SEBI's clause 49 of the listing agreement, an AC can be of great help to the board in implementing, monitoring and continuing 'good' CG practices to the benefit of the corporation and all its stakeholders. The study is carried out for the period 2004–2011 because many improvement initiatives of CG were undertaken during the period. We augment our knowledge on audit committee by understanding its role, responsibilities in audit, internal control and the financial reporting process.

A proficient boards result in better governance, as the literature on the subject generally suggests, engaging independent directors and having in place an effective audit committee and an internal and external auditor would certainly facilitate productive corporate functioning and enhanced accountability.

Keywords: corporate governance, audit committee, internal auditor, external auditor

Introduction

Starting with the end of 20th century and the beginning of 21st century there had been a significant number of corporate collapses with significant adverse effects on the economy of several countries, in spite of presenting the fact of information through the financial statements and the annual reports were so far showing the preventing signs of the forthcoming financial disasters. All these negative effects had generated a lot of questions about the corporate governance effectiveness, starting from the premises that “a lack of effective corporate governance meant that such collapses could occur; good corporate governance could help prevent such collapses happening again and restore investor confidence” (Mallin, 2010).

Though auditing practices have an influence on corporate governance, not much study were done on the application of auditing practices in India and their influence on Corporate Governance (CG). The audit committee and its responsibilities had begun to be in the centre of various organisations’ interests, mostly under the perspective of the relationships between audit committees, internal auditor and external auditor and the roles and responsibilities of the audit committee in enhancing the quality of the corporate governance system. It has been widely recognised that the role of the internal auditor becomes increasingly more important in terms of creating good corporate governance structures. It is argued that an effective internal audit function enables the board to perform its corporate governance duties (Zhang, 2009). The necessity to investigate the way that audit committee interacts with the internal and external auditor was increasingly growing, all these being resulted in developing different studies focused on the way that Audit Committee (AC) interacted with the internal auditor, and sometimes with the external auditor also. Trying to synthesize the findings of these studies into a general idea, there could be noticed the intensification of the relationships between audit committee and the internal and external auditor and as long as the premises for a good corporate governance will be ensured, the connections that should exist between audit committee with Internal audit and external audit are also highlighted as a key element in the process of ensuring the corporate responsibility and governance. The purpose of the study was to get a view from the Indian auditors’ perspective with regard to the audit committee good practices, test the real applicability of the audit practices and try to obtain other proposals of good audit committee practices.

Review of Literature

(**Stuart Turley, 2014**) analyzed the impact of audit committees and described, identified potential perceived effects which may have led to their adoption and documented effects on aspects of the audit function, on financial reporting quality and on corporate performance. It was also shown that most of the existing research had focused on factors associated with audit committee existence, characteristics, and measures of activity and there was very little evidence on the processes associated with the operation of audit committees and the manner in which they influence organizational behavior. It was clear that there was no automatic relationship between the adoption of audit committee structures or characteristics and the achievement of particular governance effects, and caution may be needed over expectations that greater codification around factors such as audit committee members' independence and expertise as the means of "correcting" past weaknesses in the arrangements for audit committees. (**Marc Eulerich, 2013**) found that internal audit function (IAF) within companies' corporate governance framework in the European Union (EU) were scarce. (**Chaudhry Ghafran, 2013**) found that larger and more independent audit committees as well as those with financial expertise were more likely to seek a higher level of external audit coverage and assurance. There was also evidence that more independent audit committees were associated with the purchase of lower levels of non-audit services from auditors, thereby seeking to preserve the independence of the external audit process. There seems a consensus that more independent audit committees and those with greater accounting/financial expertise had a positive impact on the quality of financial statements. (**Dominic S.B. Soh, 2011**) suggested that performance evaluation mechanisms of internal audit (IA) have not evolved contemporaneously. The misalignment between the role and evaluation gives rise to difficulty in assessing the extent to which IA functions were meeting stakeholders' expectations. (Joseph V. Carcello D. R., 2011) studied that corporate governance literature in accounting and auditing had grown rapidly. To better understand this body of work, they discussed 12 recent literature review or meta-analysis papers and summarize selected results (i.e., clusters of papers with new and interesting results) from recent empirical research papers, after reviewing the findings of over 250 studies. Our corporate governance focus was primarily on corporate board and audit committee issues. (**Jawaher Al-Mudhaki, 2004**) examined the composition, focus and functions of audit committees (ACs), the effects of meetings and the criteria used in the selection of members by Indian listed companies. The study revealed that only 56.2% of the companies had established an AC despite the fact that it is now mandatory. (**Joseph V. Carcello, 2011**) summarized selected results from recent empirical

research papers, after reviewing the findings. In particular, they made suggestions for: (1) improved research paradigms in corporate governance, (2) extensions of existing research, and (3) new or emerging lines of research. **(R. Narayanaswamy, 2012)** provided a brief overview of corporate governance in India, including a description of Indian contextual differences (as compared to the U.S. and elsewhere) and a discussion of the major events contributing to the evolution of India's corporate governance/accounting/auditing practices. **(Asish K Bhattacharyya, 1988)** discussed that in order to protect the large investor base, SEBI has enforced a regulation effective from April 2001, requiring mandatory disclosure of information and a change in the corporate governance mechanisms of the listed companies. **(Madan Lal Bhasin, 2012)** found that AC is being looked upon as a distinct culture for CG and had received wide-publicity across the globe. This study was performed a 'content' analysis on the AC reports of the top 500 listed companies in India to determine the information content of these reports and the extent to which these reports conformed to the requirements of the SEBI. **(Nisha Kohli, 2008)** analysed the impact of CG mechanisms on valuations of selected companies in FMCG and IT sectors in India. Results obtained showed an overall strong significant relationship between CG and market value of a firm. **(Kumar, 2012)** examined the AC as a CG mechanism, demystifying the myths and realities associated with it. It concluded that there was a need for greater scrutiny to understand the process to make it further effective. **(Gill, 2013)** unravelled the reporting quality and performance of the Indian central public sector enterprises (CPSEs) and its private counterparts. **(F. Todd DeZoort, 2001)** indicated that greater independent director experience and greater audit knowledge was associated with higher audit committee member support for an auditor who advocated a “substance over form” approach in the dispute with client management. Conversely, concurrent experience as a board director and a senior member of management was associated with increased support for management. The results provide justification for calls that audit committees be composed completely of independent directors. The results also supported auditor concerns that varying knowledge levels lead to systematic differences in audit committee member judgments in disputes between auditors and management. **(Kolk, 2008)** examined to what extent and how current sustainability reporting of Fortune Global 250 companies incorporates corporate governance aspects. Many multinationals, particularly in Europe and Japan, had started to pay attention to board supervision and structuring of sustainability responsibilities, to compliance, ethics and external verification. While detailed disclosures were not yet common, some notable practices could be found. Underlying dilemmas and complexities for managers in dealing with accountability to

shareholders and stakeholders, and the role of auditors, were indicated. **(Mahbub Zaman, 2004)** found that there was no automatic relationship between the adoption of audit committee structures or characteristics and the achievement of particular governance effects, and caution may be needed over expectations that greater codification around factors such as audit committee members' independence and expertise as the means of “correcting” past weaknesses in the arrangements for audit committees. The most fundamental question concerning what difference audit committees make in practice continues to be an important area for research development. **(Mark S. Beasley, 2000)** provided initial evidence that the fraud companies in the technology and health-care industries have fewer audit committee meetings, and fraud companies in all three industries have less internal audit support. **(Jeffrey Cohen, 2002)** indicated a range of views with regarding the elements included in the rubric of “corporate governance”. Most significantly, auditors view management as the primary driver of corporate governance. The inclusion of top management in the “corporate governance mosaic” was inconsistent with agency theory's prescription of the board and other mechanisms serving as a means to independently oversee management's actions to protect stakeholders. Auditors consider corporate governance factors to be especially important in the client acceptance phase and in an international context. **(Paul Collier, 2005)** showed that there has been a degree of convergence towards an Anglo-Saxon model of corporate governance as the audit committee concept was widely accepted in countries with both unitary and two-tier governance systems. Further, the latest audit committee recommendations in countries that had issued several governance codes showed a strengthening of the recommendations for an audit committee over time in line with the Anglo-Saxon audit committee concept and convergence with the debate in the US and UK on issues such as the independence and financial expertise of members. **(Vera-Munoz, 2005)** studied the comprehensive regulatory changes brought on by recent corporate governance reforms had broadly redefined and re-emphasized the roles and responsibilities of all the participants in a public company's financial reporting process. Most notably, these reforms had intensified scrutiny of corporate audit committees, whose role as protectors of investors' interests now attracts substantially higher visibility and expectations. As a result, audit committees face the formidable challenge of effectively overseeing the company's financial reporting process in a dramatically changed and highly charged corporate governance environment. The study discussed the new expectations of audit committee responsibilities and effectiveness in the wake of corporate governance reforms, key challenges, “whistleblower” provisions and shortcomings, and provides some directions for future research.

Research Gap

While the key trends were being reviewed from the literature review available, it was observed that not much had been studied about the “Perceptions over the Audit Committee Practices in the Context of Corporate Governance in India”. Thus, the study was initiated with the following objectives in mind. From the above review it was observed that though there were studies performed, on this topic all over the world, but in India, the researchers have not focused on the impact of Audit Practices in the context of Corporate Governance in India.

Objective of The Study

- To get a view from the Indian auditors’ perspective with regard to the audit committee good practices.
- To test the real applicability of the audit practices.
- To try to obtain other proposals of good audit committee practices.

Hypothesis framed for the Study

Ho ₁	There is no significant influence of the age over the role and responsibility of the audit committee.
Ho ₂	There is no significant influence of the age over the role and responsibility of the internal auditor.
Ho ₃	There is no significant influence of the age over the role and responsibility of the external auditor.
Ho ₄	There is no significant influence of the job experience over the role and responsibility of the audit committee.
Ho ₅	There is no significant influence of the job experience over the role and responsibility of the internal auditor
Ho ₆	There is no significant influence of the job experience over the role and responsibility of the external auditor.

Research Methodology

The scientific research of this current study is of fundamental type, under the influence of mainstream research approach. It studies the audit committee's role and responsibilities in the context of corporate governance. The main goal is to highlight the Indian auditors' perception over the audit committee practices in corporate governance's area. The following table summarises the various audit committee practices identified for the study.

Table 1

S. No.	The audit committee practices taken within this study
AC 1	The audit committee may adopt a "revolving door" policy which refers to the requirement of certain restrictions with respect to the employment in some positions like financial manager by some persons who were previously members of the internal audit or external audit team.
AC 2	The audit committee should monitor the compliance with the legal framework applied, including the ethical code specific for this company.
AC 3	The audit committee should understand clearly the way that the internal control system works, and should monitor its effectiveness regularly together with internal and external auditors.
AC 4	The audit committee should review together with the external auditors and executive management not only the accounting policies applied by the company but also the quality of professional judgements and accounting estimates made by the management.
AC 5	The audit committee should know very well the company risk profile and monitor the effectiveness of risk management process.
AC 6	The audit committee is responsible with the selection, appointing and dismissing the chief audit executive within the company.
AC 7	The audit committee is invested with the authority by the board in order to be able to fulfil its role as a major factor for the increasing quality of information provided to both internal and external users of financial statements
EA 1	The audit committee reviews with the external auditors and executive management the entity's financial statements, and based on the external audit's conclusions

	following to make a recommendation to the board for these financial statements to be approved and published.
EA 2	The audit committee makes the proposals/recommendations for the selection of external audit firm, being responsible for supervising the entity's relationships with the external auditors.
EA 3	The audit committee should know the assessment of internal audit activity made by the external audit.
IA 1	The audit committee monitors the internal audit's position within the company, so that internal audit be so placed in the hierarchical structure so as to have ensured the necessary independence for the achievement of its objectives.
IA 2	The audit committee monitors that internal audit to have the full access to the whole personnel and the entire documentation within the company.
IA 3	The audit committee has periodical meetings with the internal audit department in order to be informed over the internal audit activity's results.
IA 4	The audit committee should report to the board main results over the effectiveness of internal audit activity, its capabilities and its results.
IA 5	The audit committee charter is complementary with the internal audit charter.
IA 6	The audit committee examines the recommendations made by internal audit for improving corporate governance and internal control system, looking for the best solutions.
IA 7	The audit committee assesses the way that internal audit achieves its objectives with respect to disclosure and transparency.
IA 8	Following the findings and recommendations issued by internal audit, the audit committee will report to the board the main illegal acts and irregularities found during the audit missions.
IA 9	The audit committee should provide the necessary framework to encourage the effective communication between internal audit, external audit, board and executive management, for ensuring good corporate governance.

A total of 150 questionnaires were distributed among the various CAs and professionals practicing audit and other related activities. The questionnaire consisted of structured close-ended questions. Of the 150 questionnaires, 109 responses were received. This represents an effective response rate

of around 72.67% of the total sample. Statistical methods were used to give a general picture about the results of this study.

Data Analysis and Interpretations

H₀₁: There is no significant influence of the age over the roles and responsibilities of the audit committee.

Table 2 (ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
AC 1	Between Groups	.004	1	.004	.004	.952
	Within Groups	126.601	107	1.183		
	Total	126.606	108			
AC 2	Between Groups	.211	1	.211	.288	.592
	Within Groups	78.230	107	.731		
	Total	78.440	108			
AC 3	Between Groups	2.563	1	2.563	1.808	.182
	Within Groups	151.676	107	1.418		
	Total	154.239	108			
AC 4	Between Groups	.014	1	.014	.027	.869
	Within Groups	55.252	107	.516		
	Total	55.266	108			
AC 5	Between Groups	.461	1	.461	.739	.392
	Within Groups	66.732	107	.624		

	Total	67.193	108			
AC 6.	Between Groups	.000	1	.000	.000	1.000
	Within Groups	86.000	107	.804		
	Total	86.000	108			
AC 7	Between Groups	.451	1	.451	.352	.554
	Within Groups	136.834	107	1.279		
	Total	137.284	108			

Interpretation

The null hypothesis has been accepted in all the cases indicating no significant association between the age of the respondents and the responsibilities of the audit committee.

H₀₂: There is no significant influence of the age over the perception towards the roles and responsibilities of the internal auditor.

Table 3

		Sum of Squares	df	Mean Square	F	Sig.
IA 1	Between Groups	2.130	1	2.130	1.755	.188
	Within Groups	129.870	107	1.214		
	Total	132.000	108			
IA 2	Between Groups	.007	1	.007	.015	.902
	Within Groups	49.754	107	.465		
	Total	49.761	108			
IA 3	Between Groups	.100	1	.100	.083	.774
	Within Groups	128.671	107	1.203		
	Total	128.771	108			

IA 4	Between Groups	.090	1	.090	.189	.665
	Within Groups	51.047	107	.477		
	Total	51.138	108			
IA 5	Between Groups	7.501	1	7.501	3.590	.061
	Within Groups	223.563	107	2.089		
	Total	231.064	108			
IA 6	Between Groups	6.040	1	6.040	4.830	.030
	Within Groups	133.813	107	1.251		
	Total	139.853	108			
IA 7	Between Groups	.818	1	.818	.737	.392
	Within Groups	118.741	107	1.110		
	Total	119.560	108			
IA 8	Between Groups	1.260	1	1.260	2.456	.120
	Within Groups	54.923	107	.513		
	Total	56.183	108			
IA 9	Between Groups	.808	1	.808	.903	.344
	Within Groups	95.797	107	.895		
	Total	96.606	108			

Interpretation

From the above it can be concluded that the null hypothesis has been accepted in almost all the cases indicating no significant association between the age and the perception towards the roles and responsibilities of the internal auditor. But in case of looking for solutions for improving the CG and the internal control system, the null hypothesis was rejected indicating a significant association. i.e., the age of the respondents have a significant role to in the perception towards finding a solution for improving the CG practices for the internal control system.

H₀₃: There is no significant influence of the age over the perception towards the roles and responsibilities of the external auditor.

Table 4

		Sum of Squares	df	Mean Square	F	Sig.
EA 1	Between Groups	5.480	1	5.480	3.826	.053
	Within Groups	153.254	107	1.432		
	Total	158.734	108			
EA 2	Between Groups	2.231	1	2.231	2.690	.104
	Within Groups	88.741	107	.829		
	Total	90.972	108			
EA 3	Between Groups	.015	1	.015	.007	.933
	Within Groups	229.746	107	2.147		
	Total	229.761	108			

Interpretation

The null hypothesis has been accepted in all the cases implying no significant association between the age of the respondents and the perception towards the roles and responsibilities of the external auditor. Age of the respondents does not affect the perception towards the roles and responsibilities of the external auditor.

H₀₄ There is no significant influence of the job experience over the perception towards the roles and responsibilities of the audit committee.

Table 5

		Sum of Squares	df	Mean Square	F	Sig.
AC 1	Between Groups	16.257	2	8.128	7.808	.001
	Within Groups	110.349	106	1.041		
	Total	126.606	108			
AC 2	Between Groups	1.482	2	.741	1.021	.364
	Within Groups	76.958	106	.726		
	Total	78.440	108			

AC 3	Between Groups	5.657	2	2.828	2.018	.138
	Within Groups	148.582	106	1.402		
	Total	154.239	108			
AC 4	Between Groups	5.685	2	2.843	6.077	.003
	Within Groups	49.581	106	.468		
	Total	55.266	108			
AC 5	Between Groups	12.986	2	6.493	12.697	.000
	Within Groups	54.207	106	.511		
	Total	67.193	108			
AC 6.	Between Groups	28.378	2	14.189	26.101	.000
	Within Groups	57.622	106	.544		
	Total	86.000	108			
AC 7	Between Groups	17.121	2	8.561	7.552	.001
	Within Groups	120.163	106	1.134		
	Total	137.284	108			

Interpretation

It was found that no significant association existed between the job experience of the respondents and the perception towards monitoring the compliance with the legal framework applied including the ethical code understanding the way the internal control system works.

H_{0s}: There is no significant influence of the job experience over the perception towards the roles and responsibilities of the internal auditor.

Table 6

		Sum of Squares	df	Mean Square	F	Sig.
IA 1	Between Groups	16.143	2	8.072	7.385	.001
	Within Groups	115.857	106	1.093		
	Total	132.000	108			

IA 2	Between Groups	5.649	2	2.825	6.788	.002
	Within Groups	44.112	106	.416		
	Total	49.761	108			
IA 3	Between Groups	32.500	2	16.250	17.893	.000
	Within Groups	96.270	106	.908		
	Total	128.771	108			
IA 4	Between Groups	11.773	2	5.887	15.851	.000
	Within Groups	39.364	106	.371		
	Total	51.138	108			
IA 5	Between Groups	131.453	2	65.726	69.941	.000
	Within Groups	99.612	106	.940		
	Total	231.064	108			
IA 6	Between Groups	11.578	2	5.789	4.784	.010
	Within Groups	128.275	106	1.210		
	Total	139.853	108			
IA 7	Between Groups	12.216	2	6.108	6.032	.003
	Within Groups	107.343	106	1.013		
	Total	119.560	108			
IA 8	Between Groups	.369	2	.185	.351	.705
	Within Groups	55.814	106	.527		
	Total	56.183	108			
IA 9	Between Groups	8.249	2	4.125	4.948	.009
	Within Groups	88.356	106	.834		
	Total	96.606	108			

Interpretation

From the above it can be concluded that the null hypothesis has been rejected in almost all the cases indicating a significant association between the job experience and the perception towards the roles and responsibilities of the internal auditor. The null hypothesis was accepted only in case of the perception towards the reporting of the main illegal acts and irregularities found during audit missions indicating no significant association.

H₀₆: There is no significant influence of the job experience over the perception towards the roles and responsibilities of the external auditor.

Table 7

		Sum of Squares	df	Mean Square	F	Sig.
EA 1	Between Groups	45.063	2	22.531	21.011	.000
	Within Groups	113.671	106	1.072		
	Total	158.734	108			
EA 2	Between Groups	6.516	2	3.258	4.089	.019
	Within Groups	84.457	106	.797		
	Total	90.972	108			
EA 3	Between Groups	51.959	2	25.979	15.488	.000
	Within Groups	177.803	106	1.677		
	Total	229.761	108			

Interpretation

As the null hypothesis has been rejected in all the cases, it can be concluded that there is a significant association between the job experience of the respondents and the perception towards the roles and responsibilities of the external auditor i.e., the job experience of the respondents

Conclusions

The age does not affect the perception towards the roles and responsibilities of the external auditor and the internal auditor but affects the perception towards the roles and responsibilities of the audit committee. Therefore, it shows that senior & experienced professionals should be a part of the audit committee. They can be included in the internal and external audit but have to be a part of the audit committee. The job experience of the respondents affects the perception towards the roles and responsibilities of the external and internal auditor and the audit committee. Other factors also effect the perception towards the roles and responsibilities of the audit committee practices

References

- Asish K Bhattacharyya, S. V. (1988). *Economic Impact of 'Regulation on Corporate Governance': Evidence*. Calcutta, West Bengal, India.
- Chaudhry Ghafran, N. O. (2013). The Governance Role of Audit Committees: Reviewing a Decade of Evidence. *International Journal of Management Reviews* , 15 (4), 381–407.
- Dominic S.B. Soh, N. M.-B. (2011). "The internal audit function: Perceptions of internal audit roles, effectiveness and evaluation",. *Managerial Auditing Journal* , 26 (7), 605 - 622.
- F. Todd DeZoort, S. E. (2001). The Effects of Corporate Governance Experience and Financial-Reporting and Audit Knowledge on Audit Committee Members' Judgments. *AUDITING: A Journal of Practice & Theory* , 20 (2), 31-47.
- Gill, S. (2013). Ninth AIMS International Conference on Management. *Corporate Governance* , 99-129.
- Jawaher Al-Mudhaki, P. L. (2004). *The Role and Functions of Audit Committees in the Indian Corporate Governance: Empirical Findings*.
- Jeffrey Cohen, G. K. (2002). Corporate Governance and the Audit Process. *Contemporary Accounting Research* , 19 (4), 573–594.
- Joseph V. Carcello, D. R. (2011). Corporate Governance Research in Accounting and Auditing: Insights, Practice Implications, and Future Research Directions. *American Accounting Association* , 1-31.
- Joseph V. Carcello, D. R. (2011). Corporate Governance Research in Accounting and Auditing: Insights, Practice Implications, and Future Research Directions. *AUDITING. A Journal of Practice & Theory* , 30 (3), 1-31.
- Kolk, A. (2008). Sustainability, accountability and corporate governance: exploring multinationals' reporting practices. *Business Strategy and the Environment* , 17 (1), 1-15.
- Kumar, N. (2012). Audit Committee as Corporate Governance Mechanism - Myths and . *Ninth AIMS International Conference on Management*, (pp. 652-659). rorkee.
- Madan Lal Bhasin, J. M. (2012). corporate governance through an audit committees- an empirical evidence. *managerial and financial accounting* , 339-365.
- Mahbub Zaman, S. T. (2004). The Corporate Governance Effects of Audit Committees. *Journal of Management and Governance* , 8 (3), 305-332.
- Mallin, C. (2010). "Corporate Governance . *New york: Oxford university press* .

- Marc Eulerich, J. T. (2013). Self-perception of the internal audit function within the corporate governance system – empirical evidence for the European Union. *Problems and Perspectives in Management* , 11 (2), 57-72.
- Marie-Soleil Tremblay, Y. G. (2011). Governance prescriptions under trial: On the interplay between the logics of resistance and compliance in audit committees. *Critical Perspectives on Accounting* , 22 (3), 259–272.
- Mark S. Beasley, J. V. (2000). Fraudulent Financial Reporting: Consideration of Industry Traits and Corporate Governance Mechanisms. . *Accounting Horizons* , 441-454.
- Nisha Kohli, G. C. (2008). Corporate governance and valuations: Evidence from selected Indian companies. *palgrave macmillan* , 236–251.
- Paul Collier, M. Z. (2005). Convergence in European Corporate Governance: the audit committee concept. *Corporate Governance: An International Review* , 13 (6), 753–768.
- R. Narayanaswamy, K. R. (2012). Corporate Governance in the Indian Context. *American Accounting Association* , 583-599.
- Stuart Turley, M. Z. (2014). The Corporate Governance Effects of Audit Committee. *Accounting and Regulation* , 133-159.
- Vera-Munoz, S. C. (2005). Corporate Governance Reforms: Redefined Expectations of Audit Committee Responsibilities and Effectiveness. *Journal of Business Ethics* , 62 (2), 115-127.
- Zhang, D. J. (2009). Corporate Governance, Internal Control and the Role of Internal Auditors – A Survey of Chinese Managers. *School of Accounting, Economics and Statistics Edinburgh Napier University Business School* , 1-22.