The Concept Of Biased And Unbiased Audit Report: Ways Of Improving The Audit Reports

Key aspect of audience :

More than half of the listeners are unaware of the bias audit reports so the purpose is to make the concept of biased and unbiased audit reports clear enough. Ways of improving the audit reports aspect is briefly explained using simple terms which is easy enough for the people to understand.

Establishing and maintaining ground :

In further explaining the reasons for a bias report the use of personal pronoun’s like ‘I’ and ‘ours’ will help the listeners to relate and comprehend it.

Building and maintaining interest:

In order to gain the attention of the audience I might start with an interesting question or tell them a famous story related to the topic. The use of different voice tones also helps in getting audience attraction.

Building Credibility:

I will be presenting by giving references from well-known articles or giving brief supporting details.

Audience attitude :

Since it’s a quite different topic so it will help in building interest on the audience as they will be curious to learn new things.

Adapting to Audiences from different cultures and language communities:

Since I would be addressing in English so it would be easier for people from different languages to understand as English is the main language in most of cultures. Since my topic is quite vast and universal it would be easy for the people to have better understanding.

Use of presentational aids:

since use of visual aids and videos will help better understanding of the topic.

Topic:

”Regulation for improving the quality of an audit can only be effective if it is accepted that bias is

inherently unconscious and unintentional thus law should accounts for the factors causing bias”

Formal speech outline

General goal: It is to inform and create awareness among the audience

Specific goal: I want to educate my audience about the biased audit report and its consequences in future.

Introduction:

Will start my presentation with an interesting a question.

The question arises, weather the accountants are unprofessional or unaware of producing the fake biased counterfeit reports?

Current incidents, however, cause numerous people to interrogate whether the present performance of professional’s accounting is sufficient enough to be trusted? Yes, I believe all of you would have the same question in your mind. So lets discover this together further on.

Summary:

The article ”Taking the bias out of bean counting” by Max H.Bazerman addresses the major problems that lie on the side of accounting firms consulting businesses who operate in a way that is prohibited under SEC regulations and emphasises on the auditors who make unfair reports on the basis of their own interest thus, SEC presented official limitation on the range of consulting facilities that auditors firm can provide.

Freedom is necessary with regard to the role served by accountants. Firstly, the author argues that the Accountants are expected to have the capacity to fulfil top standards, self supporting, fair audits reports if they are willing to do so. However, they have an interest in overstating, misreporting or at times counterfeit outlines of their firm’s achievement’s in order to fulfil their desires. Moreover,this article is clear and focused on the particular point that independent audit outline should provide a trustworthy, fair evaluation of the firm's business statement.

Secondly, the author focuses specifically on the psychological point of view that person tend to attract more towards that task that benefit them in the long run. Different articles also present that “economic” data of independence and unfairness is also questioned by psychological analysers who suggest that unfair information procedure is not only entrenched in our society but is also unintended and unplanned. Applied to auditing, analysis recommends that accountants who face clash of interest usually find it hard, to stay away from bias even if they choose to do so. Moreover, When a particular explanation of the proof will comfort them significantly, human beings move in direction of that conclusion, even when they hold an obvious aim of being unbiased. For example, people usually thinks that the portion of assets that give advantage to themselfs is fair enough, and suppose that others will also have the same opinion.

Thirdly, Accountants infrequently cheat. However, it is hard for auditors to be truly free in a

system where auditors' living depend on building relations with clients to solicit line of work and in which an auditor who issues a unfavourable public audit outline prominently increases the probability that the client might will change the auditors. AS a result they provide unfair reports. Moreover, accounting businesses had opposed this as they suppose that there is no written proof against them.Thus,it is also difficult to distinguish between biased and unbiased reports. Moreover, the author clearly emphasizes that it's against their professionalism and moral values to make unfair reports.

Analysis:

I totally agree with the author highlighting a very important aspect in this article. The author beleives that the unbiased report can only be generated if the auditor had powerful intentions to work with utmost honesty to provide a fair and favourable statement to the client. I believe different solutions can work like engaging the auditor directly with the client to fixed term contract before hand.

I totally agree that Audit standard will only be enhanced further when all stakeholders in the financial reporting procedure understand how perception unfairness influence the use of information in conclusion. In the wake of a number of shocking incidents, the (SEC) association organize a number of opportunities to express ones point of view on auditor independence in 1999.

Audit in simple terms is the clear opinion of the auditors on the financial statement and I support the author point of view as he beleives that a wrong audit report can have drastic consequences.

However, I believe that they are generally ignorant that they are generating data in a selfish way and, thus, are unfamiliar that they are unfair.

Very simple terms are used in the article which can be clearly understood by the majority of the people .I believe most of the people will agree with the author aspect of view.

Conclusion:

Yes, an independent audit report is really very important otherwise people would have to bear huge loses on the hand of the auditors who produce bias reports based on their own personal interest.

Reference:

1. https://studymoose.com/conflict-of-interest-essay
2. https://hbr.org/2001/01/taking-the-bias-out-of-bean-counting