



THE LONDON SCHOOL
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POLITICAL SCIENCE ■

Department of Accounting

Regulating Audit through Standards in a Globalising World

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Abstract

This study explores how regulatory relationships in the global audit arena are being affected by the current financial crisis. Key policy initiatives and debates are analyzed, along with institutional interactions, in particular between the International Federation of Accountants (IFAC), international regulators and the large audit firms. The events are placed in the context of the new international financial architecture which has developed over the last decade. Using the illustrative lens of bank auditing, questions are asked of the nature and status of audit practice and the regulatory arrangements governing such practice. The paper shows the active nature of the regulatory responses to the crisis and the shifting and competing influences among key regulatory and professional participants in the global audit arena. Emphasis is placed on the need for audit researchers to be sensitive to the developing global financial architecture, and its potential implications for the study of audit practice in different national and international contexts.