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审计委员会

公司董事、管理层以及咨询人员指引

[美] 弗兰克·M·伯克 (Frank M. Burke) / 著
丹·M·盖伊 (Dan M. Guy)

第2版

Audit Committees

A Guide for
Directors, Management,
and Consultants



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审计委员会——公司董事、管理层以及咨询人员指引(第2版)

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中文版序

以一句很多人使用的话说，会计行业近两年正处于争论的漩涡之中。

2001年以来，美国爆发一系列财务虚假案，使得安然、世通等巨型公司破产，也导致安达信这样一个有着九十多年历史的世界级会计师事务所饱含屈辱地退出审计市场。安然和世通等事件的影响巨大，损失了几十亿美元的价值。人们开始质疑，这些巨人公司的账面价值到底在多大程度上是真实的？事实上，公众对这种价值创造所依赖的会计和财务制度的信任已经动摇。为了重树公众信心，美国制定颁布了《公众公司会计改革和投资者保护法》(Public Company Accounting Reform and Investor Protection Act of 2002)，简称为《萨宾纳斯—奥克斯莱法案》(Sarbanes-Oxley Act)，对美国而且对世界各国会计、公司治理以致整个证券市场，都产生了相当大的影响。

在中国，上述问题也一样沉重。由于与会计信息相关的违规行为而被证监会查处，或被沪深证交所公开谴责和批评的上市公司，已经是越来越多。在一张张让人不放心的公司财务报表面前，公众感到疑惑，无所适从。银广夏和中天勤案件的查处，让会计师和注册会计师面临空前的信任危机，会计和审计专业的信誉面对巨大的挑战。

在会计信息和资本市场问题上，存在着一个“公司财务报告供应链”。谁组成了公司财务报告供应链呢？毫无疑问，公司财务报告供应链启动于公司内部管理层，他们是原始会计信息的拥有者，他们负责编制和向投资者与其他利益相关者提供财务报表，并承担会计信息质量的最终责任。实务中，会计报表和财务报告由CFO领导下的公司财务报告系统编制，由CPA进行独立审计鉴证，经过董事会批准和股东大会通过后予以公布，还要由证券分析师进行分析，由媒体进行信息传播。在获得上述直接和间接财务信息的基础上，投资人和其他利益相关者做出自己的决策。

显然，这个长长的公司财务报告供应链由许多环节组成，每个环节都有不同的供给方和需求方。

从公司财务报告供应链的视角看，应该说，财务信息的可靠性是由链条中的所有各方共同保证。当然，社会和公众有理由对链条中最为重要的两个环节——会计师和审计师——提出更高、更严格的要求。会计师和审计师必须在具备诚信度的同时，把透明度和受托责任奉为职业要素。

写了以上几段话，是为了引出对本套中信财会图书馆影印系列专业书籍的认识和介绍。这套系列丛书包括12本书。大体上可以归为三类：

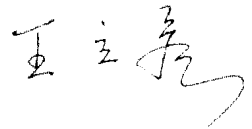
IV Audit Committees :A Guide for Directors, Management, and Consultants

第一类：《会计案头必备：财会人员日常速答手册》、《金融工具——会计及财务报告综合指南》、《商业企业与工业企业财务比率年鉴》、《购买和出售企业专业指南：税收、价值评估、法律和会计核算》、《启动财务——企业初创阶段筹集资金指南》。这几本书的内容聚焦于企业会计和财务管理人员的日常专业工作。

第二类：《审计委员会——公司董事、管理层以及咨询人员指引》、《会计违规和财务欺诈》、《审计程序》、《审计人员风险管理指南：审计与企业风险管理的结合》。这几本书的内容聚焦于审计方面，维护财务信息质量是共同主题。

第三类：《欧洲会计指南》、《国际会计准则指南》、《FASB准则的再阐释与分析：GAAP指南》。这几本书的共同主题是会计规范。

总而言之，这12本书是一套财会方面的好书，既包含有详细的专业规范，又包含了丰富的实务经验，具体应该特别指出以下重要话题：其一，与公司治理有关的机制问题，《审计委员会——公司董事、管理层以及咨询人员指引》非常值得细读；其二，有关《萨宾纳斯—奥克斯莱法案》的问题，在《会计案头必备：财会人员日常速答手册》一书中专设一章“The Sarbanes-Oxley Act of 2002”予以介绍；其三，《购买和出售企业专业指南：税收、价值评估、法律和会计核算》、《启动财务——企业初创阶段筹集资金指南》等书的主题，不在会计、审计方面，而是专项财务管理；其四，我国会计界对英美制度关注比较多，而对欧洲国家的会计制度了解很少，对此，阅读《欧洲会计指南》会有收益。



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于北京大学光华管理学院

About Aspen Law & Business

Aspen Law & Business is a leading publisher of authoritative treatises, practice manuals, services, and journals for attorneys, corporate and bank directors, accountants, auditors, environmental compliance professionals, financial and tax advisors, and other business professionals. Our mission is to provide practical solution-based how-to information keyed to the latest original pronouncements, as well as the latest legislative, judicial, and regulatory developments.

We offer publications in the areas of accounting and auditing; antitrust; banking and finance; bankruptcy; business and commercial law; construction law; corporate law; criminal law; environmental compliance; government and administrative law; health law; insurance law; intellectual property; international law; legal practice and litigation; matrimonial and family law; pensions, benefits, and labor; real estate law; securities; and taxation.

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- Accounting Irregularities and Financial Fraud**
- A Practical Guide to SEC Proxy and Compensation Rules**
- A Practical Guide to Section 16: Reporting and Compliance**
- Business Judgment Rule: Fiduciary Duties of Corporate Directors**
- Construction Accounting Deskbook**
- CPA's Guide to Developing Effective Business Plans**
- CPA's Guide to Effective Engagement Letters**
- CPA's Guide to E-Business**
- EDGAR and Electronic Filing**
- European Accounting Guide**
- Federal Government Contractor's Manual**
- How to Manage Your Accounting Practice**
- Medical Practice Management Handbook**
- Meetings of Stockholders**
- Miller Audit Procedures**
- Miller Compilations and Reviews**
- Miller GAAP Financial Statement Disclosures Manual**
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HOW TO USE THIS BOOK

Audit Committees: A Guide for Directors, Management, and Consultants (Guide) is designed as a reference book. Ordinarily, most users will probably not read the *Guide* from cover to cover. However, a new audit committee member, a first-time chairperson of an audit committee, or a consultant (including, for example, an internal or external auditor) who is developing their knowledge and skill set about audit committees, should consider a cover-to-cover review of the *Guide*. That review will facilitate their use of the *Guide* as a primary reference source.

The authors, anticipating that most readers will use the *Guide* as a reference source, have designed the *Guide* with this in mind. Therefore, the *Guide* contains a detailed **table of contents** (with page numbers shown for sections within each chapter). Each chapter also has a **chapter summary** that highlights the significant points made in the chapter. The busy reader may look at the table of contents for a chapter that addresses a subject of interest and then proceed directly to the chapter summary to determine if the information he or she needs is presented in that chapter.

Page xix contains a list of the **appendices** that are included in the *Guide*. The authors have designed each appendix to be practical and easy to use. The appendices can be easily modified to fit a unique audit committee need or situation.

The *Guide* also contains a comprehensive **glossary** (starting on page 353). The glossary is designed to enable a user to quickly look up a term that he or she may have heard but is not sure of its meaning. For example, the terms “SAS 71 Review,” “SAS 60 Letter,” “COSO Report,” “Material Control Weakness,” and “Business Judgment Rule,” are all defined in the glossary. The *Guide* also includes a section on **Where to Find More Information** that contains addresses, phone numbers, and web sites of key organizations, and a **List of Acronyms** for the user’s quick reference. Finally, the *Guide* contains a detailed traditional **index** to enable a user to quickly locate all of the significant discussions of a defined term.

ABOUT THE AUTHORS

Frank M. Burke, J.D., CPA, lives in Dallas, Texas, where he is Managing General Partner of Burke, Mayborn Company, Ltd., a private investment firm holding interests in banking, real estate, electronics, publishing, and commercial fishing. In addition, through Burke, Mayborn Company, Ltd., he provides consulting services to companies engaged in oil and gas, equipment rental, real estate, cable television, and newspapers. Mr. Burke serves, or has served, on ten public company boards of directors and audit committees, chairing six of the audit committees. He also serves, or has served, on numerous private company and not-for-profit boards.

Prior to the creation of Burke, Mayborn Company, Ltd. in 1984, Mr. Burke was a partner in Peat, Marwick, Mitchell & Co. (now KPMG) and served as Chairman—Energy Group for Peat Marwick International, having as one of his responsibilities meeting with boards and audit committees worldwide. He also served on the board of directors of Peat, Marwick, Mitchell & Co. for six years. Over the past 30 years, Mr. Burke has written seven books and over one hundred articles on various business, financial, and tax subjects. In 1977, he drafted the terms of the original limited liability company legislation enacted in Wyoming, and in 1981 obtained the first ruling from the IRS regarding the partnership status of the Wyoming limited liability company. Mr. Burke received his BBA and MBA from Texas Tech University and his J.D. from Southern Methodist University.

Dan M. Guy, Ph.D., CPA, lives in Santa Fe, New Mexico, where he is a writer and consultant in litigation services, specializing in auditor malpractice issues. He is also a consultant to KPMG's Audit Committee Institute. He completed an 18-year career with the American Institute of Certified Public Accountants (AICPA) in January 1998, where he was Vice President—Professional Standards and Services, having overall responsibility for, among other things, the Auditing Standards Board and international auditing matters. During his tenure at the AICPA, Dr. Guy was significantly involved in developing the authoritative standards on audit risk and materiality, fraud, illegal acts, internal control, and communication with audit committees. He is the author of ten books, including *Practitioner's Guide to GAAS*, *The Auditor's SAS Field Guide*, *The Guide to International Standards on Auditing and Related Services*, and *The CPA's Guide to Professional Ethics*.

Prior to joining the AICPA as Director of Auditing Research in 1979, Dr. Guy was a professor of accounting at Texas Tech University and a visit-

ing professor at the University of Texas at Austin. He was also in public accounting with Peat, Marwick, Mitchell & Co. (now KPMG) and Arthur Andersen. He received his Ph.D. at the University of Alabama. In 1998, he received the John J. McCloy Award for outstanding contributions to audit quality in the United States. The Public Oversight Board that monitors the SEC Practice Section of the AICPA's Division for CPA firms presented the award. In January 2001, he received the Distinguished Service in Auditing Award from the Auditing Section of the American Accounting Association.

Contributing Author

Kay W. Tatum, Ph.D., CPA is an associate professor of accounting at the University of Miami in Coral Gables, Florida. Professor Tatum earned her Ph.D. in accounting at Texas Tech University. Professor Tatum is co-author of the monograph *Developments in the Audit Methodologies of Large Accounting Firms* and articles on auditing topics that have appeared in the *Journal of Accountancy* and *The CPA Journal*.

Professor Tatum has been an active member of the AICPA and the American Accounting Association. She was a member of the AICPA's Task Force that developed SAS 84 on communications between auditors and is currently a member of the AICPA's International Auditing Standards Subcommittee. She also serves as chairperson of the Auditing Standards Committee of the Auditing Section of the American Accounting Association.

ACKNOWLEDGMENTS

We are grateful to the many individuals who contributed to *Audit Committees: A Guide for Directors, Management, and Consultants*. In particular, we express our appreciation to Ron Sinesio, Director–New Product Development, Anita Rosepka, Managing Editor, and Mary Stevenson, Manuscript Editor, all of Aspen Law & Business. Our appreciation also goes to Terri Guy for her research and editing contributions. To our technical editor and advisor, Linda Lach, CPA, thank you for an exceptional job.

PREFACE

Audit Committees: A Guide for Directors, Management, and Consultants (Guide) presents the history, responsibilities, and operation of audit committees. The *Guide* focuses primarily on publicly held companies, but we have included a short chapter on audit committees for not-for-profit and public sector entities. The *Guide* is written in a non-technical, active-voice, easy-to-read format. We write to communicate, not to impress. We consider our primary audience to be:

- Directors serving on audit committees.
- Other members of the board of directors.
- Chief executive officers, chief financial officers, and in-house legal counsels.
- Internal and external auditors.
- Outside legal counsels.
- Other consultants to audit committees.

We bring a unique combination of experience and skills to the *Guide*. One author has served as a director of a number of public, private, and not-for-profit entities, having organized, chaired, and participated as a member of a number of audit committees. In addition, he has over 30 years experience as a partner in, industry head of, and consultant to, international accounting firms and has dealt with audit committees from that perspective on many occasions. The other author recently completed an 18-year tour of duty with the American Institute of Certified Public Accountants, where he served as Vice President having responsibility for audit and attest matters. He participated in the debates and preparation of many of the documents and materials discussed in this book. The *Guide* is synergistic in that it combines real-world audit committee experience with expert knowledge of materiality, internal control, fraud and illegal acts, and the independence requirements for external and internal auditors. The *Guide* is unique in that it presents technical topics in a manner that is understandable for the reader who is not an attorney or a certified public accountant. The *Guide* also is unique in that it covers subjects that are rarely discussed, such as the process for terminating an external auditor.

Another significant feature of the *Guide* is the emphasis on the importance of regular evaluations of audit committee performance, not only as a means of possibly reducing legal liability of the board of directors, but also enhancing the credibility of the company in the eyes of third parties. It seems quite likely that the Securities and Exchange Commission (SEC) or issuers of directors and officers liability insurance will, at some point, re-

quire reviews of the activities of audit committees to determine if proper procedures are being followed. The current rash of accounting misrepresentations and fraud in public companies may accelerate consideration of this type of periodic review.

As indicated above, the *Guide* fills a “gap” in the existing literature in that it blends (1) observations based on real-world experience serving on audit committees, (2) expert knowledge of the standards of external and internal auditors, and (3) knowledge of the latest requirements from the New York Stock Exchange, National Association of Securities Dealers, American Stock Exchange, and the SEC.

The *Guide* is current as of December 31, 2001, and is updated annually. The second edition has been revised to reflect the following:

- A new Chapter 8, “Understanding Financial Statements,” which, among other things, identifies the basic content of the annual report, discusses how earnings management can lead to fraudulent financial reporting, and identifies sources of information that can help audit committee members maintain their financial literacy.
- A complete revision of Chapter 12, “Relationship with the Internal Auditor,” which presents an expanded discussion and analysis of the Institute of Internal Auditors’ new Standards for the Professional Practice of Internal Auditing.
- New chapter supplements presenting excerpts from the Annual Report of Hershey Foods Corporation and from the proxy statement of Coca-Cola Enterprises, Inc.
- Expanded discussions of the auditor committee charter; recommendations by the Panel on Audit Effectiveness; and SEC rules specifying the minimum requirements for the audit committee report, including required disclosures in the proxy statement.
- New appendices, including examples of accounting estimates, a sample internal auditing department charter, and sample questions for internal auditors.

Please help us improve the *Guide*. We welcome your comments, questions, and suggestions. Please direct your correspondence to:

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December 31, 2001

FOREWORD

Since joining my first corporate board more than two decades ago, I have witnessed dramatic changes in the business environment, corporate governance, and especially in audit committee work.

The interconnected global economy, the pace of competition, and advances in technology — these are among the forces that have created the most dynamic and exciting business environment of my career. And that dynamism has spawned the shareholder activism and regulatory attention that has focused squarely on corporate governance. The result is the biggest change for us as directors during this time: higher expectations for performance. The expectations flow from the many constituencies of public companies. Shareholders are first and foremost. They are a diverse group, with a variety of objectives, and, since more than half of U.S. households own stock, there are many more of them today. Employees, customers, communities, public officials, (including regulators), and the press are among the other constituencies. All of them are scrutinizing directors more closely and demanding that we do a better job.

The audit committee is a clear focal point of these higher expectations. When I first joined boards, it was customary to place new directors on the audit committee, “to learn about the company.” Audit committees were simply not at the top of the board’s pecking order. Those days are gone for good. Audit committees have clearly arrived and are now being recognized for the uniqueness of their work. The audit committee is the only board committee with the responsibility to monitor what management does — constantly. Other board committees have assignments of great consequence but the magnitude and sensitivity of their work usually ebbs and flows. This is not true of the audit committee’s work, and for this reason, it is one of the more challenging committee assignments and will continue to be in the years ahead.

Directors have been rising to the challenges by becoming more independent, more vigilant, and more willing to disagree with management when necessary. We take our oversight responsibilities more seriously than even before. We expect more of each other.

But we are always looking for useful tools to enhance our performance. Dan Guy and Frank Burke have made a great contribution to the cause in their book, *Audit Committees: A Guide for Directors, Management, and Consultants*. They are an excellent team. Burke earned his stripes serving on ten boards and their audit committees and chairing six of those committees. Guy, a former Vice President—Auditing at the AICPA, was responsible for developing many of the auditing standards for which audit committees have oversight responsibility.

I am impressed with the completeness of the *Guide*. It brings together in one volume all the materials that impact the responsibilities and duties of audit committees. It is completely up to date and includes the new rules issued in the past two years by the SEC, stock exchanges, and the AICPA, as well as the new SEC rules on auditor independence issued in November 2000. The *Guide* also has the great virtue of simplifying complex technical requirements and presenting them in any easy-to-read fashion. For instance, Chapter 10, "The Audit Committees' Oversight of Internal Control," is one of the most understandable overviews on that subject I have ever read. This edition of the *Guide* contains a much needed new chapter on "Understanding Financial Statements." All in all, this book is an indispensable reference book for both experienced and new audit committee members.

The enhanced importance, seriousness, and visibility of audit committee work has illuminated the need for a book like this. Burke and Guy are to be commended for giving it to us.

The Honorable Barbara Hackman Franklin
December 31, 2001

Barbara Hackman Franklin, currently President and CEO of Barbara Franklin Enterprises, has served as the 29th U.S. Secretary of Commerce. She has served on the boards of 12 public companies and 4 private companies, currently chairing the board of one. She has also served on the board of a variety of professional and not-for-profit entities, including Nasdaq and the AICPA. Franklin has served on 13 audit committees, chaired 5, and received the prestigious John J. McCloy award for outstanding contributions to audit excellence. An expert on corporate governance, she has been honored as Director of the Year by the National Association of Corporate Directors.

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