

Audit Reports in Australia 2005-2013: Preliminary Analysis

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Sampling Process

- The sample: 15,300 Australian publicly listed companies (98% of listed companies for the period)
- Sample period: 2005-2013
 - (1) Pre-2007: the period before the onset of the GFC;
 - (2) 2008-2010 (2011)*: , the period during the GFC;
 - (3) 2011(2012)-2013: after the GFC, and the slowdown in local economy.

*The cut-off year 2011 is an estimate rather than a clear cut-off.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
The number of Australian listed companies, excluding overseas companies	1531	1630	1792	1845	1796	1777	1877	1746	1675	15669
Observations missing total assets excluded	1531	1630	1792	1845	1796	1777	1791	1746	1675	15583
Observations missing audit fees excluded	1531	1625	1784	1837	1795	1770	1784	1742	1674	15542
Only reports covering full year period included	1491	1604	1754	1826	1784	1766	1771	1714	1645	15355
Observations missing industry information excluded	1489	1601	1745	1817	1771	1757	1766	1710	1644	15300

Figure 1 Type of Audit Reports of Australian Listed Companies 2005-2013

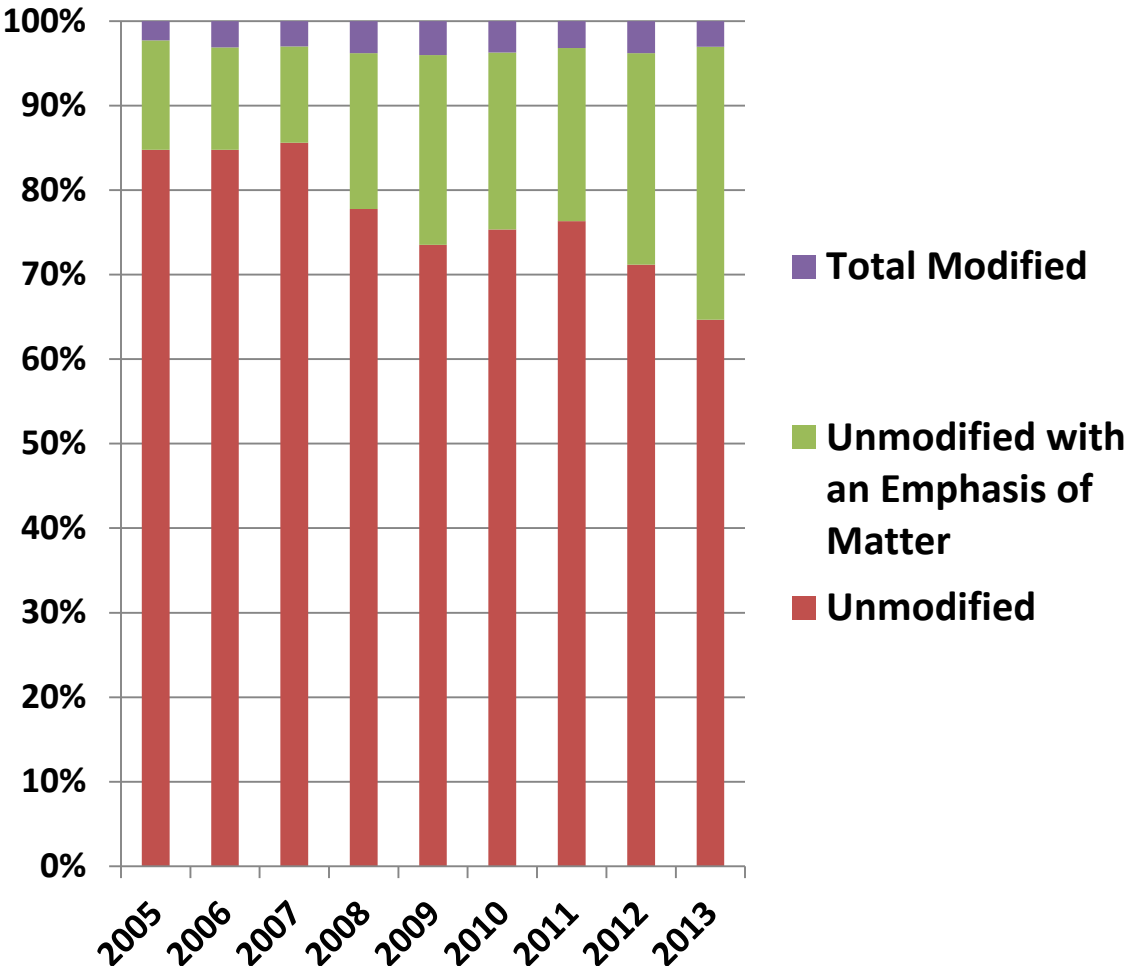


Figure 2 Types of Emphasis of Matter Paragraphs 2005-2013

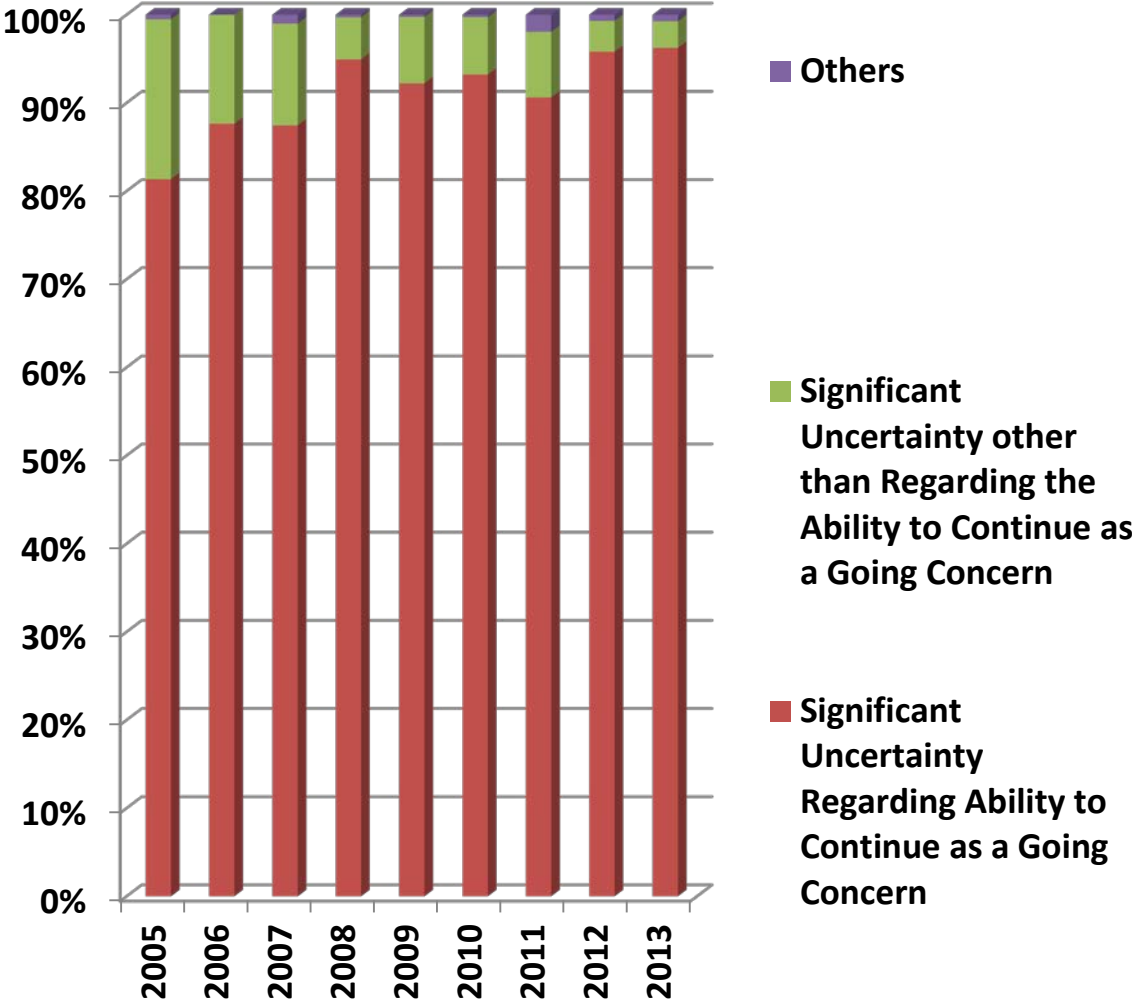


Figure 3 Reports with Going Concern Qualifications and Emphasis of Matter on Going Concern 2005-2013

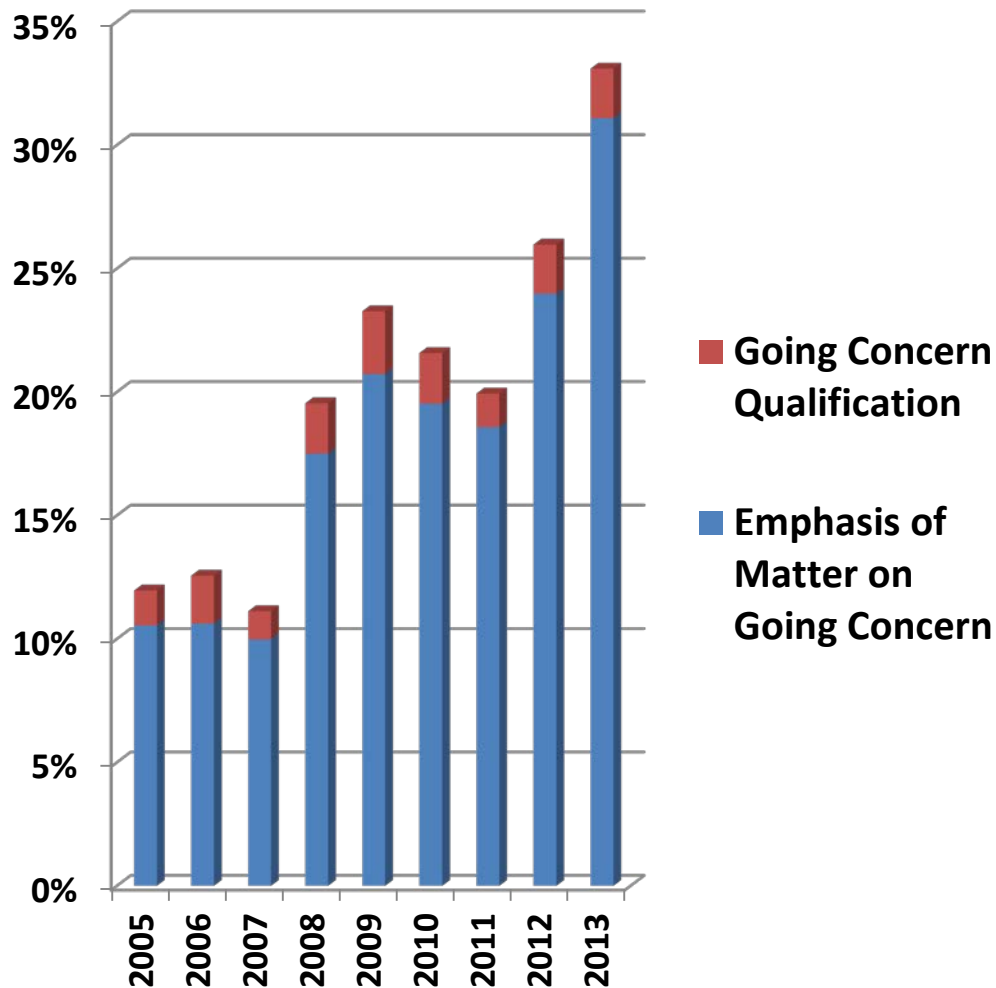


Figure 4 Big 4 vs. Non-Big 4: Types of Audit Reports 2005-2013

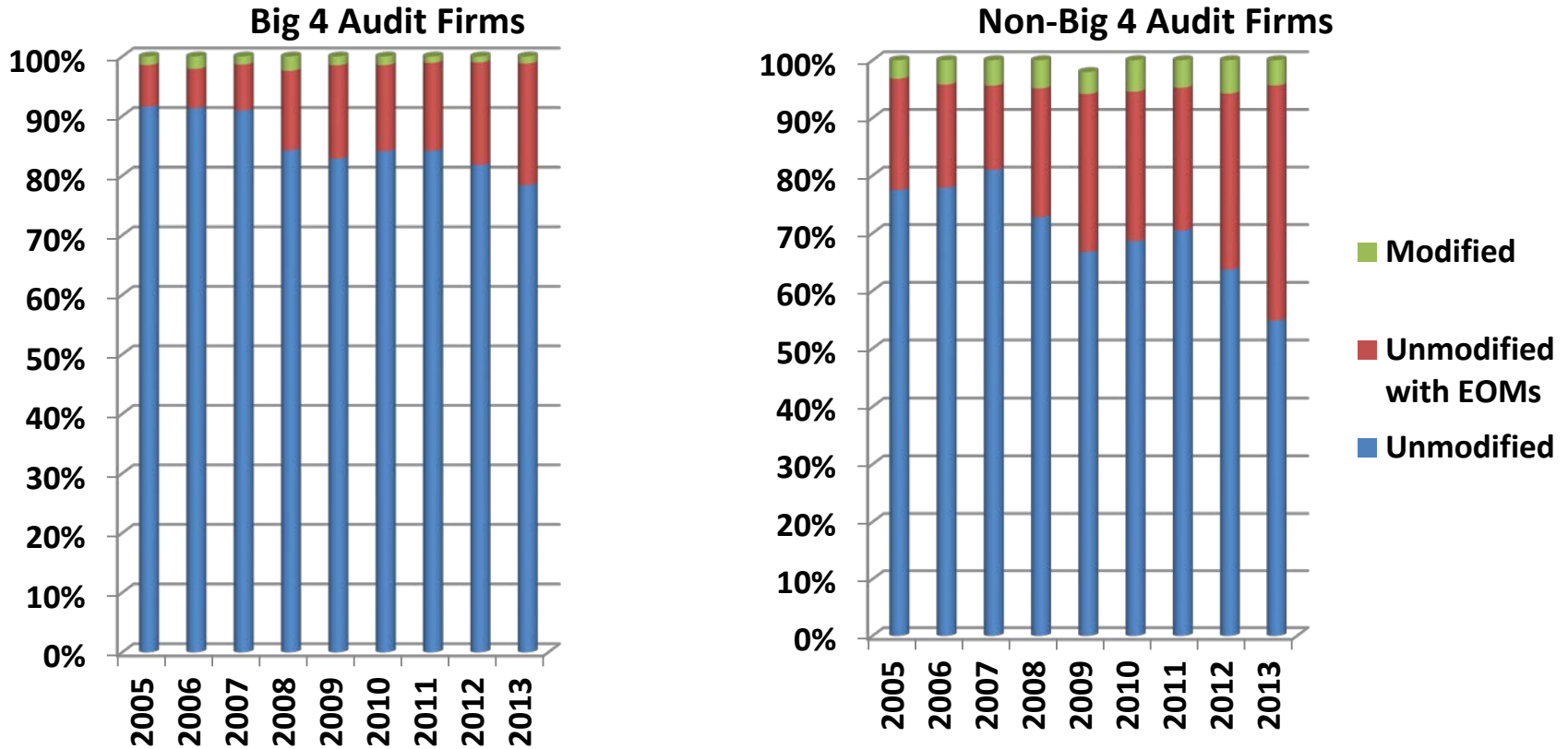
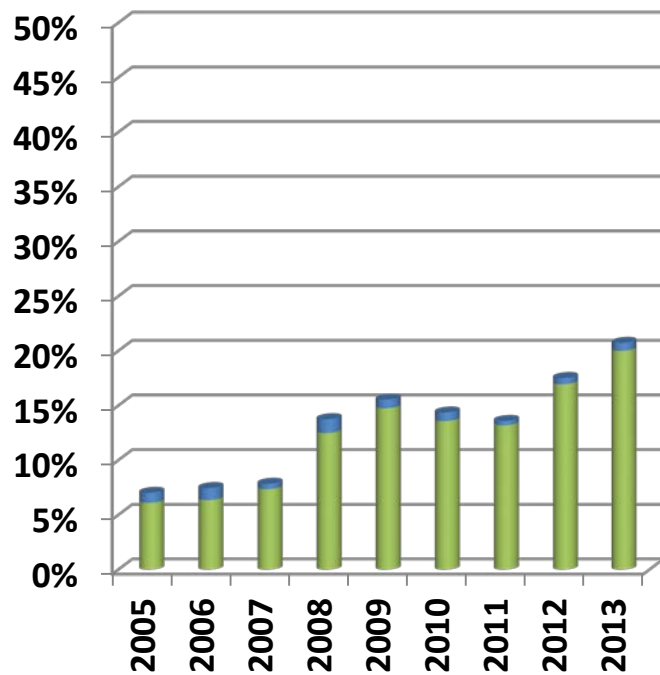


Figure 5 Big 4 vs. Non-Big 4: Reports with Going Concern Qualifications and Emphasis of Matter on Going Concern 2005-2013

Big 4 Audit Firms



Non-Big 4 Audit Firms

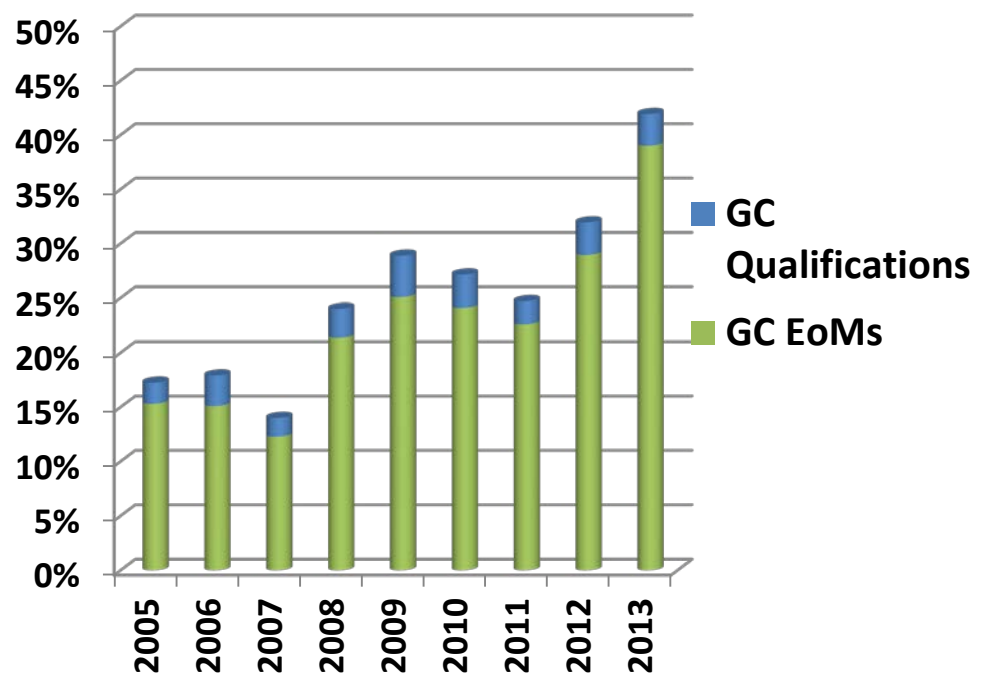


Figure 6 Going Concern Related Audit Reports by Entity Size Grouping – Total Assets

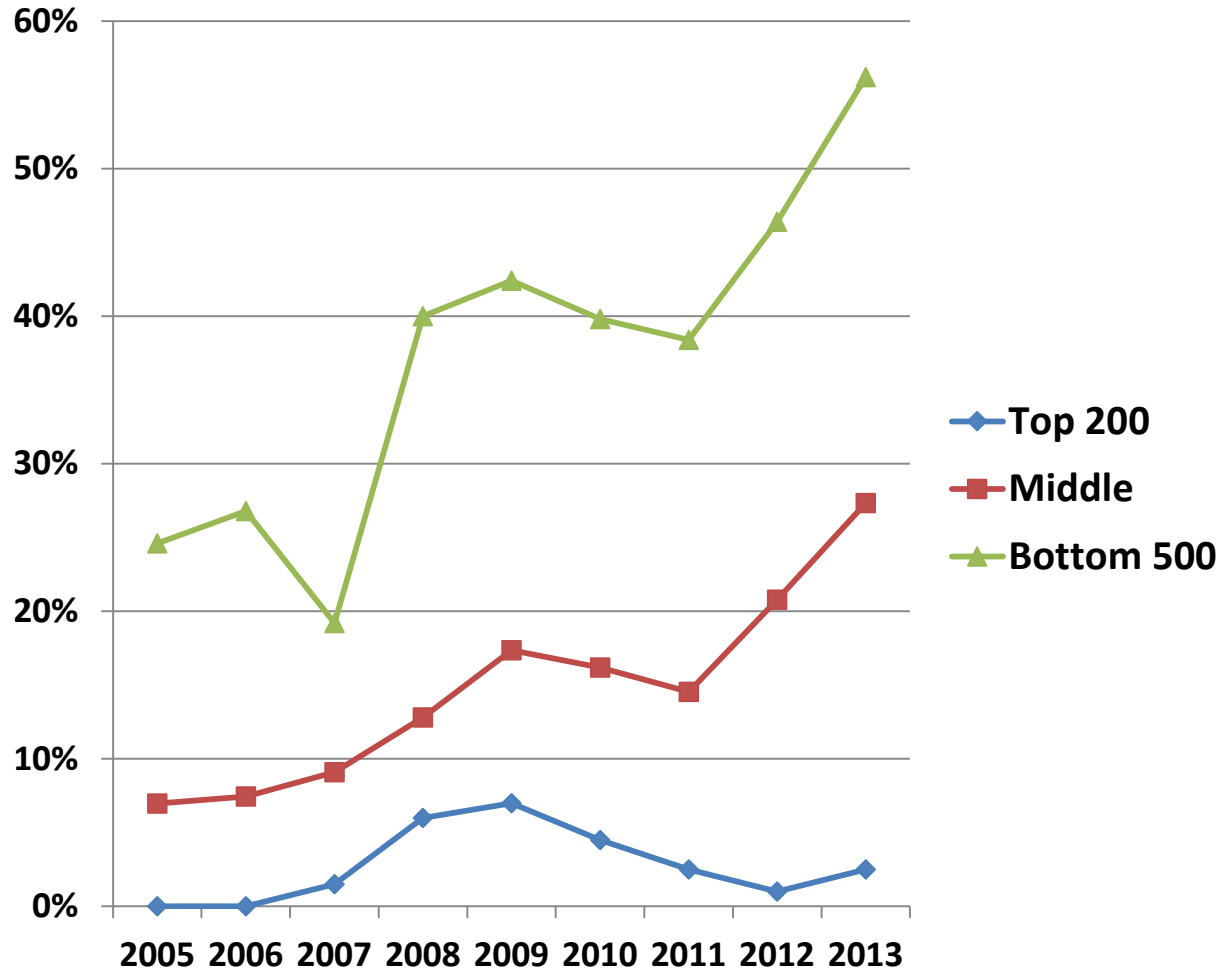
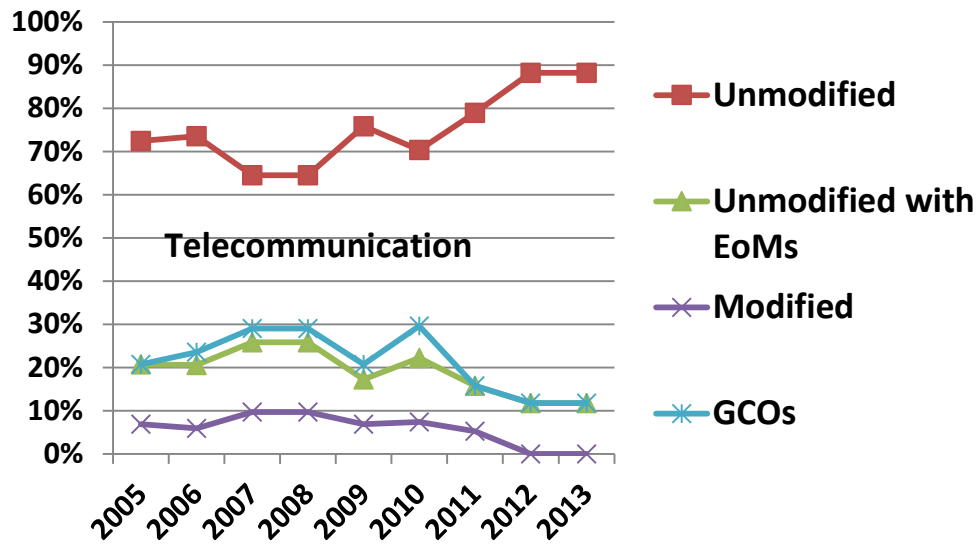
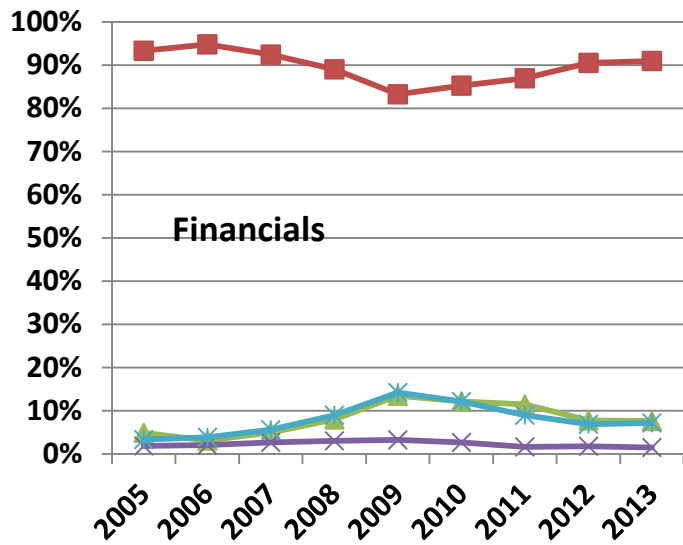
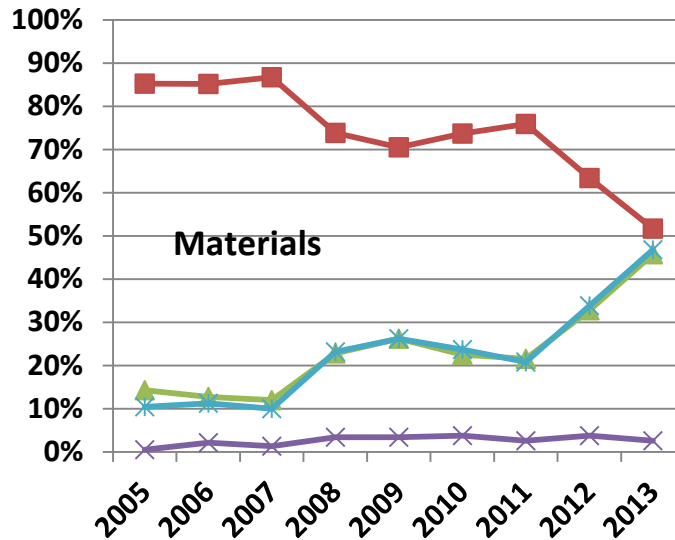
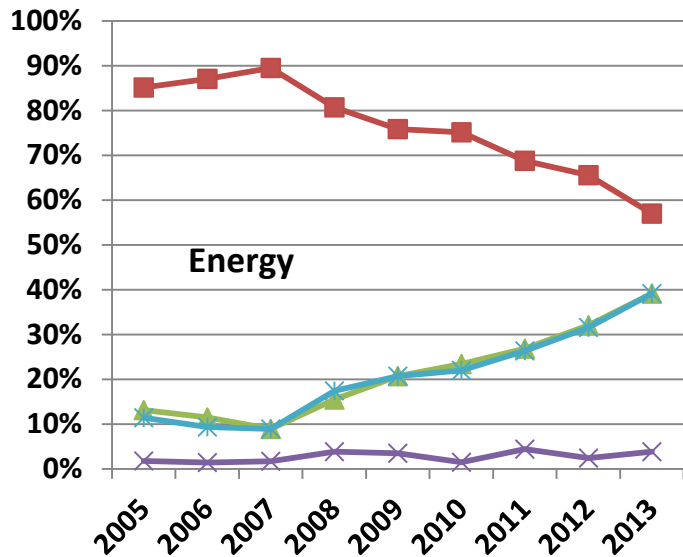


Figure 7 Types of Audit Reports by Industry



- Unmodified
- ▲ Unmodified with EoMs
- × Modified
- ✦ GCOs

So,....

- Continued high rate of GC emphasis of matter paragraphs (continues from GFC)
- recent increase in GC from non-Big 4 auditors, on smaller entities, and mining and energy.
- Next, Why.....
- Then, where are we going....