

One of the main reasons for statutory Audit reports done by four big firms can not recognise the material effect can have on the accounts of the company is lack of understanding of internal control of the companies and double entry bookkeeping goes with it. Most of the auditors that are contacting an audit report has little or no double entry bookkeeping knowledge and they are relying on the company accountants who do the books for the internal control and most of the cases the internal accounts are working for the firm that they are paying them and they do what they been told. They do not care about the investors.

Therefore quality of the audit report is missing and the external auditor are disqualifying the report and the companies get away and consequences the shareholders and the investors are suffering.

All the auditors carrying out an audit must have a comprehensive double entry bookkeeping knowledge and they should not rely on the internal accountants reports or the software that are using to assess the internal control.