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Note from the Editor

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straints, this omission of deficiency increases controllable detection risk and, consequently, total detection risk. In other words, a shortcut in the audit (increase in controllable risk) has the same effect as lowering confidence levels (increase in uncontrollable risk), an action most auditors would not consider. In fact, a serious flaw in the audit is the same as dropping the confidence levels to dangerously low thresholds.

The profession as a whole faces a fixed level of risk. Unlike individual auditors who can accept or reject an audit engagement, the profession cannot shift its total audit risk. Because the law requires that certain entities must have their financial statements audited by certified public accountants, someone in the profession must accept that risk. Thus, from the profession's perspective, risk cannot be passed on to someone else. Consequently, the profession must look for ways to reduce the total existing audit risk.

The total audit risk that the profession faces is made up of the risk faced in each individual audit. Therefore, if the risk in each individual audit is reduced, the total audit risk faced by the profession is reduced. A zero defect auditing policy reduces the risk faced in each individual audit where it

is applied. This has the impact of effectively lowering the total audit risk faced by the entire profession.

Conclusions

The auditing profession has been under severe criticism because of the public perception of substandard audits. This paper advocates a zero defect auditing policy which mandates the highest form of quality control. On the surface, zero defect auditing appears to be an "over-auditing" policy, unless one incorporates the long-term costs facing the profession. By factoring in the costs of government regulation, lost credibility, reduced public confidence, and diminished prestige, zero defect auditing is cost justified. The costs of this policy are high, but the primary benefits (self-regulation, increased credibility, public confidence, and prestige) are greater.

A zero defect auditing policy is a systems approach which concentrates on ensuring quality in the audit process. This in turn results in a high quality audit product, the audit report. A zero defect policy can be adopted on an individual basis or by the profession as a whole. In whatever way it is adopted, it lowers the audit risk in each individual audit and, consequently, the total risk imposed on the profession.

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A Note from the Editor

I wish to thank those Board members who gave me the opportunity to serve as the Editor of *The Woman CPA*. Special thanks should also be extended to Jan Colbert for her tireless efforts as Associate Editor, Elise Jancura and Roland Madison for many years of service as Department Editors and also to our new Department Editors, Ann Pushkin, Mary Alice Seville, Chris Fugate, Lisa Martin and Teresa Thamer. Our reviewers have donated many hours to reading and evaluating manuscripts and deserve our heartfelt gratitude.

Each issue of the journal would not have been possible without the timely efforts of our typesetter, Wendi Williams of D&M Graphics in Louisville, KY, and our printing representative, Tom Ladd of Democrat Printing in Little Rock, Arkansas. Other people who devoted many hours to our publication are Lynette Sarther, our business manager and Jo Anne Dooley, our Treasurer.

It took the time, talents and efforts of all of these people to produce each quarterly issue.

I have learned so much during the past two years as Editor and preceding one year as Associate Editor. Thank you, the members.

Betty Brown