

# [The impect of sox and its implications in the financial sector](https://assignbuster.com/the-impect-of-sox-and-its-implications-in-the-financial-sector/)

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(1) Joseph V. Carcello and Albert L. Nagy (2004) Audit Firm Tenure and Fraudulent Financial Reporting. AUDITING: A Journal of Practice & Theory: September 2004, Vol. 23, No. 2, pp. 55-69.   
  
Summary: The Mandatory firm rotation by the comptroller general of US is required by SOX act. This in any way did not seem to improve the auditing quality and the good audit results.   
  
(2)   
Michael L. Ettredge, Chan Li, and Lili Sun (2006) The Impact of SOX Section 404 Internal Control Quality Assessment on Audit Delay in the SOX Era. AUDITING: A Journal of Practice & Theory: November 2006, Vol. 25, No. 2, pp. 1-23.   
  
Summary: The article provides us with useful information regarding the implementation of other SOX at ‘ internal control quality’. Under the SOX act 404 and section 10-k filing, the internal control over financial reporting has supposedly caused more delays. The article also mentions that general weakness has been a major reason in audit delays and implementing SOX act 404 has been a reason for further delay in auditing.   
The article would be very useful in my paper since it provides me with a deep insight into the delays in auditing and its major reasons. Also, highlighting SOX act 404 as a major one.   
  
(3)   
Hollis Ashbaugh‐Skaife, Daniel W. Collins, William R. Kinney Jr., and Ryan LaFond (2008) The Effect of SOX Internal Control Deficiencies and Their Remediation on Accrual Quality. The Accounting Review: January 2008, Vol. 83, No. 1, pp. 217-250.   
  
Summary: Covering another aspect of the internal control of audit and accrual quality, this study provides us with facts that deficiencies and weaknesses in internal control have been the main reasons behind accrual quality. Firms with weaknesses in internal control display low-quality accruals. These firms display both large negative and positive number of accruals when compared with firms that have good internal control.   
  
This article again provides me with a different aspect of internal audit deficiencies and their effects on firm’s outcomes, its financial reports, and accruals. The article would surely help me in my paper while covering the aspects of internal control in an auditing firm.