
Using expert cross-disciplinary teams in audit engagements

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Abstract

The broad sustainability agenda has created a wide array of new/novel questions regarding reporting and public disclosure by business firms. Stakeholders now demand a reckoning of the impact, in an ever-expanding context, that economic activities have on the environment. Proposed techniques for sustainability accounting, and the accompanying social accountability reporting, have the potential to be helpful (1) to organizations--in their managing, planning, and control functions; (2) to investors--in their normal buy-sell-hold decisions for allocating resources; (3) to government units--as they attempt to foster the common good for all citizens; (4) to consumers--in their role as arbiters of outputs that the macro economy should/will provide; and (5) to the general populace--as it makes collective judgments that will impact the planet's future physical health and welfare.

For the sustainability agenda to move forward, though, there must be both systematic disclosure of negative production externalities that affect the environment and an acceptable level of assurance that such disclosures meet common standards of completeness and quality. This research seeks to synthesize best practices in the auditing and assurance arena for corporate social responsibility. The special focus here is on the carbon pollution reduction scheme and the proposed multidisciplinary combined involvement of both scientific and financial specialists on audit teams.
