

From Knowledge to Wisdom

ISSN 1537-1506 CBSN 270B0069

Chinese Business Review

Volume 11, Number 10, October 2012



David Publishing Company
www.davidpublishing.com

Publication Information:

Chinese Business Review is published monthly in hard copy (ISSN1537-1506) and online by David Publishing Company located at 9460 Telstar Ave Suite 5, EL Monte, CA 91731, USA.

Aims and Scope:

Chinese Business Review, a monthly professional academic journal, covers all sorts of researches on Economic Research, Management Theory and Practice, Experts Forum, Macro or Micro Analysis, Economical Studies of Theory and Practice, Finance and Finance Management, Strategic Management, and Human Resource Management, and other latest findings and achievements from experts and scholars all over the world.

Editorial Board Members:

Moses N. Kiggundu (Canada)
Polyxeni Moira (Greece)
Iltae Kim (Korea)
Sorinel CĂPUȘNEANU (Romania)
ZHU Lixing (Hong Kong)
Jong-Wook Kwon (Korea)

Jehovaness Aikaeli (Tanzania)
Ajetomobi, Joshua Olusegun (Nigeria)
LI Kui-Wai (Hong Kong)
Shelly SHEN (China)
Ruby LI (China)

Manuscripts and correspondence are invited for publication. You can submit your papers via Web Submission, or E-mail to economists@davidpublishing.com, china4review@hotmail.com. Submission guidelines and Web Submission system are available at <http://www.davidpublishing.org>, <http://www.davidpublishing.com>.

Editorial Office:

9460 Telstar Ave Suite 5, EL Monte, CA 91731, USA
Tel: +1-323-984-7526
Fax: +1-323-984-7374
E-mail: economists@davidpublishing.com

Copyright©2012 by David Publishing Company and individual contributors. All rights reserved. David Publishing Company holds the exclusive copyright of all the contents of this journal. In accordance with the international convention, no part of this journal may be reproduced or transmitted by any media or publishing organs (including various websites) without the written permission of the copyright holder. Otherwise, any conduct would be considered as the violation of the copyright. The contents of this journal are available for any citation, however, all the citations should be clearly indicated with the title of this journal, serial number and the name of the author.

Abstracted / Indexed in:

Database of EBSCO, Massachusetts, USA
Ulrich's Periodicals Directory
ProQuest/CSA Social Science Collection, Public Affairs Information Service (PAIS), USA
Norwegian Social Science Data Services (NSD), Database for Statistics on Higher Education (DBH), Norway
Index Copernicus, Poland
Summon Serials Solutions
Chinese Database of CEPS, Airiti Inc. & OCLC
Chinese Scientific Journals Database, VIP Corporation, Chongqing, P. R. China

Subscription Information:

Print \$520 Online \$360
Print and Online \$680
David Publishing Company
9460 Telstar Ave Suite 5, EL Monte, CA 91731, USA
Tel: +1-323-984-7526
Fax: +1-323-984-7374
E-mail: order@davidpublishing.com



David Publishing Company
www.davidpublishing.com

Chinese Business Review

Volume 11, Number 10, October 2012 (Serial Number 112)

Contents

Industrial Economics

- Evaluating Benefits of Sport Mega-Events on the Host Cities:
Effects of the 34th America's Cup on Naples** 849

Rosa Caiazza, Ioannis Minis

- Innovative Development and Commercialization of Technologies:
Experience of Technopark "Novosibirsk"** 855

Yury I. Shokin, Boris Y. Grishnyakov, Leonid K. Bobrov

Public Finance

- Qualitative Perspective of Audit Materiality: Empirical Evidence in Mexico and Colombia** 864

Sergio Iván Ramírez Cacho, Martín Álvarez Ochoa, Maricela Ramírez

Social Economics

- A2A Relationships in Service Contexts** 873

Luca Carrubbo, Andrea Moretta Tartaglione, Primiano Di Nauta

- Exploitation and Abuse of Children in "Entrepreneurial" Purposes** 891

Goran Kutnjak, Matija Radović, Diana Blašković

Enterprise Management

- Financial Dependence and Economic Growth in Spain** 900

Lamothe, P., Fernández, M. A., Ríos, M.

- Have the Private Benefits in Italian Firms Decreased?** 911

Carmelo Ingrisano

Human Resource Management

- The Importance of Communication and Interpersonal Relations in Agribusiness Enterprises** 923

Dionise Magna Juchem, Edgardo Alfredo Herrera Céspedes



Qualitative Perspective of Audit Materiality: Empirical Evidence in Mexico and Colombia

Sergio Iván Ramírez Cacho, Martín Álvarez Ochoa

University of Colima, Manzanillo, México

Maricela Ramírez

University of Boyacá, Tunja, Colombia

Our contribution analyzes the process of convergence with the International Standards of Audit (ISAs), particularly those that regulate the concept of materiality in Mexico and Colombia. Between other results, across a survey, it is demonstrated why the effective use of the factors that emerge of his qualitative slope can favor the quality of the financial information that publish the audited companies, the usefulness and the comprehensibility of the report of opinion. In general, the reliability, transparency, and relevancy of the financial statements will meet potentially favored with the strict application of these major and better normative instruments.

Keywords: qualitative perspective, materiality, financial statements, audit materiality, International Federation of Accountants (IFAC)

Introduction

The new world economic order is necessary for the existence of a universal language to certify the reliability, comparability, and transparency of reporting by which to communicate the results and effectiveness in managing the resources contributed by investors to business organizations (Brickley, Linck, & Smith, 2003).

Regarding this, the International Federation of Accountants (IFAC), in the early years of this century started screening programs and clarity which were updated by the International Standards on Auditing (ISAs). The strict application of these new policy instruments has been endorsed by major world economic blocs, making them to be the only globally accepted methodology to ensure the fairness of the information that companies communicate with the financial statements (IOSCO, 2009; UN, 2008).

This global movement promotes the widespread application of ISAs, highlights the priority that has been the adoption of ISA 450: The evaluation of the misstatements identified during the audit (IFAC, 2010, pp. 368-379), for surely this controversial concept stands as a benchmark for the planning, execution and completion of the

Sergio Iván Ramírez Cacho, Ph.D., Accounting & management faculty, University of Colima.

Martín Álvarez Ochoa, Ph.D., Accounting & management faculty, University of Colima.

Maricela Ramírez, MBA, Accounting faculty, University of Boyacá.

Correspondence concerning this article should be addressed to Sergio Iván Ramírez Cacho, Accounting & management faculty, University of Colima in Manzanillo, "El Naranjo" Campus, Manzanillo-Barra de Navidad Km.20.00 PB 28860, México. E-mail: sergio_cacho@uacol.mx.

inspection work performed by auditors (Martínez García, Ramírez Cacho, Montoya del Corte, & Fernandez-Laviada, 2008, 2010).

Importance of Audit Materiality

Besides being a concept that auditors use during the three stages at which fractures its work, the material is a qualitative characteristic of financial information and an element present in the regulatory framework of accounting and auditing around the world (García Delgado, 1994).

These circumstances led to its reform has been one of the first steps in a path to try to strengthen the regulatory framework for the audit function, and thus anticipate, among other things, the presence of financial scandals (Benau García, Humphrey, Moizer, & Turley, 1993; Brody, Lowe, & Company, 2003).

The audit materiality is seen both from a historical perspective—quantitative, for the determination of which is usually given 5% on corporate profits, and from a newly strengthened qualitative aspect, which promotes consideration—at the same level of importance that the numerical side—the nature and circumstances surrounding each error detected during the audit (Ng, 2007).

Indeed, the reform of this concept encouraged the IFAC focused on standardizing and included in ISA 450 the explicit consideration of such circumstances, capturing it in a forceful way through the next 11 qualitative factors (FC-450) that auditors should consider in determining to what extent—the errors detected and corrected will impact on your report or final opinion.

The new methodology states that those errors are not quantitatively significant, may lead to qualifications in audit reports, if they:

- (1) Affect compliance with regulatory requirements;
- (2) Affect compliance with debt covenants or other contractual requirements;
- (3) They relate to the incorrect selection or use of an accounting policy that has an immaterial effect on the financial statements of the current period, but probably has a material effect on the financial statements of future periods;
- (4) Show a change in earnings or other trends, especially in the overall economic and industry conditions;
- (5) Affect indicators used to assess the financial position of the entity, the results of operations or cash flows;
- (6) Affect segment information presented in the financial statements (for example, the importance of an issue for a segment or other part of the entity's business, which has been identified that play an important role in the operations of the entity or the profitability);
- (7) Have the effect of increase in compensation paid to the administration, for example, by ensuring that the requirements for a bonus or other incentives are satisfactory;
- (8) Are significant considering the auditor's understanding of communications previously known users, for example, in relation to the budget of profits;
- (9) They relate to matters that involve private parties (for example, if external parties to the transaction are related to members of the administration of the entity);

- (10) Constitute an omission of information not specifically required by the applicable financial reporting standards, but in the auditor's judgment is important for understanding of the users on the financial position, results of operations or cash flows of the entity;
- (11) Affects other information that will be communicated in documents containing audited financial statements (for example, information to be included in a "letter of suggestions to the administration" or "operating and financial review"), which may reasonably be expected to influence economic decisions of financial statements.

Global Convergence With ISAs

The exchange of accounting reports has led the globalization of business, which has promoted the adoption of all or part of ISAs worldwide. Thus, we find that for example, the European Union (EU) adopted from 2010 with the adjustments each member deems appropriate and Mexico adopted in full in 2012.

Hence, in order to analyze the extent to Colombian professionals with authority to sign audit reports (CCPO) agree with the actual use of the FC-450, a study was made possible to obtain empirical evidence of that fact.

Convergence With Colombian ISAs

Facing the reality of global audit function, Colombia issued Law 1314 of 2009 as a normative framework through which it undertakes a strong convergence process with action in the state. In this context, the government has the role and responsibility of issuing financial reporting standards, assurance standards and other reporting standards that apply in the country by joint action of the Ministry of Finance and Ministry of Commerce Industry and Tourism, based on proposals submitted by the Technical Board of Public Accountancy as a body for standardization in the field of competence (Technical Board of Public Accountancy, 2011, p. 11).

Given the above, within the said assurance standards are the historical financial auditing standards (Act 1314 of 2009, Art 5), the convergence process will be carried out taking as reference standards for audit and assurance information issued by the Standards Board International Auditing and Assurance Board (IAASB), because they meet the three conditions listed in the law to be accepted in Colombia: (1) that are globally accepted; (2) developed with best practices; and (3) in correspondence with the rapid evolution of business (Technical Board of Public Accountancy, 2011, p. 5).

This regulation will be applied differentially to three user groups: group 1: issuers and public interest entities; group 2: companies' large and medium other than issuers or public interest entities, as Colombian legal classification of companies (about one can see the Act 590 of 2000, Act 905 of 2004, Act 151 of 2007, Act 1429 of 2010, and Act 1450 of 2011); and group 3: small and micro enterprises as legal classification Colombian companies (Technical Board of Public Accountancy, 2011, p. 7).

In the case of financial auditing standards, its enforcement shall be binding on the part of groups 1 and 2 and for group 3, the government will authorize an information assurance at a moderate level.

Regarding the CTCP deadline has presented on June 30, 2010, a work plan which under Article 13 of Law 1314 shall be completed in 24 months (June 30, 2012), a term during which the council will submit for consideration of the respective ministries, projects that may arise. The rules issued will take effect on January 1 of the second taxable year following its enactment (Act 1314 of 2009, Art 14).

It should be noted in this process of convergence to ISAs as national institution of the Statutory Auditor “is a form of insurance other than international standards, as required coverage also provides for control functions in the public interest” (Technical Council Public Accounting, 2008).

However, according to Article 5 of Act 1314 of 2009, the auditor in the development of comprehensive audit financial audit should develop based on ISAs.

However, it is necessary to reassert the importance of adopting the ISAs in Colombia, as the Generally Accepted Auditing Standards (GAAS) referred to in Article Seven (7) of Act 43 of 1990, lack of the elements that guarantee the quality of auditor’s work.

Convergence With Mexican ISAs

As noted by Ramirez Cacho and Oropeza Tagle (2011), in this country the process of convergence with the ISAs will be consummated on January 1, 2012, according to the pronouncement of the Mexican Institute of Public Accountants (IMCP, 2009), repeal the Auditing Standards Generally accepted and be replaced with the full contents of the International Standards on Auditing issued by IFAC.

Methodology, Hypotheses, and Objectives

The objective (see Table 1) was analyzed to the extent that the effective use of the FC-450, that auditors should use to evaluate the nature and circumstances surrounding each error detected in the audit of financial statements—even though they are not numerically important, according to the new ISA 450, shall be documented, reported, corrected and, under certain circumstances, except as disclosed in the audit report and audited financial statements—favorably or adversely affects the quality of financial information that companies publish audited.

Table 1

Specific Objectives and Hypotheses of the Empirical Study

Purpose and hypothesis	
Compare the degree of agreement between auditors of Colombia (CCPO) for the effective use of the FC-450	
H0	H1
The ACo have a different degree of agreement on the effective use of the FC-450	The ACo have the same degree of agreement on the effective use of the FC-450

Pursued by the research hypothesis, which is focuses on comparing whether the degree of agreement between auditors on Colombia is equal to the effective use of qualitative materiality factors.

To test the hypotheses, the authors first used the Kolmogorov-Smirnov statistic to analyze the assumption of normality in the variables, confirming that in all cases there was a skewed distribution. Therefore, the tests used were, at first, non-parametric type. However, considering that in larger samples of 30 observations can be applied parametric tests, although the distribution of the variable deviates from normality, the authors used the *t* test (parametric) to test the significance of a mean difference with a value initial assumed equal to 3.

As a complement, the data were analyzed using descriptive statistical tools, with contingency tables, a frequency analysis, and the inferential statistical Mann-Whitney test (non-parametric test).

As an instrument for data collection was used to model the Montoya-del-Corte used for Spain (2008) and adaptation to Mexico by Ramirez Cacho (2009).

It consisted of a questionnaire with three blocks of questions designed to be answered as an anonymous survey response.

The first block contained a series of questions aimed to know certain attributes of the subjects that allowed respondents to characterize statistically.

The second block included 12 questions, and collected information that is relevant to the analysis presented.

The third block included 23 questions, each related to different consequences that could arise—for the strict application of the FC-450 on certain areas of the audit function. To sort and weigh the answers of Blocks II and III used a Likert scale, which considered a total disagreement with the number 1, with 2 partial disagreements, indifference to 3, a partial agreement with the 4 and the 1 position of total agreement with the issues raised.

By Cronbach's alpha index (1951), we determined that the subjects' responses to questions in Blocks II and III met with the required reliability, obtaining, according to Hair, Bush, and Ortinau (2004, p. 394) excellent results and, thus demonstrating that the questionnaire had a great internal consistency.

The sample analyzed consisted of those subjects who potentially had the power to issue audit opinions, as are those who ultimately decide the content and, therefore, the qualifications to enter therein.

Table 2 lists these and other aspects of the investigation.

Table 2

Technical Details of the Survey

	Colombia 1600 Reviewers Accounts Officers based in Santa Fe de Bogota assigned to the Superintendencia Financiera de Colombia	Mexico Auditors assigned to the MIPA 6250
Geographic scope and universe of subjects		
Method for obtaining information and sample selection	Random application online	Mass application online
period	December 2010-March 2011	October 2008-March 2009
Sample size and error	100 valid surveys	101 valid surveys
Confidence level	95% ($z = 1.96$) for worst case	
Data processing	Software SPSS 18.00	

Note. Source: Prepared from Ramirez Cacho (2009) and Montoya del Corte (2008).

You specify the origin of the universe and sample auditing Colombians surveyed in Mexico and Colombia, as well as the periods of application and valid questionnaires obtained.

Results

The authors described the methodology used, and then presents the main results, but this for space limited only to Colombia.

The data collected from the opinion survey applied to a sample of financial auditors and/or fiscal auditors practicing in the city of Bogotá DC were analyzed using techniques of descriptive and inferential statistics.

For a description of personal characteristics and auditors' professional respondents used the frequency analysis on the information obtained in Block I of the survey. The obtained results went the following ones.

Personal Characteristics

The distribution of respondents in terms of gender variable is concentrated by 62% in men, so most of the financial auditors or statutory auditors are aged between 46 and 55 years old (38%), followed with a percentage

of 22% auditors located in the range of 26-35 years old and 36 to 45 years old.

Professional Features

Regarding the academic training of auditors from the exhibit are 100% public accounting professionals, of which 84% has an experience of six to 10 years and 48% has a graduate degree in economic areas.

In terms of professional experience in audit, 41% is in the range of five to 10 years, while 27% have an experience in this field over 20 years. With regard to the manner of exercise of the audit, 56% work as independent accountant and holds 26% partner of a firm of auditors. On the level of turnover to 30% of the independent auditors earns between \$26,640,000 and \$66,660,000 compared to 22% which earns income in excess of \$66,660,000. While 46% of companies are reported earnings exceed the sum of \$666,660,000. Taking into consideration the number of companies audited in the past year, 16% report having evaluated more than 20 companies, 16% of professionals carry out its work in publicly traded institutions, 4% in credit institutions and 80% in other sectors of the economy.

Colombian Auditors Position Against the Qualitative Materiality Factors

Regarding the degree of agreement between auditors of Colombia (CCPO) for the effective use of the qualitative factors listed in NIAR 450, we have concluded that:

Table 3 shows the scale obtained from the evaluation by financial auditors and/or statutory auditors to each of the qualitative factors and their respective standard deviation.

Table 3

The Willingness of Auditors Colombians to Use the FC-450

Qualitative factors of materiality in audit (NIAR 450)	Mean	Deviation typical
1. Affects compliance with regulatory requirements.	3.92	0.944
2. Affects compliance with debt covenants or other contractual requirements.	4.10	0.647
3. It relates to the incorrect selection or use of an accounting policy that has an immaterial effect on the financial statements of the current period, but probably has a material effect on the financial statements of future periods.	3.56	0.97
4. Shows a change in earnings or other trends, especially in the overall economic and industry conditions.	3.86	0.88
5. Affects indicators used to assess the financial position of the entity, the results of operations or cash flows.	3.74	1.08
6. Affects segment information presented in the financial statements (for example, the importance of an issue for a segment or other part of the entity's business, which has been identified that play an important role in the entity's operations or profitability).	3.74	0.89
7. Has the effect of increase in compensation administration, including by ensuring that the requirements for a bonus or other incentives are satisfactory.	3.72	1.06
8. It is significant considering the auditor understands with respect to communications previously known users, for example, in relation to the budget of profits.	3.72	0.73
9. It relates to issues involving interests (for example, if external parties to the transaction are related to members of the directors of the company).	4.10	0.86
10. It is an omission of information not specifically required by the applicable financial reporting standards, but in the auditor's judgment is important for the understanding of the users on the financial position, results of operations or cash flows of the entity.	3.74	1.02
11. Affects other information that will be communicated in documents containing audited financial statements (for example, information to be included in a "Letter of suggestions to the administration" or "Operating and financial review" that can reasonably be expected to influence decisions economic of financial statements.	3.80	0.99
Average value of eleven qualitative factors		3.82

Notes. Scale values for the qualitative factors: The evaluation was made based on the 5-point Likert scale as follows: 1 = strongly disagree, 2 = disagree, 3 = not important, 4 = agree, and 5 = strongly agree.

Based on the average of the values obtained (3.82), one can conclude that auditors revealed Colombians surveyed agree to disclose, as a qualification in the audit report and audited financial statements, findings identified in the audit (related to the eleven factors identified in the NIAR 450).

Particularly noteworthy is the position of general agreement for all the factors shared by the respondents.

Since the valuation of different factors, Table 4 shows the scale of importance of each.

Table 4

Position of the Auditors to the Qualitative Factors

Qualitative factors of materiality in audit (NIAR 450)	(1-2) %	(3) %	(4-5) %
1. Affects compliance with regulatory requirements.	12	12	76
2. Affects compliance with debt covenants or other contractual requirements.	2	10	88
3. It relates to the incorrect selection or use of an accounting policy that has an immaterial effect on the financial statements of the current period, but probably has a material effect on the financial statements of future periods.	22	12	66
4. Shows a change in earnings or other trends, especially in the overall economic and industry conditions.	12	10	78
5. Affects indicators used to assess the financial position of the entity, the results of operations or cash flows.	18	20	62
6. Affects segment information presented in the financial statements (for example, the importance of an issue for a segment or other part of the entity's business, which has been identified that play an important role in the entity's operations or profitability).	2	10	74
7. Has the effect of increase in compensation administration, including by ensuring that the requirements for a bonus or other incentives are satisfactory.	4	14	74
8. It is significant considering the auditor understands with respect to communications previously known users, for example in relation to the budget of profits.	4	32	64
9. It relates to issues involving interests (for example, if external parties to the transaction are related to members of the administration of the entity).	10	2	88
10. It is an omission of information not specifically required by the applicable financial reporting standards, but in the auditor's judgment is important for the understanding of the users on the financial position, results of operations or cash flows of the entity.	18	14	68
11. Affects other information that will be communicated in documents containing audited financial statements (for example, information to be included in a "Letter of suggestions to the administration" or "Operating and financial review" that can reasonably be expected to influence decisions economic of financial statements.	12	12	76
Overall percentage	11	14	75

Notes. The evaluation was conducted based on 5-point Likert scale as follows: 1 = strongly disagree, 2 = disagree, 3 = not important, 4 = agree, and 5 = strongly agree.

Following the hypothesis of equality Table 4 confirms the degree of agreement of the counters to the application of the factors, showing how the factor 2 and 9 obtained the highest percentage of importance. The same analysis shows a level of less relevance to the factors 5.8 and 3.

Finally, in applying the *t*-test procedure with a neutral value equal to 3 (indifference), confirming the validity of the hypothesis "the CCPO have a different degree of agreement on the effective use of the FC-450" (see Table 5).

Table 5

Level of Significance of the Qualitative Factors T-test (t-test)

Qualitative factors of materiality in audit (NIAR 450)	<i>t</i>	Difference mean
1. Affects compliance with regulatory requirements.	6.890*	0.920
2. Affects compliance with debt covenants or other contractual requirements.	12.025*	1.100
3. It relates to the incorrect selection or use of an accounting policy that has an immaterial effect on the financial statements of the current period, but probably has a material effect on the financial statements of future periods.	4.073*	0.56000

(Table 5 continued)

Qualitative factors of materiality in audit (NIAR 450)	t	Difference mean
4. Shows a change in earnings or other trends, especially in the overall economic and industry conditions.	6.904*	0.86000
5. Affects indicators used to assess the financial position of the entity, the results of operations or cash flows.	4.825*	0.74000
6. Affects segment information presented in the financial statements (for example, the importance of an issue for a segment or other part of the entity's business, which has been identified that play an important role in the entity's operations or profitability).	5.819*	0.74000
7. Has the effect of increase in compensation administration, including by ensuring that the requirements for a bonus or other incentives are satisfactory.	4.759*	0.72000
8. It is significant considering the auditor understands with respect to communications previously known users, for example, in relation to the budget of profits.	6.978*	0.72000
9. It relates to issues involving interests (for example, if external parties to the transaction are related to members of the administration of the entity).	9.012*	1.10000
10. It is an omission of information not specifically required by the applicable financial reporting standards, but in the auditor's judgment is important for the understanding of the users on the financial position, results of operations or cash flows of the entity.	5.098*	0.74000
11. Affects other information that will be communicated in documents containing audited financial statements (for example, information to be included in a "Letter of suggestions to the administration" or "Operating and financial review" that can reasonably be expected to influence decisions economic of financial statements).	5.715*	0.80000

Notes. Whereas a degree of Sig. (bilateral) significant at 5%, this table presents the average values achieved by the responses of Colombians surveyed auditors; * Next (bilateral) = 0.000.

Conclusions

The study shows the importance that financial auditors and/or statutory auditors in Colombia give the qualitative aspect of materiality. This situation indicates the urgent need for approaching the ISAs, as the Generally Accepted Auditing Standards of Colombia (GAAS) are not a sufficient reference for the development of the audit function in the country.

The investigation also shows the degree of agreement between financial auditors and/or statutory auditors in Colombia (CCPO), regarding the effective use of qualitative materiality factors listed in the International Standard on Auditing (NIAR 450).

This based on the view given by those consulted, regarding the need for disclosure as an exception in the audit report and audited financial statements related findings identified qualitative factors reduced amount.

References

- Benau Garcia, M^a. A., Humphrey, C., Moizer, P., & Turley, S. (1993). The audit and expectations: The cases of Spain and the United Kingdom. ICAC, Monograph N. 24, Madrid.
- Brody, R. G., Lowe, D. J., & Company, K. (2003). Could be \$51 million immaterial when Enron reports income of \$105 million? *Accounting Horizons*, 17(2), 672-703.
- Congress of the Republic of Colombia. (2009). Act 1314 of 2009. Official Gazette No. 47,409. July 13, 2009.
- Cronbach, L. J. (1951). Alpha and the internal coefficient structure of tests. *Psychometrika*, 16(3), 297-334.
- Garcia Delgado, S. (1994). The relative importance in the financial audit (Doctoral dissertation, University of the Basque Country).
- Hair, J. F. Jr., Bush, R. P., & Ortinau, D. J. (2004). *Market research in a changing information environment* (2nd ed.). Mexico: McGraw-Hill.
- International Federation of Accountants (IFAC). (2010, December 5). *Handbook of international auditing, assurance, and ethics pronouncements 2010*. Retrieved from <http://www.ifac.org/Store>
- International Organization of Securities Commissions (IOSCO). (2009, June 11). *IFAC IOSCO welcomes support of new clarity isas and their role in building investor confidence*. Retrieved from <http://www.ifac.org/MediaCenter>

- Martínez García, F. J., Ramírez Cacho, S. I., Montoya del Corte, J., & Fernández-Laviada, A. (2008). An approach to the new international standard of materiality in the audit and its impact on standards of Colombia, Spain and Mexico. *Legis International Journal of Accounting & Auditing*, 35, 11-39.
- Martínez García, F. J., Ramírez Cacho, S. I., Montoya del Corte, J., & Fernández-Laviada, A. (2010). The relative importance in auditing: The new standards compared to current regulations in Latin America. *Contaduría y administración*, 230 (January-April), 77-103.
- Montoya Del Corte, J. (2008). The qualitative aspect of materiality in auditing: Theoretical framework and empirical study for the Spanish case (Doctoral dissertation, University of Cantabria). Award-winning series published in the thesis by the Foundation of Savings Banks (FUNCAS) Madrid 2009.
- Ng, T. B-P. (2007). Auditors' decisions on audit differences that affect thresholds significant earnings. *Auditing*, 26(1), 71-89.
- Ramírez Cacho, S. I. (2009). Materiality in auditing. International context and situation in some countries of the Latin American Community of Nations: Empirical study for Mexico (Unpublished Doctoral thesis, University of Cantabria).
- Ramírez Cacho, S., & Oropeza Tagle, M. (2011). The impact of new international guidelines-materiality in auditing about the financial information of SMEs. *Universo Contábil*, 3(7), 133-145.
- Technical Board of Public Accountancy. (2008). *Professional guidance on the exercise of the statutory audit*. Retrieved from <http://www.jcconta.gov.co/>
- Technical Board of Public Accountancy. (2011, June 22). *Strategic direction of convergence of accounting standards and financial reporting and information assurance, international standards*. Retrieved from <http://www.ctcp.gov.co/>
- United Nations (UN). (2008, May 15). *Practical problems and issues related to the application of international auditing standards 2008*. Retrieved from <http://www.unctad.org>