

Editorial note on risk taking, fraudulent reporting, forensic auditing and anti money laundering

Businesses in modern World are fully connected directly or indirectly with the internal and external stakeholders. Stockholders wait for increased profits. Financial analysts need more information to disseminate the same to the investors and stock markets. Regulatory and law enforcement machinery wants compliances. Employees and executives are always in the need of additional bonus and other incentives. Scenario of modern-day commerce is extremely complex, and the outcome is not dependent on alone financial but non-financial information too. Relationships of various functions have turned non-linear with the independent and the dependent variables. Several independent variables in the objective function's optimization have become extremely noisy. Decision-making by the CEOs in such dynamic environment might not be generalizable unlike in the past.

Political environment in which an enterprise grows and sustains too is no longer logical. Comparative cost advantage theory was the benchmark for globalization of economic activities, but the present politically restrictive trade practices and dosages of nationalism across the globe have given birth to newer kind of issues and problems in the economic sphere. A new normal is settling in the commerce and industrial undertakings. Maximization of individual advantages has become rampant and where professional accountants are facing agency issues. Fraudulent financial reporting by an undertaking has not only affected its investors but started reflecting viciously in the society. Money laundering, which was assumed before being done only by illicit and illegal activities is no longer the case. Large-scale money laundering is deeply involving several banking institutions intentionally or unintentionally, despite various efforts made globally.

Illicit and illegally earned money is seeping into the regular banking channels and through that in our life and national economies. National economic accounting is at the cross roads and effect of this untaxed money or black money is reflecting in the failure of controlling the inflationary effects on the economy. Corporate governance since SOX improved to a greater extent in the USA. However, most of the third-World economies have never really bothered to implement the best practices seriously. Mostly, corporate governance is an instrument of choice in such economies and remains on paper only.

This special issue has brought some excellent articles on these matters of concern. The coverage is global and shows that how various economies in the World are facing such grievous issues.

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