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Summary:

A survey of 1,000 individual investors found only 70% of respondents said they have at least some confidence in U.S. markets, a decline of 14% compared with the prior year's survey.

The survey was conducted by the Center for Audit Quality (CAQ), which is affiliated with the American Institute of Certified Public Accountants, and the Glover Park Group. Other findings from the surveyed investors include:

- Only 73% of respondents said they had confidence in audited financial statements
- Slightly more than half of the respondents rarely or never read company statements
- Nearly two-thirds of respondents believe a single, uniform, international set of accounting standards would increase their confidence in markets
- Over 70% of respondents would have greater confidence if public filers were required to present their financial data in a more accessible and user-friendly format
- Approximately 67% of the surveyed investors support creating an institute for auditors to develop anti-fraud best practices
- Roughly two-thirds of individual investors would like to see greater disclosure when a company changes its audit firm

The research found that shareholder enthusiasm would be bolstered by the adoption of several measures backed by the Securities and Exchange Commission. Cindy Fornelli, executive director of CAQ said, "There's some concern...but the news is still good in that most investors have confidence in U.S. capital markets and audited financial statements." Some disagreed with her assessment.

Link to Original:

<http://www.financialweek.com:80/apps/pbcs.dll/article?AID=/20080730/REG/947493254/103>

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Original Title:

Confidence in Audited Financial Statements Down, Survey Finds
