

**EXAMINING AUDITORS' INDEPENDENCE REGARDING
MANAGEMENT CONSULTING ENGAGEMENTS**

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ABSTRACT

While independence represents the cornerstone of the accounting profession, the increasing size and number of non-audit engagements that audit firms conduct has led to questions regarding their independence. In other words, can CPA firms remain independent while auditing the financial statements of a company in which they perform consulting or internal auditing services? The paper first discusses the current state of the art regarding consulting and internal auditing services that CPA firms perform. Then, based upon the responses to a mail questionnaire, we discuss how key groups view the current state of the art and what we should do in the future. The views of the user-oriented groups differed significantly from the more preparer oriented groups, as one might expect.