Accounting: Response.  The two responses below are from a discussion board. The prompt was "Discuss whether you believe auditors should be held liable for failure to find fraud, especially collusion. Provide support for your opinion. " Please respond to these two responses: 1) I believe the auditors should not be financially held responsible for failure to detect fraud. The article states, "if owners of the corrupt enterprise are allowed to shift the costs of its wrongdoing to the auditor, their incentives to hire honest managers and monitor their behavior will be reduced." This statement sums it all up in my opinion. If the auditors were held responsible financially, why would people and companies not commit fraud? Think about it. If this is the case, the entire company would have no deterrent to committing fraud, because they can get the money back in court. For the auditors, I believe as long as they were in accordance with GAAP, they should have no repercussions from this. Sure, they will be criticized by the public and will likely have client contemplating a change in accounting firm, but this is the most that should come of it for them. It is tough for auditors in my little experience as an audit intern because you have to walk the line so closely. You do not want to seem like you are out to get your clients while still performing the procedures required for the engagement. 2) I do not believe auditors should be held liable for failure to find fraud, especially collusion, if the auditors performed their duties in good faith, in line with GAAP, and professional auditing standards, and as any reasonable auditor would. The Center for Audit Quality recognizes that the prevention and detection of fraud cannot be the job of external auditors alone. Therefore, if collusion is present, liability should not fall on the auditors alone. With that said, professional auditing standards require auditors to plan and perform an audit that will detect material misstatements. If during the planning and brainstorming areas of potential fraud were identified and not investigated further, I do believe the auditors should be held liable because they then failed to perform the duties required of an auditor.