

BUILDING  
**PUBLIC  
TRUST**

The Future of Corporate Reporting

Samuel A. DiPiazza Jr.

*CEO, PricewaterhouseCoopers*

Robert G. Eccles

*President, Advisory Capital Partners*





# BUILDING PUBLIC TRUST

The Future of Corporate Reporting

Samuel A. DiPiazza Jr.

*CEO, PricewaterhouseCoopers*

Robert G. Eccles

*President, Advisory Capital Partners*

GIFT OF THE ASIA FOUNDATION  
NOT FOR RE-SALE

QUÀ TẶNG CỦA QUỸ CHÂU Á  
KHÔNG ĐƯỢC BÁN LẠI



JOHN WILEY & SONS, INC.



This book is printed on acid-free recycled paper. ©

Copyright © 2002 by PricewaterhouseCoopers. PricewaterhouseCoopers refers to the individual member firms of the worldwide firm PricewaterhouseCoopers organization. All rights reserved.

Published by John Wiley & Sons, Inc., New York.

Published simultaneously in Canada.

PricewaterhouseCoopers refers to the member firms of the worldwide PricewaterhouseCoopers organization.

This document is provided by PricewaterhouseCoopers LLP for general guidance only, and does not constitute the provision of legal advice, accounting services, investment advice, or professional consulting of any kind. The information provided herein should not be used as a substitute for consultation with professional tax, accounting, legal, or other competent advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all pertinent facts relevant to your particular situation.

The information is provided "as is," with no assurance or guarantee of completeness, accuracy, or timeliness of the information, and without warranty of any kind, express or implied, including but not limited to warranties of performance, merchantability, and fitness for a particular purpose.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 750-4744. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 605 Third Avenue, New York, NY 10158-0012, (212) 850-6011, fax (212) 850-6008, e-mail: PERMREQ@WILEY.COM.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional person should be sought.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books. For more information about Wiley products visit our Web site at [www.wiley.com](http://www.wiley.com).

ISBN 0-471-26151-3

ISBN 0-471-27134-9 (SP-19,000)

ISBN 0-471-28169-7 (SP-1,000)

Printed in the United States of America.

10 9 8 7 6 5 4 3 2 1

# Contents

<b>FOREWORD</b> .....	<b>.V</b>
<b>PREFACE</b> .....	<b>.IX</b>
<b>SUBJECT MATTER EXPERTS</b> .....	<b>.XI</b>
<b>ACKNOWLEDGMENTS</b> .....	<b>.XV</b>
<b>PROLOGUE</b> .....	<b>.1</b>
<b>CHAPTER 1</b> .....	<b>.9</b>
Three Tiers	
<b>CHAPTER 2</b> .....	<b>.33</b>
Accounting Standards	
<b>CHAPTER 3</b> .....	<b>.56</b>
Industry Standards	
<b>CHAPTER 4</b> .....	<b>.81</b>
Good Management	
<b>CHAPTER 5</b> .....	<b>.104</b>
Corporate Reporting	



**XX      CONTENTS**

**CHAPTER 6 . . . . .129**  
    The Internet

**CHAPTER 7 . . . . .153**  
    Future Audits

**EPILOGUE . . . . .175**

**INDEX . . . . .181**