SPENCER & CO
chartered accountants

5 June 2002

Mr Bob Charles MP
Chairman
Joint Committee of Public Accounts and Audit Parliament House
Canberra ACT 2600

Dear Mr Charles

Review of Independent Auditing by Registered Company Auditors

I attach a submission to the Review of Independent Auditing by Registered Company Auditors which is being conducted by the Joint Committee of Public Accounts and Audit. I apologise for its late submission (due to pressures of work) and request that it be considered by your Committee in the Review.

Whilst I practise as an audit partner of my firm, the submission is a personal submission in my name and does not necessarily reflect the views of the firm.

I would be pleased to comment further upon the issues raised should you so desire.

Yours faithfully,

John Shanahan
Partner

Review of Independent Auditing by Registered Company Auditors

Submission to Joint Committee of Public Accounts and Audit

by John Shanahan, Partner, Spencer & Co, Chartered Accountants

1. As the JCPAA's media release stated:

> *The audit function provides independent assurance on the operations and accounts of entities in the private and public sectors, and is very significant in maintaining business confidence, itself vital to our economic performance as a nation.*

2. I strongly agree with this statement. In my opinion, the spate of recent corporate collapses in Australia and overseas – while not directly caused by auditors or a failure of the audit function – clearly indicate that the audit function must be strengthened.

3. To this end, I recommend that:

- the level of fees paid to auditors should increase significantly so as to more accurately reflect the extent and nature of work that must be undertaken in an audit and the acceptance of the level of risk which attaches to that work;
- there should mandatory rotation of audit firms after a five year period;
- there should not be a prohibition on auditors providing other non-audit services to audit clients but that only a low proportion of fees should be earned from providing such services and there should be detailed disclosure of the services rendered and the fees received;
- the CALDB's operations be strengthened and enhanced;
- legislative recognition be given to Australian auditing standards;
- Australian public companies be required to have an audit committee composed entirely of non-executive directors;
- improvements be made in both financial reporting and audit reporting; and
- a true and fair view override be reinserted into the **Corporations Act 2001**.

Fees paid to auditors

4. Sec. 331 of the **Corporations Act 2001** provides that the "reasonable fees and expenses of an auditor of a company" are payable by the company. This provision should be retained. However, I believe that there should be a significant increase in the level of audit fees paid by companies.

5. In the present economic climate, companies attempt either to grow their business or to reduce their costs. Most companies do not see having an efficient and effective audit as an aid to growing their business. Rather, audit is often viewed as a necessary cost, one that is mandated by law. Too often, in my opinion, audit fees are seen merely as another cost subject to reduction where possible.

6. To this end, companies will place their audits to tender on a regular basis. The tender process is unlikely to result in a significant increase in the cost of an audit. More likely, it will lead to a reduction in the cost of an audit.

7. The major auditing firms have invested considerable effort and expenditure in making their audit methodologies, systems and processes as efficient and effective as possible. For large volume routine and recurring systematic transactions, current audit practices are very efficient and effective.

8. Most firms use risk-based audit approaches to deal with unusual or complex transactions, non-systematically processed transactions, accruals, valuation estimates and adjustments, unreliable accounting systems and patterns of prior error. Areas such as these are not suitable for a highly automated audit approach and require more detailed, intensive and high level professional expertise. Notwithstanding the lower costs derived from automated, high volume routine transaction based auditing, a tendency to seek lower audit costs overall must have a negative impact on the level of attention and emphasis that can be placed on the higher-risk areas.

9. Rather than treating audit as a cost to be minimised, in my opinion, companies should seek a more thorough and comprehensive audit. While systems based auditing of high volume routine and recurring transactions enables extensive coverage of such lower risk areas, companies should expect to pay an increased level of fees to ensure that higher risk areas are properly addressed.

10. In my opinion, more effective audits will require an increase in the level of audit fees paid. As transactions and accounting requirements for them become more complex, it is unrealistic to expect audit fees to diminish or even to remain static.

11. An ancillary issue here is that auditors must ensure that the basic audit which they provide is a sufficient audit. For example, every audit will involve an assessment and testing of controls. In an effort to reduce the level of fees which they tender for an audit, some firms now offer a basic minimum of control testing as part of the standard audit and sell a business controls review as an adjunct to the audit. This is a response forced upon them by the pressures of competitive tendering in an area where the objective is to minimise audit cost.

12. In my experience, it was rare at audit tender meetings to be asked to comment on the audit process or methodology that the audit would involve or how it would be carried out. However, the timing when audit work would be performed was of interest.

13. In my opinion, greater emphasis needs to be placed on providing a comprehensive and thorough audit. Rather than attempt to provide the necessary bare minimum of audit services so as to match the work performed to the level of fees determined through competitive tender, auditors should be encouraged to provide audits of greater scope and coverage.

14. This would result in an increase in the level of audit fees. However, if audit is to continue to provide independent assurance to the investing public, I believe that this is necessary. Statutory protection for the payment of reasonable audit fees and expenses should continue but there should be a significant increase in what companies may expect as the reasonable fees and expenses of the auditor. As the degree of complexity of transactions increases, companies cannot expect effective audits for lower fees.

Audit firm rotation

15. It is vital that the audit process provides independent assurance on the financial statements subject to audit. In my opinion, audit independence will be best achieved by the mandatory rotation of audit firms after a five year period.

16. There is presently a strong body of opinion in favour of the rotation of the audit partner – by which generally is meant the rotation off the subject audit of the audit signing partner – after a seven year term. This is seen as promoting a fresh approach to the audit and preventing a particular audit partner from becoming too familiar with the client.

17. In large audits carried out by the major firms, it is common to have a number of partners engaged on a particular audit. The lead partner will be the signing partner who carries overall responsibility for the conduct of the audit. However, often an engagement partner will be responsible for the detailed planning of the audit and carriage of the auditing process. A third partner may be involved as a review partner.

18. In a system of partner rotation, rotation normally applies only to the lead signing partner. It is usual for the engagement partner – someone who may have worked on the client for the past seven years – to become the new lead signing partner when the former lead signing partner is rotated off the audit. In my opinion, this hardly constitutes bringing a fresh approach to the audit, nor does it prevent familiarity with the client.

19. Continuing client knowledge is important and does make subsequent audits more efficient. However, from the existing support for partner rotation, it is clear that the benefits of a fresh approach after a set period outweigh the costs of rotation.

20. In my opinion, partner rotation will not significantly enhance audit independence. I believe that rotation of audit firms is necessary to achieve this. Rotation of audit firms after a five year period will ensure that a completely fresh approach is taken to the audit, that a different audit methodology is applied and that there is no unquestioned reliance on

prior years' work. An incoming auditor could not simply roll-over the previous year's audit plan with minimal adjustment. A completely fresh approach would be taken every five years.

21. It is clear that rotation of audit firms would lead to increased audit costs, beyond the increased audit fees which would result from my earlier proposals. In my experience, the additional costs in a first year, "start up" audit are approximately an additional one-third of the normal annual audit cost. My proposal would effectively amortise these additional costs over a five year period. This represents an annual increase of less than 7 per cent in audit costs arising from my rotation proposal.

22. Professor Donald Stokes, Professor of Accounting at the University of Technology, Sydney wrote in the ***Australian Financial Review*** on 10 April 2002 that one source of value in an audit brand name is "is an implicit insurance benefit stemming from the investors' rights in the client-company securities to recover losses from relying upon audited accounts that contain misrepresentations". This suggests that the audit function represents part of the insurance cover provided to investors. My proposal for audit firm rotation would improve the effectiveness of that insurance at a premium increase of less than 7 per cent of normal audit costs per annum. Given recent movements in insurance premiums, I consider this a relatively slight increase in premium.

23. The Institute of Chartered Accountants in Australia and CPA Australia recently released ***Professional Statement F.1: Professional Independence***. One of the perceived threats to independence is cited as "concern about the possibility of losing the engagement" [PS F.1, Appendix 1.23(d)]. Under mandatory firm rotation after five years, this would no longer represent a threat to the independence of the auditor.

24. My proposal would mean that an auditor would know that he would retain the audit for the five year period regardless of whether he issued qualified audit opinions or whether he had disagreed with management over their treatment of items. He would be in a position of independence. (It would be necessary for ASIC to have the power to approve removal of the auditor in exceptional circumstances such as if the audit firm dissolved or an unresolvable conflict of interest arose.)

25. In my experience, the most rigorous and effective audits I have seen were carried out when the former ASC refused a company permission to remove its auditor. The auditor was then able to carry out the audit and to report frankly without fear of the client seeking to remove the auditor or threatening to put the audit out to tender. My proposal would place the auditor in a similar position.

26. A first year "start up" audit will ordinarily be a less efficient audit than subsequent audits. Knowledge of a client and an understanding of its operations do take time to acquire and build up. The second year audit is more efficient and will generally result in the elimination of any remaining "bugs" in the process. Audits in years three to five would be highly efficient and effective.

27. The auditor would carry out his work in the knowledge that another auditor would be reviewing his work at the end of his five year term of appointment. The need to preserve his professional reputation and to gain further audits would provide a continuing incentive to ensure that his audit methodology, processes and practices were continuously maintained and improved.

28. My proposal for mandatory audit firm rotation would not preclude an auditor or audit firm from specialising in a particular industry or sector. Indeed, an auditor's expertise and experience in a particular field may make him a preferred selection for another but different five year audit appointment in that sector. (Complaints of auditors improperly transferring confidential knowledge gained from one client to another are exceedingly rare.)

29. I believe that mandatory rotation of audit firms after a five year period is necessary to ensure auditor independence. In my opinion, risk to independence from fear of losing a client is a real and significant threat. As I stated before the Senate Select Committee on Superannuation and Financial Services in its inquiry into Prudential Supervision and Consumer Protection for Superannuation, Banking and Financial Services: Auditing of Superannuation Funds:

> *… my experience is that I have a great degree of confidence in the staff that do the audits. I believe the people we recruit into the auditing profession from universities with our in-house training do a great job. They find everything that needs to be found. It is in the audit management, the audit supervision and partner clearance level where people make the decision: 'Oh, we have seen that; we can live with it.' I have a great belief in the ability of our audit staff; I do worry about some of our audit management …*
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> *In audit files I examine in investigatory work, I find that everything that needs to be found is documented in the files. You then have to ask the question: why was it not raised in an audit report or the issue resolved with the client?*

30. In several matters which I have investigated and prepared an expert's opinion on, the audit files detailed matters which, in my opinion, required either an adjustment to the financial statements or the issue of a qualified audit report. In each case, an unqualified audit report was issued. The audit files also contained assessments that indicated that in each case the client was seen as a valuable client from which increasing fees would probably eventuate in future years. This was based on an assumption that the clients would continue as going concerns. In my opinion, there should have been considerable doubt on this issue given the evidence documented in the audit files.

31. I believe that these are examples of the risk to independence from fear of losing the audit client. My proposal for mandatory rotation of audit firms after a five year period would, I believe, greatly reduce this risk. I believe that audits would be more effective, audit independence would be enhanced and shareholder protection significantly improved.

Notwithstanding my belief that basic audit fees should substantially increase, I believe that the additional cost arising from audit rotation *per se* would be relatively small.

Other services provided by auditors

32. I do not believe that auditor independence requires that auditors be precluded from offering other non-audit services to audit clients. However, given that I believe that the scope and range of services that must be undertaken in an audit need to be increased, I see a lesser need for a broad range of other non-audit services. Where such services are required, an auditor's extensive knowledge of the client can improve both the delivery and focus of those services.

33. To promote and protect audit independence, I do support extensive disclosure – on a line-by-line basis for each major component – of fees paid for other non-audit services. Such a proposal has already been briefly considered by the AASB and is expected to proceed after the government has determined its response to the Ramsay Report.

34. I agree with the comment of Mr Roger Corbett, managing director of Woolworths Ltd, who said that it was unnecessary to prohibit an auditing firm providing other services to a company, but the proportion of fees earned from the latter should be relatively low. I believe that fees for other non-audit services should be limited to no more than 25 per cent of the total annual fees received by an audit firm and its related entities.

Regulation of auditor's performance

35. I have acted as an expert for ASIC in a number of matters before the Companies Auditors and Liquidators Disciplinary Board (CALDB). I believe that the CALDB's operations can be strengthened and enhanced.

36. The CALDB can only take action against the individual partner who signs the audit report. It is rare in my experience for critical audit decisions to be taken only by one individual. All firms have a review process as part of their audit methodology and I believe that where an audit is found to have been carried out without the required professional skill and competence, all partners who were party to the decision to issue an inappropriate audit report should be held accountable. In my view, the CALDB is well suited to determining an appropriate share of responsibility and suitable penalties. I also believe that such an approach would encourage audit firms to improve their handling of difficult or contentious audit issues.

37. I agree with the proposal recommended in the Ramsay report that CALDB proceedings be open to the public. At present they are held *in camera*, subject to a party's right to request that the proceedings be open. I am not aware that that right has ever been exercised. An ASIC media release after the conclusion of a matter – and all appeal processes have been

exhausted or the time for appeal has expired – are the only visible sign of the CALDB process.

38. I am concerned at the length of time which it takes to determine audit matters. I have been involved in audit litigation matters which were settled only 12 and 14 years after the relevant audits were conducted. Neither matter was referred to the CALDB and they would presumably be regarded as stale.

39. When a matter is proposed for the CALDB, ASIC issues a draft Statement of Facts and Contentions (SOFAC) to the auditor concerned. Both ASIC and the CALDB are required to observe the rules of natural justice. The issue of a draft SOFAC by ASIC only occurs after an initial investigation and consideration by ASIC. The auditor concerned will invariably seek legal advice in responding to the draft SOFAC and preparation of a final SOFAC will involve negotiations between ASIC and the auditor's legal advisors, mediations and further investigations. Experts' reports will be prepared by both parties and finally a hearing will be held.

40. In my experience, matters often reach the CALDB some two to three years after the relevant audit was carried out. I do not believe that such a delay is conducive to efficient regulation of auditors, although I acknowledge that it may be difficult to accelerate the process.

Legislative recognition of Auditing and Assurance Standards

41. Sec. 334 of the **Corporations Act 2001** provides that AASB accounting standards are disallowable instruments under sec. 46A of the **Acts Interpretation Act 1901**. Sec. 296 of the **Corporations Act 2001** requires that financial reports must comply with accounting standards. This effectively makes AASB standards legally binding. I believe that similar legislative authority should be given to Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board. This would mean that non-compliance with the auditing standards would become an offence – which may make issues easier to prove in CALDB proceedings – and that the process of developing and drafting auditing standards would become more rigorous. I believe that this would lead to an improvement in these standards.

Self-regulation of the audit profession

42. I believe that it is necessary to improve the effectiveness of the CALDB as I do not consider that self-regulation of the audit profession by the professional bodies is achieving an appropriate level of shareholder protection. In my experience, significant audit matters are usually heard by the CALDB before any professional body disciplinary proceedings are instituted. Once a matter has been determined by the CALDB, it is not unusual for the professional bodies to note, without publication of the member's name or any additional penalty, the result of the CALDB proceedings. In my opinion, if the

auditing profession's self-regulatory procedures were more effective and public there may be less need to institute CALDB proceedings.

Audit committees

43. I believe that the Corporations Act should be amended so as to require all public companies to have an audit committee of the board of directors. The audit committee should not have an executive director as a member but should have the right to invite executive directors and executive officers to its discussions. The audit committee should be charged with responsibility for selection of the auditor every five years and for review and approval of the audit plan and acceptance of the audit result and final audit report. Again, I consider that these proposals would enhance audit independence.

Financial reporting and audit reporting

44. It is clear, in my opinion, that Parliament no longer views financial statements as reporting to a company's shareholders. Sec. 314 of the **Corporations Act 2001** requires that either the financial report, directors' report and auditor's report be sent to members or a concise report be sent to members. Under sec. 316(1)(a) of that act, a member can elect not to receive any of that information or may request that they receive the full financial report rather than the concise report. This indicates a presumption that members will receive the concise report: sec. 316(1)(a) indicates that they may request the full financial report. This would only be necessary where the members have not received it in the first instance.

45. A concise financial report must comply with AASB 1039. This requires that the summary financial statements be included and only a limited range of additional note disclosures. The bulk of detailed financial information required under AASB standards is omitted from a concise financial report. In my opinion, it is that information which a shareholder needs to properly understand a company's financial position and performance.

46. Further, if a shareholder does request and receive the full financial report, there is a question of whether he or she may be expected to understand it. Paragraph 5.1.2 of ***AASB 1001: Accounting Policies*** – which as a disallowable instrument was laid before Parliament and not invalidated – states that "it is assumed that users [of the financial statements] possess the necessary proficiency to comprehend the significance of contemporary financial reporting practices". In my opinion, it is unlikely that the average shareholder possesses that proficiency.

47. The Financial Accounting Standards Board (FASB) in the U.S. in 1989 surveyed the source of individual investors' investment advice: where does the personal investor get investment recommendations from? FASB found that there were two major sources of investment advice: stockbrokers' analysts and the financial press. Company financial statements and annual reports do not assist investors to any great extent. These

documents go to professional analysts and advisers and the investing public receives it in a second-hand, interpreted form.

48. This is sometimes known as the "sophisticated user" theory. Financial statements are not prepared for shareholders and they should not expect to understand them. Financial statements will go to those specialists who are trained to analyse and understand them, while shareholders act on the results of that analysis and the recommendations flowing from it.

49. In my opinion, the effect of these legislative provisions is an abdication of the role of supplying readily understandable financial information and reporting to the "average" shareholder. One significant implication of this is that a logical consequence is that audit reporting also may be expected to be understandable by those users of the financial statements who "possess the necessary proficiency to comprehend the significance of contemporary financial reporting practices". Again, this class is limited to sophisticated users and auditors themselves.

50. In my experience, it now seems common practice for auditors to use an **emphasis of matter** rather than an audit qualification to raise and express their concern about contentious or difficult matters in financial statements. However, an **emphasis of matter** makes it easier for an auditor to not qualify his opinion.

51. If an auditor has concern about, for example, an asset carrying value, stating that in his opinion the financial statements present a true and fair view **except for** the asset carrying value is an audit qualification. A qualification paragraph must be included in the auditor's report before the conclusion paragraph and the financial effect of the qualification disclosed.

52. However, if the auditor requires that the audit client make adequate disclosure of the matter in the notes to the financial statements and the audit report refers to that note disclosure, the auditor may deal with the matter by including an **emphasis of matter** paragraph in his report. An **emphasis of matter** paragraph appears after the statement of the auditor's opinion on the financial statements. The audit opinion *per se* is unqualified.

53. In my experience, it would be a courageous auditor who would issue an "except for" qualified audit opinion rather than an **emphasis of matter**. The threat of a potential qualification may cause an audit client to accept proposed changes to the financial statements. However, the auditor will also face the argument that issuing a qualified audit report will have a negative impact on the client company's reputation and share price. The issue of the qualified audit report itself – rather than the matters the lead to the qualification – is often suggested as the most likely cause of any projected downturn in the company's situation. The company is trying to rectify the situation. The issue of a qualified audit report will only make the position more difficult. There will be considerable pressure on the auditor not to qualify his report.

54. From the auditor's viewpoint, an **emphasis of matter** draws the attention of diligent users who "possess the necessary proficiency to comprehend the significance of contemporary financial reporting practices" to the relevant issue. If the financial statements are a technical document which is intended to be understood only by sophisticated users, inclusion of an **emphasis of matter** should serve as sufficient warning of the auditor's concern. However, in my opinion, it is questionable whether an **emphasis of matter** serves as adequate warning to the "average" shareholder.

55. I believe that Australian Auditing Standard ***AUS 702: The Audit Report on a General Purpose Financial Report*** should be amended to require an **emphasis of matter** paragraph to be presented in the same manner as an audit qualification paragraph and that the estimated financial effect of any inherent uncertainty disclosed therein be fully stated. At present, many **emphases of matter** merely state the asset carrying values about which the auditor is concerned without explicitly stating the financial effect on reported earnings and the company's net assets if those assets were to be substantially devalued or written off. In my opinion, this would be more likely to alert readers of the auditor's report to the gravity of the situation.

True and fair view override

56. Sec. 296 of the **Corporations Act 2001** requires that financial reports must comply with accounting standards. I recommend that a **true and fair view** override clause be reinserted into the **Corporations Act 2001**. As accounting standards become more detailed, complex and prescriptive, the existing legislative requirement for financial statements to comply with accounting standards rather than to present a true and fair view does not, in my opinion, achieve the desired objective of financial reporting.

57. For example, ***AASB 1008: Leases*** requires finance leases to be capitalised i.e. shown on the statement of financial position (i.e. the balance sheet) as an asset. Under AASB 1008, a lease will be classified as a finance lease if the lessor effectively transfers to the lessee substantially all the risks and benefits incident to ownership of the leased property. This test is conclusive. If a lease is **not** a finance lease, it will effectively be treated as an operating lease for accounting purposes.

58. While, in my opinion, all leases are essentially asset financing transactions – which should result in an asset being recorded on the balance sheet – under AASB 1008 it is possible to classify all leases as other than finance leases i.e. they will be treated effectively as operating leases and will remain off-balance sheet.

59. AASB 1008 states that the benefits under a lease include those obtainable from the use of the asset and gains in realisable value. A lease agreement will place possession and use of the asset subject to lease with lessee. This is a major benefit. However, this benefit accrues to the lessee only because it pays rentals to the lessor. In economic terms, the rental paid to the lessor must be equivalent to the value in use of the equipment. The

present value of the minimum lease payments required under the agreement will be equal to the fair value of the equipment at the inception of the agreement.

60. While the lessee has possession and use, the lessor is receiving a rental payment stream of equivalent economic value. As the definition of asset refers to future economic benefits, it is not significant whether these benefits are received in the form of services from use of the leased asset or by way of cash for providing the asset. The benefit of possession and use accruing to the lessee is matched by the payment benefit received by the lessor. To this extent, the benefit under the lease agreement would appear to be equally shared.

61. The test for lease classification under AASB 1008 requires that substantially all the benefits **and** substantially all the risks be transferred i.e. it is a two part test and both conditions must be satisfied before the test is met. ASIC confirmed that the test should be viewed in this manner when, in Media Release 00/388 **ASIC Foreshadows Focus on Accounting for Leases**, ASIC's Chief Accountant stated that "leases can only be accounted for as effectively transferring ownership of an asset if the lessor transfers substantially all of the risks **and** substantially all of the benefits of ownership of the asset to the lessee."

62. As in any lease one can argue that the benefits of the leased asset are shared evenly, on both the test in AASB 1008 and ASIC's media release, it is possible to conclude that no lease effectively transfers to the lessee substantially all the risks and benefits incident to ownership of the leased property. On this analysis, all leases may be classified as other than finance leases. They will thus be treated as operating leases and will remain off-balance sheet.

63. In my opinion, the true position is that a lessee has acquired an asset and a corresponding liability to meet the cost of financing that acquisition i.e. both an asset and liability should be recognized on the balance sheet. A strict technical application of AASB 1008 does not produce this result. The auditor is required to state his opinion as to whether the financial statements comply with accounting standards, not whether they present a true and fair view. In my opinion, it is this type of situation which necessitates the reinsertion of a **true and fair view** override clause into the **Corporations Act 2001**.

64. By way of comparison, Australian Bureau of Statistics leasing data suggest that something in the order of 90 per cent of leases in Australia are finance leases i.e. they should be capitalised in the statement of financial position. AASB 1008 is clearly not achieving this at present.

Further legislative support for auditors

65. In my opinion, the removal of the former sec. 294(4) from the Corporations Law did not assist auditors. The former sec. 294(4) required that where a non-current asset was shown at more than it would have been reasonable to spend to acquire it at balance date, then either a provision had to be made to write down that asset or a note had to be included so

that the financial statements were not misleading because of the overstatement of the non-current asset. This legislative requirement was, in my experience, a very useful tool for auditors. It was black letter law that affectively defined an overstatement of non-current asset value as carrying value being greater than current replacement cost as at balance date.

66. This provision was omitted apparently in the belief that a similar test would be imposed under AASB accounting standards. In my opinion, AASB accounting standards do not presently provide a comparable requirement. In my experience, directors are more cognizant of requirements under the **Corporations Act 2001** than of requirements under AASB accounting standards. I recommend that a provision with equivalent effect to the former sec. 294(4) be reinserted into the **Corporations Act 2001**.

Auditors' liability

67. The issue of auditors' liability remains unresolved and is of concern to auditors. I recommend that the **Corporations Act 2001** be amended by inserting provisions to limit the liability of auditors in the same manner as their liability is limited by the Accountants Scheme approved under the **Professional Standards Act 1994 (NSW).**

68. I also comment that, in my opinion, existing Australian auditing standards adequately address the auditor's responsibility for detecting fraud and error. I do not accept that the audit's main objective *per se* is to detect fraud and error although it should remain a significant audit function.

Respectfully submitted,

John Shanahan