

## **Limperc Institute**

### ***Workshop on Auditing and Assurance Research***

September, 2015, Maastricht - The Netherlands

#### Instructors:

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#### Course Objectives

The objectives of this workshop include:

1. To introduce students to the primary areas of research in auditing.
2. To introduce students to research methodologies and statistical methods used in auditing research.
3. To improve students ability to critically evaluate the quality of research in auditing.
4. To facilitate the development of research projects in auditing, possibly leading to selection of topics for dissertation work.
5. To introduce students to the publication process.

#### Assignments for Paper Discussions

Students will be assigned the role of “author” or “discussant” on one or more papers as indicated in the detailed course plan. Students should prepare a presentation of the paper in accordance with their role. Other students will be expected to ask questions and provide critical feedback on the paper. Some guidelines for discussing a research paper are attached. The discussion of a single paper will last approximately 45 minutes. The “author” should plan a presentation of 15 minutes and the “discussant” should present for approximately 10 minutes.

#### Advance Preparation:

Students should arrive for the workshop having completed the following work:

1. Read assigned papers to be discussed in workshop. Prepare a few questions or comments on each paper for which the student is not the “author” or “discussant”.
2. Prepare presentations for assigned papers for which the student is the “author” or “discussant”.
3. Advanced students: Prepare a brief outline of a proposed research project in auditing that will be discussed during the workshop. The proposal should not be more than 3 or 4 pages and should succinctly address the issues suggested in the “Guidelines” attached. Any issue related to auditing or related topics.

## Detailed Course Plan

<i>Time</i>	<i>Topic</i>	<i>Who?</i>	<i>Details</i>
<b>Monday</b>			
9:15—10:30	Introduction/ Lecture	Knechel	“An Overview of Archival Audit Research”
10:30—11:00	<i>Break</i>		
11:00—12:30	Papers <u>Theme:</u> <i>Economics of Auditing</i>	Students	<p>Paper 1: Numan and Willekens. “An Empirical Test of Spatial Competition in the Audit Market”</p> <p>Presenter: Discussant:</p> <p>Paper 2: Gerakos and Syverson. “Competition in the Audit Market: Policy Implications”</p> <p>Presenter: Discussant:</p>
12:30—1:30	<i>Lunch</i>		
1:30—3:00	New Paper	Willekens	Paper: Dekeyser, Gaeremynck, Knechel and Willekens. “To be announced”
3:00—3:30	<i>Break</i>		
3:30—5:00	Papers <u>Theme:</u> <i>Economics of Auditing</i>	Students	<p>Paper 3: Ciconte, Knechel and Mayberry. “Do Clients get what they pay for? Non-Audit Services and Improvements in Clients’ Operating Performance”</p> <p>Presenter: Discussant:</p> <p>Paper 4: “The effect of SOX on small auditor exits and audit quality”</p> <p>Presenter: Discussant:</p>

<b>Tuesday</b>			
9:00—10:30	Papers <u>Theme:</u> <i>Audit Partner Quality</i>	Students	<p>Paper 5: Goodwin and Wu. “What Is the Relationship Between Audit Partner Busyness and Audit Quality?”</p> <p>Presenter: Discussant:</p> <p>Paper 6: Gul, Ma and Lai. “Auditing Multiple Public Clients, Partner-Client Tenure and Audit Quality ”</p> <p>Presenter: Discussant:</p>
10:30—11:00	Break		
11:00—12:30	New Paper	Knechel	To be announced
12:30—1:30	<i>Lunch</i>		
1:30—3:00	Papers <u>Theme:</u> <i>Audit Partner Quality</i>	Students	<p>Paper 7: Aobdia, Lin and Petacchi. “Capital Market Consequences of Audit Partner Quality”</p> <p>Presenter: Discussant:</p> <p>Paper 8: Knechel, Vanstraelen and Zerni “Does the Identity of Engagement Partners Matter? An Analysis of Audit Partner Reporting Decisions”</p> <p>Presenter: Discussant:</p>
3:00—3:30	Break		
3:30—4:30	Lecture	Funcke	“The PhD Experience”

<b>Wednesday</b>			
9:00—10:30	Lecture	Mark Nelson??	“To be announced”
10:30—11:00	<i>Break</i>		
11:00—12:30	Papers <u>Theme:</u> <i>Private company audits</i>	Students	<p>Paper 9: Dedman, Kausar and Lennox. “The Demand for Audit in Private Firms: Recent Large-Sample Evidence from the UK ”</p> <p>Presenter: Discussant:</p> <p>Paper 10: Svanstrom. “Non-Audit Services and Audit Quality: Evidence from Private Firms ”</p> <p>Presenter: Discussant:</p>
12:30—1:30	<i>Lunch</i>		
1:30—3:00	New Paper	Knechel	Paper: “To be announced”
3:00—3:30	<i>Break</i>		
3:30—5:00	Papers <u>Theme:</u> <i>Private company audits</i>	Students	<p>Paper 11: Karjalainen . “Audit Partner Industry Specialization and Earnings Quality of Privately-Held Companies”</p> <p>Presenter: Discussant:</p> <p>Paper 12: Bell, Causholli and Knechel. “Audit Firm Tenure, Non-audit Services, and Internal Assessments of Audit Quality”</p> <p>Presenter: Discussant:</p>

<b>Thursday</b>			
9:00—10:30	Papers <u>Theme:</u> <i>Audit Reporting</i>	Students	<p>Paper 13: Lamoreaux. “Does PCAOB Inspection Exposure Affect Auditor Reporting Decisions?”</p> <p>Presenter: Discussant:</p> <p>Paper 14: “Auditor Reporting Under Section 404: The Association between the Internal Control and Going Concern Audit Opinions”</p> <p>Presenter: Discussant:</p>
10:30—10:45	<i>Break</i>		
10:45—12:15	Papers <u>Theme:</u> <i>Audit Reporting</i>	Students	<p>Paper 15: Kachelmeier, Schmidt and Valentine. “The Disclaimer Effect of Disclosing Critical Audit Matters in the Auditor’s Report ”</p> <p>Presenter: Discussant:</p> <p>Paper 16: Brasel, Doxey, Grenier and Reffet. “<u>Risk Disclosure Preceding Negative Outcomes: The Effects of Reporting Critical Audit Matters on Judgments of Auditor Liability</u>”</p> <p>Presenter: Discussant:</p>
12:15—1:15	<i>Lunch</i>		
1:15—2:45	Lecture	Willekens	The future of auditing research: lecture and discussion
2:45—3:15	<i>Break</i>		
3:15—4:30	Publishing	Knechel/ Willekens	Discussion of issues related to publishing research in international journals: Views from authors, reviewers and editors
7:00	<i>Dinner</i>		

<b>Friday</b>			
9:00—12:30 <i>(break TBA)</i>	Proposals	Students	Student groups to present preliminary proposals for class discussion and brainstorming.  Names of three students
12:30—1:30	<i>Lunch</i>		
1:30—3:30	Proposals	Students	Student groups to present preliminary proposals for class discussion and brainstorming.  Names of three students
3:30—4:00	Closing	Knechel/ Willekens	Summary, overview, wrap-up questions, etc.

## **Exhibit A**

### **Guidance for Discussion of Research Papers**

When reviewing and preparing a discussion of a research paper, you should be prepared to address the following issues:

1. What is the research question being addressed by the study?
2. Why is the question interesting or important to the profession, practice of auditing or capital markets?
3. What are the hypotheses or expectations of the authors?
4. What is the general approach taken for examining the research question?
5. What is the source of the data used in the study?
6. What statistical methods were used to test the hypotheses?
7. What were the key findings of the study?
8. What are the implications of the study for the profession?
9. What are the limitations/weaknesses/caveats of the study?
10. What follow-up research would you suggest?