

FOUNDATION FOR AUDITING RESEARCH

ANNUAL REPORT

Financial year from 1 January 2020 up
to and including 31 December 2020

Stichting Foundation for Auditing Research
Straatweg 25, 3621 BG Breukelen, the Netherlands

WWW.FOUNDATIONFORAUDITINGRESEARCH.ORG

FOUNDATION FOR
AUDITING
RESEARCH





**“STRENGTHENING
THE AUDIT**

PROFESSION’S LEARNING CURVE”

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PREFACE

We are pleased to hereby present the fifth annual report of Stichting Foundation for Auditing Research (“FAR”).

ABOUT STICHTING FOUNDATION FOR AUDITING RESEARCH

Established in 2015, Stichting Foundation for Auditing Research (FAR) aims to enhance the knowledge of what makes a good audit today and to academically inform audit practices in their continuous improvement efforts. In a swiftly changing context regarding expectations and demands, FAR facilitates rigorous academic research with practical relevance to the auditing field and to inform public policy making regarding the auditing profession.

FAR research is aimed at disseminating new academic knowledge and insights, as well as scientifically informing ongoing debates about the subject of audit quality. FAR pursues these objectives by researching the drivers of audit quality, by collaborating with other research institutes internationally, and by sharing its findings through research conferences and masterclasses.

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FAR is aware of its sensitive position, conducting academic research in the context of the auditing practice

FAR conducts its research projects through a unique collaboration between science and practice, resulting in a continuous strengthening of the learning curve of audit professionals and stakeholders in the auditing field. By applying specific protocols and established methods geared towards working with confidential data, the affiliated audit firms and departments provide FAR access to research data including research subjects needed for the research projects defined. With its scientific output, FAR aims to feed auditing education and to sustainably bolster the auditing research community in the Netherlands and abroad.

THE FAR CODE OF INDEPENDENCE APPLICABLE TO ALL FAR RESEARCH AND RESEARCHERS

FAR is an independently operating scientific research institute, committed to delivering excellent academic research, conducted by the best academics within the audit field. FAR is founded to academically inform the development of the audit profession through academic research in collaboration with the affiliated audit firms. FAR is aware of its sensitive position, conducting academic research in the context of the auditing practice, in collaboration with and funded by leading auditing firms. To secure our autonomous position, the FAR Board Members, Staff and Researchers adhere to the FAR Code, encompassing 3 guiding values:



“FAR focuses on the audit function at audit firms, businesses, and government bodies”

1. Academic

All FAR Academic Research must be rigorous, traceable, objective, and transparent. All FAR Research Projects are therefore commissioned externally to (inter-)nationally and independently operating research teams. The researchers are subject to the ethical and independence principles of the **Netherlands Code of Conduct for Scientific Practice** (Version 2014). All research publications are subject to and comply with the academic journal standards, amongst which double blind peer review.

2. Rigorous

FAR publishes scientific outcomes and findings ‘as is’. FAR publications are intended to provide the audit profession with objective academic research outcomes, regardless of the impact it may have on the profession or audit firms. FAR intends to be the objective source of scientific accurate information to inform the professional development and public policy making regarding audit quality.

3. Autonomous

FAR operates autonomously from its funding partners. The four academic board members and the independent Chair of the board hold the majority of the votes. The board members representing the funding partners hold a minority of the votes.

COOPERATION WITH THE 10 LARGEST AUDIT FIRMS OF THE NETHERLANDS AND STICHTING ACCOUNTANTSFONDS

FAR focuses on the audit function at audit firms, businesses, and government bodies. FAR is open to all audit practices, both large and small as well as auditors in business and government. Audit firms and departments can affiliate with FAR if they provide data access and commit to a minimum grant of EUR 50,000 or more. Other parties wanting to contribute, either by providing research data or financial means, are welcome as sponsors.

The eight largest audit firms in the Netherlands (Deloitte, EY, KPMG, PwC, Baker Tilly, BDO, Grant Thornton and Mazars) took the initiative to provide financial support to the foundation and to make data available for research over an initial period of five years (with an interim evaluation being held after a two-year period). Accon AVM joined FAR as per 1 January 2017 and ended their affiliation per 31 December 2020. Flynth joined as per 1 January 2018. This again underlines that FAR is focused on profession-wide research questions, including those in small and medium sized organizations and owner managed businesses. With the 10 largest audit firms of the Netherlands providing data access and EUR 1.55 million of financial support annually, FAR is a unique collaboration between practice and science in the auditing profession, both in the Netherlands and globally.

In addition, Stichting Accountantsfonds was a valued FAR sponsor from 2016 until 31 December 2020, with an annual contribution of € 100,000 for a period of five years. The primary objective of this foundation was to subsidize the development of research and education programs.

As from 1 January 2021 FAR continues in its 2nd five-year term for the period of 2021 to 2026 with nine affiliated firms (excluding Accon AVM that terminated its affiliation per the end of 2020 due to changes in their service mix).

BELOW ARE THE KEY HIGHLIGHTS FOR 2020:

SPRING 2020

In January 2020 FAR issued its 5th Call for Research Projects, through which we invited scholars to submit a proposal for research projects regarding two research programs, Empirical research projects and Replication projects. The call for empirical research projects focused on FAR's research objectives throughout the entire corporate reporting "ecosystem"; while the latter was geared towards regulatory interventions studied through the replication of prior research designs applied in other countries.

SUMMER 2020

While the full effect and the duration of the Corona pandemic were still unknown at this point, FAR had to decide to move to an online version of the annual International Conference. Five of FAR's project leaders from all over the world presented their intermediate findings in a corona-proof online setting, which was watched by nearly 200 participants. The theme of the conference was purposefully broad: 'academic and practitioner insights on audit quality'. FAR had several meetings with the "Quartermasters", acting on behalf of the Minister of Finance in the Netherlands, to explore implementation of the recommendation of the Committee for the Future of the Auditing profession (CTA). FAR shared with them the knowledge we have already acquired and the ongoing research projects on the "Audit Model", "Joint Audits", "Culture Change" and "Internal Controls" within the existing FAR research agenda. In June FAR hosted an online Masterclass on "The impact of auditor interactions on audit quality" with Prof. Eddy Cardinaels & Kristoff Stouthuysen.

AUTUMN 2020

FAR secured its 2nd term of five years for the period 2021 to 2026 with nine of the affiliated audit firms. FAR continues to invest in academic research, data gathering, and knowledge dissemination and commits to seven new research projects. In September, FAR chair Henriëtte Prast and managing director Jan Bouwens presented the ESB file "Accountants doorgelicht" to the Dutch Lower House. The publication was produced in cooperation with the Foundation for Auditing Research. This publication examines the current and future social contribution required from the work of the auditor. In October FAR hosted an online Masterclass on "The effect of audit culture on audit quality" by Prof. Jasmijn Bol.

WINTER 2020

From a total of 13 received research proposals, including a second empirical research proposal of the FAR Audit Research Chair and four empirical research proposals from our five PhD projects, FAR committed to 7 of these proposals. Three of the proposals received are still under revision as per 31 December 2020 because the research teams were invited to revise and resubmit their proposals based on review comments of the FAR Board. In December FAR hosted an online Masterclass on "Assessing and addressing fraud risk based on earnings calls" by Prof. Mark Peecher.



“The mission of FAR continues to be to enhance the knowledgebase of academics and practitioners in auditing”



BOARD REPORT



AN OVERVIEW FROM THE FAR BOARD

The objective of FAR is to conduct scientific research into (the drivers of) audit quality, to scientifically inform the management of the audit firms, the profession, and the public with regards to the continuous improvement of the auditing profession. Although research and knowledge production could continue by and large, it was our knowledge dissemination that was affected the most. Although our annual conference and master classes, where we present and discuss our research amongst audit practitioners and academics, could effectively continue (albeit virtually), we dearly missed the real human interaction that is so central to our mission of academically informing the public debate and continuous development of the auditing profession in the Netherlands and abroad. Of course, we were very pleased to see that our online events were attended more easily by many more wherever in the world - and that we had an uplift in our production of podcasts, video blogs, and practice notes - more and more people know where to find these to gather new insights. Nevertheless, we look forward to “returning to normal”, while fostering the new ways of collaboration and knowledge exchange we learned from this pandemic.

In the meantime, as of October 2020, we entered our second five-year term for the period 2021 to 2026. FAR has set itself three strategic spearheads for the following term:

1. Speeding-up communication and knowledge dissemination as to evidence-inform the professional and public debate and policy making.
2. Taking fruit of data gathering efforts of the firms, the researchers, and FAR through a proactive data strategy as to be able to answer research questions more efficiently, and
3. Moving towards more coherent and multi-disciplinary research programs or themes and optimize a project-portfolio as to assure timely research data gathering.

The starting point is therefore that the original objectives of FAR remain central: to conduct high-quality scientific auditing research, to share knowledge with the auditing profession and its stakeholders to inform the profession, academics, and society with scientifically based findings, to feed accountancy education, while at the same time sustainably strengthening the (Dutch) auditing research community.

Since the founding of FAR in 2015, the 10 affiliated audit firms, the research teams involved, and the FAR organization have gone through a steep learning curve and have invested heavily in building a now globally unique and reliable infrastructure for research collaboration and data exchange between audit practice and science. In recent years more than 29 research groups have started at FAR, with a wide variety of projects. The researchers are affiliated with the world's best universities. Through the projects, we answer questions ranging from the culture within the firms to analyses of factors influencing the effective execution of the audit; from the success in attracting the best people to the question of how well firms handle fraud detection; from quality management systems to the influence of commerce on quality; from processes leading to a going concern opinion to the role that international collaborative auditors play in the quality of the auditor's work.

Through proactive knowledge sharing with practice, FAR informs the profession, academics, and society about the first new research results through Masterclasses, via practice notes, podcasts, our website, and at the International FAR Conferences.

FAR finances dozens of PhD students, young PhD candidates and leading senior researchers - a lasting boost in the academic (Dutch) audit research community. And more importantly: FAR provides the researchers with unique proprietary research data in close collaboration with the affiliated audit firms. In recent years, several papers based on FAR data have already been published, based on experiments and surveys. In addition, the first papers were published in 2019 for which the research groups dived deep into the office archives and files. FAR helps the research groups to unlock these data. It is then up to the research groups to answer the research questions that are being asked, based on these data. We are proud to be able to assist the researchers in making the necessary data available in a reliable and confidential manner. Moreover, we are pleased to note that the offices that supply the data also systematically keep the requested data up to date, to learn from it for themselves. To arrive at a balanced, evidence-based perspective of informing the auditing practice FAR supports projects using multiple research approaches and methods. In determining the research agenda FAR takes the perspective of the profession at large into account as well as that of its stakeholders throughout the entire corporate reporting and assurance supply chain.



FAR considers knowledge dissemination to be the next step after knowledge production and essential to improving audit quality.”

The academics describe their findings in working papers accessible through FAR and submit their papers for publication to the top journals we know worldwide. FAR also makes these papers available to policymakers in The Netherlands, such as the ‘CTA’ (Committee Future Accountancy Sector) and the ‘Kwartiermakers’ (Quartermasters), to inform them about the relevant knowledge that has been or is being developed around audit quality. FAR considers knowledge dissemination to be the next step after knowledge production and essential to improving audit quality. We want to scale up these activities more by bridging the gap between science and practice even further. FAR strives for academics and auditors (but also policy makers and other stakeholders) to find each other better in the field of knowledge and that they will rely on the same available academic knowledge regarding auditing (quality). FAR aims to be an important catalyst in this process.

FAR continues to invest in research. In 2020 we committed to seven FAR empirical research projects, of which four are from our PhD program and one is the second project from the FAR Audit Research Chair.

We are confident that, thanks to all participants, many publications will be produced in the coming years that will contribute meaningfully to science and practice of auditing. 2020 has been a challenging year for most of us, but FAR’s efforts, together with that of the affiliated firms and that of all the researchers involved in our projects, has not slowed down and we are now at the start of our 2nd term. More projects are starting to produce output based on their research findings and we

are making a difference in truly identifying those factors that influence audit quality in daily practice (reference is made to Appendix 2 which includes FAR’s output list of realized and forthcoming publications).

There is still much to be done and research takes time, which requires patience. Accordingly, there continues to be an abundance of ambitions for the following year.

On behalf of the board of the Foundation for Auditing Research

The executive board



Prof. dr. Olof Bik RA

Managing director and academic member of the board



Prof. dr. Jan Bouwens

Managing director and academic member of the board



Prof. dr. Henriëtte Prast

Chair of the board

KNOWLEDGE DISSEMINATION TO ACADEMICALLY INFORM THE DEVELOPMENT OF THE AUDITING PROFESSION

Whilst stimulating knowledge exchange and research aimed at gaining new insights, FAR also focuses on unlocking existing knowledge with the objective to contribute to evidence-informed policy development of the auditing profession.

FAR notices regularly that there is a great need for knowledge. Academics are still sometimes guided by what the media write about auditors. At the same time, auditors sometimes have no idea what has been researched regarding auditing. We have therefore decided to devote the annual conference to important topical subjects, at which FAR wants to show both academics and auditors from the field what we already know about these subjects. Whereas the past few years have been dominated by knowledge creation, in the next five years we want to put more emphasis on the dissemination of knowledge. Incidentally, this does not mean that we will be able to scale down our activities in the field of acquiring academic knowledge. It means that we want to share knowledge even more than we already do. Currently, this is done, amongst others, through our annual conference, master classes, via podcasts, practice notes, newsletters and contributions to the professional and public debate on important topics in the profession.

THE 5TH ANNUAL FAR CONFERENCE ‘ACADEMIC AND PRACTITIONER INSIGHTS INTO AUDIT QUALITY’

The yearly International FAR Conference was held on Monday June 22nd, 2020. Given the unprecedented circumstances, the event took place in an online, Corona-proof setting. Still nearly 200 participants from all over the world registered for this virtual meeting. About 50 percent were academics and the other 50 percent consisted of practitioners, regulators, students, and government officials. The theme of the conference was purposefully broad: ‘academic and practitioner insights on audit quality’. This theme seamlessly fits with FAR’s main purpose: facilitating knowledge development and knowledge dissemination in order to improve audit quality.

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We learn from each other. That is inherent to, and necessary in, the audit process

The presentations provided a representative cross section of the current FAR projects, in which knowledge is created as well as shared. During five sessions, researchers from Canada, the Netherlands, Switzerland, and the USA presented their FAR research findings and their views on current issues.

1. Educational researcher Wim Gijsselaers and his team members investigated the relationship between the human capital of audit firms and audit quality, particularly through the learning behavior of audit teams. A team learning climate offers valuable opportunities to improve, in addition to investments in, for example, technology and external inspections. An analysis of the existing research at the organizational level shows that particularly organizational culture and working conditions influence team learning behavior. At the team level, team composition is only of conditional importance for success. So-called ‘constructive conflict’ (exchanging and discussing different opinions) and regularly reflecting on what is happening and what the consequences are going to be (‘reflexivity’), are most often mentioned as being essential ingredients for an effective team. This especially holds for teams 12 under time pressure. At the individual level, questionnaire results indicate, that younger auditors experience more directive leader behavior as a stimulus for their learning behaviors. The leadership style also seems to be more important than the personality traits of the leader. According

to Gijsselaers, it is important that researchers and auditors invest in a sound sustainable relationship. This way, each other's 'languages' will be better understood, and it will enable a focus on common goals. This can be done, for example, by having auditors actively participate in the development of research questions.

2. Anna Gold and Tammie Schaefer discussed the preliminary results of their survey and experiment concerning the support of audit committees and its effect on auditor's skepticism. The survey showed that most responding auditors experience support from the audit committee on more than half of their engagements. However, lower-level audit staff does not directly interact with audit committees. The experimental results show that audit committee support can be effectively communicated to the audit team via the audit partner, leading to more skeptical action (but not judgment). This indirect communication via the partner is not only more effective, but also less costly than direct communication between the audit committee and the teams (given the geographical spread of the team members).
3. The keynote speech by Marshall Geiger was very topical. He discussed going concern opinions in the context of the COVID-19 era. Geiger presented an impressive 7-slide timeline with the pandemic events and their economic impact. Our current period has been named the biggest peace time recession in almost 100 years. In that regard, it is remarkably positive that audit standards and regulations on going concern appear to be very robust. This does not make the current COVID-19-guidance superfluous, but it does indicate that going concern regulation is sound, even when extremely stress tested.
4. Jean Bédard presented a literature study on the relationship between internal control and the quality of financial reporting. That relationship is important because the auditor can make use of the client's internal control system when planning the audit. The project team examined which factors influence the internal control quality of an organization, how this subsequently affects the work of the auditor (and the judgments regarding the internal control quality) and ultimately, among other things, the quality of the financial reporting and market responses. Previous research has shown that the quality of internal

controls is positively linked to, for example, the independence and expertise of the audit committee. Bédard stated that labeling limited control as an 'internal control weakness' does not necessarily lead to errors in the financial reporting. At the same time, not reporting weaknesses also does not mean that errors will not occur. Prior research shows that if a material weakness is reported, for example, the quality of financial reporting and the efficiency of investments will be lower. Also, the audit fees will be higher in the case of reported material weaknesses since the auditor will have to do more work. Moreover, auditing has a positive effect on finding and reporting material weaknesses by clients.



It is good to see the bigger picture. It is all about the question how we get from A to B

5. Alain Schatt presented a literature review on the use of joint audits in France. The use of joint audits has recently been brought up in the Netherlands, as a result of the publication of the 2018 AFM report 'Kwetsbaarheden in de structuur van de accountancysector' ('Vulnerabilities in the structure of the accountancy sector'). Schatt elaborated on the potential economic consequences of the joint audit in terms of market concentration, audit costs and audit quality. As also concluded in the AFM report, the current approach to the joint audit in France is not working as desired. In practice, the joint auditors simply divide up the audit work and the smaller parties perform the easiest part. 'Voluntary joint audits actually do not exist', says Schatt. This makes sense, he thinks, since overall, audit research has not found evidence that joint audits have a positive effect on audit quality, but audit fees are higher. He concludes that there are no clear benefits of a joint audit, in the current applications. Further research should show whether and how the joint audit model could contribute. That is also a recommendation in the recent report of the Commissie toekomst accountancysector ('Committee on the future of the accountancy sector').

ONLINE REPORTS OF THE CONFERENCE

We have published an online report of the conference, which contains summaries of all the keynote speeches and FAR project presentations of preliminary research findings. You can find the full report on the FAR website under **Research & Publications/Publications/Conference Proceedings**. You will also be able to find the full videos, presentation slides, and the follow-up Q&A podcasts on the website under each of the separate research project pages: **Research & Publications/Research Projects**.

FAR MASTERCLASSES

In 2020 FAR hosted several Masterclasses with researchers that are currently involved in FAR projects. The aim of these Masterclasses is to stimulate knowledge exchange and interaction between science and practice and to share (intermediate) research findings. Due to the Covid pandemic, we were forced to host these Masterclasses as online events. Fortunately, we were pleased to discover that this online format works very well too. Online FAR Masterclasses received positive feedback. Furthermore, it allowed participants from abroad to join in now as well, resulting in higher online attendance than at some previous physical events and active discussions, for example in the chat function. Generally, we welcomed up to 40 participants for each Masterclass, of which a large part were practitioners.

The following Masterclasses were organized:

- The impact of auditor interactions on audit quality – Prof. Eddy Cardinaels & Kristoff Stouthuysen
- The effect of audit culture on quality – Prof. Jasmijn Bol
- Assessing and addressing fraud risk based on earnings calls – Prof. Mark Peecher

Full Masterclass reports, videos and podcasts can be found on FAR's website under: **Events/Past Events**.

MASTERCLASS “THE IMPACT OF AUDITOR INTERACTIONS ON AUDIT QUALITY”

On June 5, 2020, Eddy Cardinaels and Kristof Stouthuysen presented an online masterclass concerning their study ‘The Impact of Auditor Interactions on Audit Quality’.

The study, so far, shows that:

- Concerning imitation, junior auditors imitate a

more diligent superior more than a lower diligent superior. This effect is even more pronounced under a superior-based promotion system (as opposed to consensus-based promotion system).

- Regarding audit quality, junior auditors perform better when facing a diligent superior.
- Furthermore, (self-reported) imitation does not improve audit quality. In particular, when facing a low diligent auditor, audit quality deteriorates. Hence, there seems to be a possibility to imitate a superior too much, particularly in the low diligent situation.

Senior auditors play an important role in knowledge transfer towards junior auditors. For example, to support junior auditors in developing appropriate knowledge and skills, audit standard setters and regulators highlight the importance of on-the-job-training and coaching by more senior auditors. Senior auditors need to be aware of the impact they have on junior auditors and audit quality, and vice versa.

MASTERCLASS “THE EFFECT OF AUDIT CULTURE ON QUALITY”

Professor Jasmijn Bol (Tulane University) gave a Masterclass on October 16, 2020, on her still ongoing research, that investigates the relationship between the culture within accountancy firms and audit quality.

Key findings so far show that:

- The good news is that the people who understood the core values of their audit firm better also had a greater willingness to push for audit quality. But there is also less good news, for example, data clearly shows that auditors still experience a lot of budget pressure. There is only a small proportion of participants who have sufficient time in 90-100% of the audits, while a large group of auditors say they only have sufficient time in 60-70% of the audits. And some even say that they are always short of time.
- The survey also shows that the willingness to push quality depends on the personality of the auditor. Auditors who consider the social relevance to be of paramount importance and who like to get to the bottom of things are also more willing to push audit quality. Accountancy firms can pay attention to this during their selection process.
- Another interesting finding of the research to date is that younger auditors who did not see their future within the audit firm in the somewhat longer term



“FAR conducts its research projects through a unique collaboration between science and practice in auditing”

did not push hard for audit quality. On the contrary, the somewhat more senior accountants with longer-term ambitions within the firm did push harder.

For this study, 33 interviews were held with various employees (partner, managers, seniors, juniors, but also HR staff) of Big 4 and non-Big 4 accountancy firms. These interviews yielded around 25 hours of material and give a good picture of the cultural views and instruments within accountancy firms. Subsequently, a questionnaire survey was conducted among 409 participants, again from different job levels and offices.

Bol encourages the sector on this basis to think about the pyramid system of the growth of employees in accountancy firms.

MASTERCLASS “ASSESSING AND ADDRESSING FRAUD RISK BASED ON EARNINGS CALLS”

On December 4th, 2020, Professor Mark Peecher presented a FAR Masterclass concerning the auditor’s role in fraud detection and particularly concentrated on the use of earnings calls as evidence for assessing and addressing fraud risk. The Masterclass was based on the preliminary findings of Mark Peecher’s FAR-study.

Three tentative conclusions may be drawn:

- First, partners are apparently less willing (or able) to respond to signs of fraudulent behavior when prompted to look for fraud than their more junior team members. This could be explained by greater client familiarity.
- Secondly, the study shows that looking for signs of uncomfortable emotion is more effective than looking for fraud itself. This difference in approach could improve the ability to assess and address fraud risks.
- Thirdly, the results emphasize the relevance of an independent reviewer on the team who is less engaged with the client and therefore more objective and open to assess heightened risks of fraud and to address them suitably.

It seems that asking auditors to focus on signs of ‘cognitive dissonance’ in earnings calls results in better alignment of their assessments of fraud risk and their plans of how to address fraud risk, as opposed to asking auditors to look for fraud. Cognitive dissonance is the uncomfortable emotion people experience when engaging in behaviors that run counter to their underlying beliefs, such as when a person says something that he knows or believes is not true.

FAR PRACTICE NOTES

FAR’s objective is to contribute to auditing research and thereby helping the auditing profession and auditing education to improve audit quality. This can be done by unlocking what we already know from new or existing research about current issues and questions in practice. FAR Practice Notes are concise notes that bring together rigorous informative research evidence to help auditors, audit firms, policy makers and oversight bodies make informed decisions about auditing in daily practice. FAR published several practice notes in 2020:

- **Audit production** by Joseph Gerakos, Chad Syverson and Ulrike Thürheimer
- **Copycat behavior by junior auditors – The impact of their senior’s working style and the role of promotion incentives** by Eddy Cardinaels, Kristof Stouthuysen and Evelien Reusen
- **Audit committee involvement and audit quality** by Ann Vanstraelen, Ganesh Krishnamoorthy, Rogier Deumes, Caren Schelleman, Ulrike Thürheimer, Sanne Janssen and Mathijs van Peteghem
- **Economic consequences of joint audits** by Alain Schatt and Jean Bédard
- **Internal control quality and audit quality: the role of financial analysts** by Christian Hofmann, Jeroen van Raak, Sebastian Kuhn and Nina Schwaiger

These practice notes can be found on our website under: **Research & Publications/Publications.**

FAR WORKING PAPERS

Several FAR projects have also reached the stage of being able to produce so-called FAR Working Papers. These working papers are the final part of the study and ultimately the aim of the research group is to have these published in reputable journals. In 2020 FAR published the following working papers:

- **Does status equal substance? The effects of specialist social status on auditor assessments of complex estimates** by Justin Leiby, Kathryn Kadous and Anna Gold.
- **Moving audit teams forward: designing firm environments for sustainable learning from errors** by Wim Gijsselaers, Roger Meuwissen and Therese Grohnert.
- **What are the economic consequences of mandatory joint audits?** by Alain Schatt and Jean Bédard.
- **Auditors' professional skepticism: traits, behavioral intentions, and actions** by Sanne Janssen, Kris Hardies and Ann Vanstraelen.
- **Professional skepticism traits and fraud brainstorming quality** by Sanne Janssen, Kris Hardies and Ann Vanstraelen.

These working papers can be found on our website under: **Research & Publications/Publications**.

FAR PHD DISSERTATIONS

We are also very proud to have contributed to the PhD dissertations of two PhD students who have worked intensively on FAR research projects that were a part of their dissertation:

- **Context matters: Essays on factors affecting the supply of audit quality and audit outcomes** by dr. Ulrike Thürheimer (Maastricht University)
- **The ins and outs of professional skepticism** by dr. Sanne Janssen (Maastricht University)

These PhD dissertations can be found on our website under: **Research & Publications/Publications**.

CONTRIBUTIONS TO THE PROFESSIONAL DEBATE

FAR research must lead to disseminating new academic knowledge and insights, as well as scientifically informing current public debates on the subject of audit quality.

In June 2020 FAR received an invitation of the “Quartermasters”, acting on behalf of the Minister of Finance in the Netherlands, to explore implementation of the recommendation of the Committee for the Future of the Auditing profession (CTA), to sound how they can best fulfil their range of tasks to work on sustainably increasing the quality of auditing.

They expressed a wish to gain insight into the information value of the set of “Audit Quality Indicators” and into the possible effects of an “Intermediate Model”. In addition, they also wished to conduct further research into the quality effects of “Joint Audits” and the “Cultural Change” initiated in the accountancy profession. We stressed the importance of research into the significance of internal controls of audited organisations for audit quality. FAR shared with them the knowledge we have already acquired and the ongoing research projects on the “Audit Model”, “Joint Audits”, “Culture Change” and “Internal Controls” within the existing FAR research agenda. Furthermore, we introduced them to our most recent FAR publications and our current active research projects.

On Monday 21 September, FAR chair Henriëtte Prast and managing director Jan Bouwens presented the ESB file “Accountants doorgelicht” to the Dutch Lower House. The publication was produced in cooperation with FAR and examines the current and future social contribution required from the work of the auditor. The articles reflect the various forces that affect the role and work of the auditor, such as the environment, the complexity of the audit, the work of supervisory bodies and the influence and expectations of the Supervisory Board.

The full ESB file can be downloaded from the FAR website, under: **Research & Publications/Publications**

Through these meetings and through ongoing knowledge exchange, we trust to have meaningfully contributed to the evidence-informed policy making for the future of the auditing profession.

In that context, included in Appendix 2 is the overview of research publications produced by FAR over the past five years. The overview also contains links to the relevant publications.

RESEARCH AGENDA: DRIVERS OF AUDIT QUALITY

FAR's research agenda is focused on relevant and rigorous academic research into audit quality drivers to inform the audit profession in its further development and improvement of audit quality. We do so by aiming to identify the drivers of audit quality and thus supporting in improving the audit practice. In doing so, FAR considers:

- the underlying drivers of auditor judgment and decision-making, such as organisational circumstances that may stimulate auditors or, conversely, prevent them from working in the expected manner;
- the underlying causes of good and poor audit quality (rather than the symptoms of those causes); and
- the effectiveness of potential interventions (organisational changes and levers of control) that have been implemented to enhance audit quality, including the monitoring of these interventions.

FAR believes that research has the potential to identify those factors that influence audit quality in daily practice. To that end, FAR supports projects using multiple research approaches and methods to arrive at a balanced, evidence-based perspective of informing the continuous improvement of the audit practice as well as the public debate and policy making. In FAR's view, the application of multi-disciplinary and multi-method research approaches enables the audit profession to learn from academic insights gained in other disciplines such as management, leadership, organisation, psychology, sociology, and behavioral research.

In determining the research agenda, FAR takes the perspective of the profession at large and its stakeholders throughout the entire corporate reporting and assurance supply chain. This agenda involves the following two approaches in particular: on the one hand, to unlock academic knowledge to apply it in practice and, on the other, to define, invite, and evaluate research proposals speaking to promising new research directions. In this, the focus is on strengthening the core aspects of audit quality in areas such as audit inputs, the audit process, the auditor's intention and behavior, audit outcomes, and finally the organisation, management, and culture of audit firms.

Research questions that FAR issues are typically the result of a process where board members collect information on what the types of questions are that audit firms and audited companies face in assuring high quality audits. Furthermore, FAR's MDs have various (annual) stakeholder meetings to gauge the most important questions of practitioners, regulators, and public policy makers. The potential topics are subsequently discussed in the board to produce final themes.

Such topics are issued once a year and communicated with accounting and audit research groups all over the world. These research groups are invited to submit a proposal (FAR's Call for Projects). While this proposal may involve any method and multidisciplinary approaches, FAR does apply criteria to assess the quality, academic rigor, and relevance of the research proposal. The criteria FAR applies include how well the proposal is supported by the existing theory, and how well this theory is tested according to the proposal. In addition, it is 20 important that the research team is at least comprised of one or more members who have a proven scholarly background. The review process also considers the feasibility – including in terms of data gathering – of the research proposals, and the involvement of Dutch researchers, junior researchers, and PhD candidates.

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FAR believes that research has the potential to identify those factors that influence audit quality in daily practice

The project proposals are initially reviewed by the FAR academic board members. They prepare an advice for the board to decide on each individual project. Subsequently it is communicated to the research teams that their project is accepted as is, should be revised and resubmitted to acquire acceptance, or is rejected.

FAR’s research programs can be summarised as follows:

	A - RESEARCH SYNTHESSES	B - EMPIRICAL RESEARCH	C - JOINT WORKING GROUP DESIGN ORIENTED PROJECTS
DESCRIPTION	To unlock what we already know about specific practical questions and potential interventions that can be suggested to strengthen audit quality (where possible in joint academic-practitioner teams). Should also inform knowledge gaps and future FAR research projects.	Archival, survey, experimental, interviews (and other qualitative) research by independent research groups. Longitudinal and cross-sectional research could be of specific relevance to study the effectiveness of interventions taken in the firms and the profession.	Projects directed by the FAR Academic Board members for the more pervasive, all-encompassing practical questions and dilemmas, geared towards professional interventions and improvements. Proactive participation of top practitioners and selected top researchers meeting 3 to 5 times over a period of several years on the topic jointly.
RESEARCH SYNTHESIS	Only	Included	Included
EMPIRICAL RESEARCH	No	Yes	Yes
FIRM DATA NEEDED	No	Yes	Yes
PROJECT TIMELINE	6 to 12 months	1 to 4 years	1 to 3 years (depending on depth and breadth of the project)
OUTPUTS	Intermediate: FAR Practice Notes, Masterclasses, and conferences. The potential to be published in research synthesis calls of academic top journals.	Similar like program A and a FAR Research Paper and academic top journal publication(s).	Similar like program B and FAR Joint Working Group meetings.

	D - CASE STUDIES	E – AUDITING RESEARCH CHAIR	F – PHD PROGRAM
DESCRIPTION	Case Studies directed by FAR Academic Board members to examine in detail a specific subject or audit case to arrive at a deep and clear understanding of the matter and mechanisms that come into play in the case (e.g., the objectives and rationale behind firms’ policy decisions in relation to audit quality enhancements).	The FAR Audit Research Chair sponsor program is geared towards expanding the research pool in the Dutch auditing research community through appointing a new auditing research chair (including supervision of new PhD students) who drives a strategically focused research agenda closely related to FAR’s research and knowledge dissemination agenda.	The FAR PhD Program is aimed at putting auditing on the Dutch research agenda for generations to come – and with that, strategically strengthen the Dutch auditing research community being able to sustainably inform the development and policy making of the (Dutch) auditing profession – Through the PhD sponsoring program, FAR grants new PhD positions for the full four-year period and on a 50/50% basis (50% financing by FAR, 50% financing by the university) with a maximum FAR grant of EUR 100,000. The PhD topic should be closely related to FAR’s research and knowledge dissemination agenda.
RESEARCH SYNTHESIS	Included	Multiple	Multiple
EMPIRICAL RESEARCH	Yes	Multiple	Multiple
FIRM DATA NEEDED	Yes (detailed case information)	Yes	Yes
PROJECT TIMELINE	6 to 12 months	At least 4 years (50/50% FAR/University funding).	4 years
OUTPUTS	FAR Case Studies and FAR Masterclasses. The potential to be published in scholarly, educational journals.	Intermediate: FAR Practice Notes, Masterclasses, and conferences. The potential of multiple publications in academic top journals.	FAR Practice Notes, FAR Masterclasses and conference, the potential for multiple publications in top journals.

RESEARCH PROGRAMS

FAR's research programs are aimed at opening up additional avenues to achieve FAR's objectives of stimulating audit quality research, increasing knowledge dissemination, and strengthening the auditing research faculty and community in the Netherlands through support of research funding and data access. In 2020, FAR committed to seven new empirical research projects (added to program B), of which four originate from our Audit Research PhD program (program F), which is aimed at expanding the base talent pool of future auditing researchers in the Netherlands and at strengthening the auditing research community. Also added to program B is the second empirical research project of the FAR Audit Research Chair, Jere Francis (program E) that FAR committed to.

DEVELOPMENT OF FAR'S RESEARCH PORTFOLIO IN 2020

Based on its research objectives and criteria the FAR was able to commit € 928,000 in research funding in 2020 (of the maximum available research budget of € 935,000). This is related to the committed research grants mentioned above and includes FAR's gathering of publicly available research data for current research projects as well as FAR's public data gathering (€ 320,000, see "data collaboration" p.26) and additional funding of research related costs for existing projects (€ 66,000). The development of our research activities can be summarized as follows – and is further detailed and illustrated per research program in the sections below.

RESEARCH PROGRAM	A					B					C					D					E					F									
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Beginning of period	1	1	1	0	0	20	16	12	6	0	2	2	2	0	0	3	2	2	0	0	1	1	1	0	0	5	3	0	0	0	0	0	0	0	0
Research proposals submitted to FAR	0	1	0	1	0	13	6	8	11	16	0	0	0	2	0	0	1	0	2	0	0	0	0	2	0	0	2	4	0	0	0	0	0	0	0
Research proposals committed to by FAR	0	1	0	1	0	7	4	4	6	6	0	0	0	2	0	0	1	0	2	0	0	0	0	1	0	0	2	3	0	0	0	0	0	0	0
Intermediate results presented	1	1	0	0	0	6	6	3	3	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Research projects completed	1	1	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of period	0	1	1	1	0	25	20	16	12	6	2	2	2	2	0	3	3	2	2	0	1	1	1	1	0	5	5	3	0	0	0	0	0	0	0
Completed projects	2	1	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

An overview of all FAR research A and B projects is included in Appendix 1 of this Board Report and on our website: www.foundationforauditingresearch.org.

FAR EMPIRICAL RESEARCH AND RESEARCH SYNTHESSES (PROGRAMS A AND B): NEW RESEARCH PROJECTS IN 2020

Based on further developments of the research agenda and strategy, FAR was proud to publish its 5th Call for Projects in January 2020.

In this call, FAR is seeking to identify the drivers and root causes of audit quality as a means to improve audit practices. This objective can be broken down into at least three main parts:

- The underlying drivers of auditors' behavior and decision making, which may include the organizational conditions which stimulate or hamper auditors to work in the way that is expected.
- Root causes of poor audit quality (rather than the symptoms of the underlying root causes).
- Effectiveness of possible interventions (organizational changes and levers of control) implemented to enhance audit quality, including monitoring thereof.

FAR proposes that audit quality can be studied from three perspectives throughout the corporate reporting assurance supply chain:

1. Clients' control environments, reporting systems and innate characteristics: Firms are becoming increasingly complex, in terms of business models, systems of control, and how the audited firms' underlying economics are reflected in their financial statements.
2. Audit firms' organizational settings and conditions for creating an organizational culture and architecture that increases the likelihood of audit staff achieving greater assurance and that strengthens incremental learning.
3. Stakeholders and environmental forces, which may include auditors' communication (effectiveness of auditors' reporting), audit quality from multiple stakeholder perspectives, the environmental context of the audit (e.g., in terms of audit industry and markets), and the external supervision and regulatory environment.

FAR particularly encouraged projects that use multiple research approaches and methods, meaning that FAR would encourage a leading auditing / accounting academic to submit a project that includes researchers with a diverse background, be it in methods, and/or in research focus. Such projects would attract special attention of the review board. The rationale behind this

is that FAR believes that the multi-dimensional /-theory /- disciplinary projects that potentially evolve from such teams, while embedded within institutional knowledge, would provide novel insights into the working of auditing and into the context in which audits come about and how they are used.

Some of the criteria that would be used to determine successful applications for support included:

1. Proposals that aspire to inform practitioners as well as the research community.
2. Projects led by a researcher who has a strong track record of publication in world class journals.
3. The researcher is encouraged to seek collaboration with one or more talented junior researchers (e.g., PhD students, assistant professors, etc.). For international scholars, collaboration with at least one person employed at a Dutch university is highly recommended and preferred.
4. Deliverables include a research synthesis, FAR Practice Notes, research/working papers, and presentations at FAR Masterclasses and FAR Conference.

A second part of the 2020 call involved including a call for replication projects that speak to the postimplementation review of several public policy interventions taken over the last decade in the Netherlands. The idea is that the best research (paper) that exists in the literature (and generally based on publicly available data) regarding interventions is replicated. This is done in the context of one centrally organized replication project. We received and committed to one application within this category.

In total this year, we received 13 research proposals, including a second empirical research proposal of the FAR Audit Research Chair and four empirical research proposals from our five PhD projects. FAR believes that it is important that, amongst other criteria, the proposed projects address topical issues of the audit profession, are feasible in terms of data gathering, and that the projects lead to the highest ranked academic publications. FAR committed to 7 of these proposals.

FAR believes that it is important that, amongst other criteria, the proposed projects address topical issues of the audit profession, are feasible in terms of data gathering, and that the projects lead to the highest ranked academic publications. Unfortunately, we had

to reject three projects for that reason. Three of the proposals received are still under revision as per 31 December 2020 because the research teams were invited to revise and resubmit their proposals based on review comments of the FAR Board.

The research projects committed to in 2020 are (listed by project leaders only):

RESEARCH PROGRAM B – EMPIRICAL RESEARCH PROJECTS

- The Auditor Selection Process: from tender to relationship management – Dr. K. Hardies (University of Antwerp), Ass. Prof. K. Hoang (University of Alabama), Prof. M. van Rinsum (RSM Erasmus University), Dr. M.L. Vandenhoute (Vrije Universiteit Brussel)
- An analysis of the effect of mandatory fees disclosure on subsequent period fees and audit quality – Dr. M.L. Vandenhoute (Vrije Universiteit Brussel), Prof. dr. Diane Breesch (Vrije Universiteit Brussel), Dr. Sanne Janssen (University of Antwerp and Maastricht University)
- Management control in auditing firms and its implications for managing competing objectives – S. Tiggelaar, commitment to his empirical research studies that are part of his PhD project (University of Groningen)
- Learning and performing in audit firms: the role of the organizational context – C. Peters, commitment to his empirical research studies that are part of his PhD project (Tilburg University)
- Virtual audit teamwork: Working, learning, and delivering high audit quality virtually – I. Wiertz, commitment to his empirical research studies that are part of his PhD project (Maastricht University)
- The institutional context in and conditions under which auditors deliver quality – T. Bosman, commitment to his empirical research studies that are part of his PhD project (University of Amsterdam)
- Audit firm culture, audit quality and other organizational outcomes – Prof. dr. J. Francis (Maastricht University / FAR Audit Research Chair), Prof. dr. Murray Barrick (Texas A&M University), Prof. dr. Olof Bik RA (Nyenrode Business Universiteit), Prof. dr. Ann Vanstraelen (Maastricht University), Lena Pieper (PhD student Maastricht University), Paul Masereel (PhD student Maastricht University).

FAR JOINT WORKING GROUPS (RESEARCH PROGRAM C)

‘Joint Working Group Design-Oriented Projects’ (JWG) are geared towards the more complex questions that cannot be answered in one single research project. With the proactive participation of high-level practitioners from the affiliated audit firms, expert academic researchers, and selected stakeholders a JWG will meet at several JWG Research Summits over several years, with intermediate reports to be defined and delivered each summit. We want to be able to do research on these topics so that we can share new knowledge and direct further research at each consecutive summit. Research Program C has previously seen the launch of the following two JWG’s:

- The (future) auditing (partner) business model. This JWG is geared towards research on three (interrelated) focal points: (1) the audit firm business models; (2) audit firm partnership, ownership, and governance models; and (3) the audit profession’s earnings model, audit markets, and competition. Related research is ongoing, while several working papers are nearing completion, amongst which research on audit partner performance management and compensation.
- Root cause analysis methods in auditing: what are effective ways to conduct continuous Root Cause Analyses within audit firms? Several RCA JWG meetings provided a “safe haven” for the Root Cause Analysis Working Group meetings of the nine Dutch “OOB” audit firms as to realize sharing of knowledge, skills, and academic insights. This resulted, amongst others, in a FAR practice note on Root Cause Analysis entitled “**Ten considerations for conducting Root Cause Analysis in auditing**”. Further initiatives will focus on specific RCA areas such as auditors’ going concern judgements and fraud risk analyses.

FAR CASE STUDIES (RESEARCH PROGRAM D)

Research Program D involves case studies, with the aim to provide an as real as possible description of an audit through which the reader can learn about the considerations made in and mechanisms underlying the oftentimes complex judgement and decision-making process. The case studies should result in a scientific paper and a case study that can be used in classes. FAR earlier initiated two pilot case studies that deal with ‘near misses’: how do the parties involved respond to these near misses, and what measures are taken to

prevent possible audit quality issues in the future? A third case study will examine the effect of internal and external audit quality inspection findings on the audit opinion and financial reporting quality. The case studies are ongoing.

FAR AUDIT RESEARCH CHAIR (RESEARCH PROGRAM E)

In 2017, the FAR Audit Research Chair program was defined, and we were proud to be able to announce in October of 2018 that leading American researcher and professor Jere Francis had accepted the Foundation for Auditing Research (FAR) Chair in Auditing Research at Maastricht University's School of Business and Economics for a period of four years. As part of this chair position, Professor Francis will conduct scientific research on the quality of audits. He will also enhance auditing research education in the Netherlands with the help of several PhD students. In 2020 Professor Francis submitted his second project proposal **“Audit firm culture, audit quality and other organizational outcomes”** to the FAR board, which FAR committed to.

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FAR believes that it is important that, amongst other criteria, the proposed projects address topical issues of the audit profession

This new proposal is a logical extension of the first Audit Research Chair project and will use the same research team. The study builds on the first project by examining the potential effect of an audit firm's organizational culture on individual auditor attitudes and behavior, audit team performance and audit quality, and other organizational outcomes such as employee job satisfaction/turnover and operating performance. In the initial FAR project, audit partners/managers and their engagement teams are analyzed “as if” they are autonomous units. While the results of this research will be very informative, we also know that audit teams work within the larger context of an audit firm's organizational structure and context and react to the specific effects of a firm's internal culture. Thus, the goal of the second FAR Chair proposal, is to extend the analysis of partners/managers and their audit teams, by measuring and assessing the effect of organizational culture on their behavior to better understand why these things happen.

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FAR AUDIT RESEARCH PHD PROGRAM (RESEARCH PROGRAM F)

In 2018 FAR also decided to initiate a FAR Audit Research PhD sponsor program (program F) aimed at expanding the base talent pool of future auditing researchers in the Netherlands and strengthening the auditing research community. Through the PhD sponsoring program, FAR grants new PhD positions for the full four-year period and on a 50/50% basis (50% financing by FAR, 50% financing by the university) with a maximum FAR grant of EUR 100,000. The PhD topic should be closely related to FAR's research and knowledge dissemination agenda. The PhD student can be granted access through FAR to audit firm data, similar to other FAR research teams. The actual future research project(s) is (are) subject to FAR Board review and approval. FAR now supports a total 5 PhD projects:

- University of Groningen – Sander Tiggelaar (Supervisor: Prof. dr. P.M.G. van Veen – Dirks)
- Tilburg University – Christian Peters (Supervisor: Prof. dr. B.C.G. Dierynck)
- Free University of Amsterdam – School of Business and Economics – Xiaoxing Li (Supervisor: Prof. dr. A. Gold)
- University of Amsterdam – Amsterdam Business School – Tjibbe Bosman (Supervisor: Prof. dr. J.F.M.G. Bouwens)
- Maastricht University – Iver Wiertz (Supervisor: Prof. dr. A. Vanstraelen)



“As part of this chair position, Professor Francis will conduct scientific research on the quality of audits”

DATA PROVISION BY THE AFFILIATED AUDIT FIRMS

Over the past five years we have been organizing our annual conferences and during the last two conferences we have seen the first results of academic research conducted through FAR. This is the result of the initial years of investment in FAR's data gathering infrastructure in collaboration with the affiliated firms.

DATA COLLABORATION: DIRECT CONTACT BETWEEN AUDIT FIRM AND RESEARCHER

FAR conducts its research projects through a unique collaboration between science and practice in auditing. This is a world-wide unique structure where the Dutch auditing profession and more specifically the ten FAR affiliated audit firms are actively sharing data in collaboration with academic researchers. With these data the researchers unlock academic insights relating to audit quality. This helps to inform the public and academic debate relating to the audit profession and helps to improve audit quality.

Based on our experiences over the past years, we were able to work towards an annual "Data gathering cycle" in which the researchers, the affiliated audit firms, and FAR work in a recurring rhythm of project selection and allocation, setting the data gathering and sampling strategy, up to and including actual data gathering. The latter also includes data gathering during the audit firms' internal educational programs. The data gathering cycle is further substantiated by a "12 steps approach" for data gathering including design, piloting, and validation of data gathered in close collaboration with the research teams. Throughout this process, we have been working with the affiliated audit firms to streamline and systemize their data gathering processes and balancing their data gathering efforts. For example, we focus as much as possible on the firms' existing management information systems for archival data and structurally use existing meeting structures, like the firms' internal training programs, for survey and experimental studies. As well as being mutually stimulating and informative, these efforts strengthened mutual understanding and knowledge exchange on a day-to-day basis. Direct contact with the researchers creates enthusiasm among the audit firms about the relevance of the research question. Firms subsequently invite those researchers to their offices to experience the practical side of data gathering.

RESEARCH DATA PROCESSING SECURITY CONTROLS

In 2019 FAR received the ISAE 3000 "Type II" third party-assurance report, from our auditor BDO, on the design, implementation, and operating effectiveness of our system of internal controls over the research data gathering and processing services that FAR and its data management service provider CentERdata provide. This confirms that FAR affiliated audit firms can share (anonymized / transformed) confidential data with FAR researchers and can rely on the existing FAR-CentERdata processes for the confidentiality of their data. We continue to improve our control environment, to enable academic research with real-life audit data while keeping this data safe. This is a world-wide unique structure where the Dutch auditing profession is actively sharing data in collaboration with academic researchers. With these data the researchers unlock academic insights relating to audit quality.

ROBOTIC PROCESS AUTOMATION FOR THE EXTRACTION OF AUDIT INFORMATION

In 2020 FAR initiated an investment in enhanced public data gathering through automated data gathering techniques that should result in more efficient and reliable public data gathering and in a public data library for general use of FAR research projects. This has led to the development of new tools for automated data gathering, which are advancing the audit practice as well.

Since 2019, FAR has put increasing effort into expanding public data gathering for the audit firms and research teams. Because public data for the complete Dutch audit market is only partially available through regular academic and public databases, FAR has deployed a team of Student Assistants to collect such research data from financial statement reports and other public sources. This is a tedious and complex process which, moreover, is largely done by manual collection.



Several innovative initiatives have been taken to scale up the data collection from public sources by automating the process. FAR attained the ability to extract data from PDF's (the form in which annual reports are oftentimes published) and transform that to machine-readable data (for example through "Optical Character Recognition" techniques). While first pilots successfully resulted in additional and reliable research data, FAR continues to further develop, and optimize these techniques so that data can be extracted efficiently and reliably for research purposes.

These innovations have shown its potential advantage for audit practice as well. For example, while working with one of the firms on data gathering, FAR's new techniques helped to optimize reconciliation procedures in the audit of a large asset management company by automatically extracting the financial statement information from source files, saving considerable time and budget, while improving reliability.

FAR is pleased to announce that the paper addressing these efforts has been accepted by **Current Issues in Auditing**¹. Furthermore, the code is shared publicly through GitHub for both practitioners and researchers that are interested in using this for their projects.

FAR'S INVESTMENTS IN RESEARCH DATA GATHERING

To push the data gathering forward, both FAR and the affiliated firms are investing heavily in further strengthening their research data gathering infrastructure. Given the investment of the audit firms in unlocking unique proprietary data, FAR took up the task of gathering of the publicly available data, like financial statements data since 2019. Related costs for purposes of the current committed research projects amount to EUR 108,000 (2019: EUR 237,000).

In 2020 FAR decided to explore the set-up and structuring of a "data library" (archival data repository) geared towards access of (future) research teams to public and proprietary data that has been gathered for the

current research projects. The first objective thereof is to enhance public data gathering through automated data gathering techniques resulting in a public data library for general use of FAR research projects (see above).

In 2020 this entailed a cost of EUR 125,000. The second objective is to structure gathered proprietary data and provide a "proof of concept" on how best to unlock these data for re-use for future research purposes. In 2020 FAR spent EUR 102,000 on the proprietary data library, which at this stage mainly entails the structuring and management of proprietary data provided by the audit firms. Specific governance is being developed to safeguard the autonomy of current research projects (including "data embargos"), for example the review by the FAR Board of research applications and related requests to the data library. The core-principle, however, is that public and proprietary data that has been collected at the firms or at FAR should also be made available to future researchers as to leverage the data gathering efforts.

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Since 2019, FAR has put increasing effort into expanding public data gathering for the audit firms and research teams.

INTERMEDIATE RESULTS

FAR reached a point that researchers were able to share the interim or preliminary research results on several research projects at FAR's online International Conference in June 2020. Now that we are passing the tippingpoint of the learning curve of gathering research data with the 10 affiliated audit firms, data gathering continues to have our priority in 2021. This will only be possible by means of continued interaction between, and with the clear commitment of both the researchers as well as the audit firms involved.

¹ Bellinga, J., Bosman, T., Hocuk, S., Janssen, W.H.P. & Khzam, A. (2021). Robotic Process Automation for the Extraction of Audit Information: A Use Case. *Current Issues in Auditing*. Preprint of Accepted Manuscript. <https://doi.org/10.2308/CIIA-2020-043>

FAR BOARD AND ORGANISATION

THE FAR BOARD

The FAR Board FAR is established as an autonomous foundation in the Netherlands. The board of FAR consists of an independent chair, four independent academic board members, and five board members representing the affiliated audit firms. In the event of a tie, the chair of the board shall have the casting vote. That is, the independent chair and the independent academic board members jointly hold the majority of board votes; likewise do the independent chair and the board members representing the affiliated audit firms. Our Chairwomen is Prof. dr. Henriëtte Prast. Together with managing directors Prof. dr. Jan Bouwens (University of Amsterdam – Amsterdam Business School) and Prof. dr. Olof Bik RA (Nyenrode Business Universiteit) she forms the executive board of the foundation. The complete board consists of the following persons:

- **Prof. dr. H.M. Prast**, chair of the board
- **Drs. C.H.L.J. Bergmans RA**, board member representing Deloitte (board member since 05-10-2021)
- **Prof. dr. O.P.G. Bik RA**, managing director and academic board member
- **Prof. dr. A. de Bos RA**, board member representing EY (board member since 16-04-2021)
- **Prof. dr. J.F.M.G. Bouwens**, managing director and academic board member
- **Prof. dr. W.F.J. Buijink**, academic board member
- **Prof. dr. W.R. Knechel**, academic board member
- **Drs. L. Albers RA**, board member representing Deloitte (board member until 05-10-2021)
- **Prof. drs. E. Eeftink RA**, board member representing KPMG
- **Drs. P.A.J. Hopstaken RA**, board member representing Mazars, as well as Accon AVM, Baker Tilly, BDO and Grant Thornton
- **N.M. Pul RA**, board member representing EY (board member until 16-04-2021)
- **Drs. M. de Ridder RA**, board member representing PwC, as well as treasurer of the board

BOARD MEETINGS AND OTHER CONSULTATIONS AND GATHERINGS

In 2020 five board meetings were held to discuss and decide on, amongst others, FAR's research agenda and programs. Extensive discussions were held on the development of a research program geared towards audit research themes that require an interactive dialogue and knowledge exchange between practice and science to develop a coherent series of empirical research projects. Furthermore, the board reviewed all the 13 submitted research proposals and decided on the commitments thereof.



This increase reflects the growth of research and knowledge dissemination activities of FAR

Data gathering and its related infrastructure and costs were discussed in depth during several board meetings, particularly the amounts invested in research funding in relation to the costs of FAR's gathering of publicly available research data for current research projects as well as FAR's proprietary data library. This year the FAR board paid specific attention to knowledge dissemination and contributions to the professional development of auditing, and FAR's contribution to the auditing research and education community. The aim has very much been, and will continue for 2021, to make more progress in effectively reaching the audit profession with the increased output of the FAR research projects in a format and language that allows easy access.

Finally, the board explored the appropriation of the additional contribution of €845.000 from PwC to further strengthen research collaborations between the auditing profession and audit researchers. PwC confirmed that the appropriation of the additional grant is at the discretion of the Board of FAR. Amongst other initiatives to be funded through this grant, FAR has established a design oriented joint working group (FAR program C) that will focus on the question of audit innovations and what audits will look like tomorrow. More specifically, this research will focus on how "data science" may affect and aid audit engagements and audit quality.

FINANCIAL RESULTS

FAR's financial income primarily consists of contributions of the affiliated audit firms of € 1.55 million (2019 € 1.55 million) on the basis of committed research projects and approved office costs. In addition, we are grateful to Stichting Accountantsfonds for its annual contribution of € 100,000 (2019 € 100,000).

The research budget available (€ 935,000 based on budget and mid-year forecast) were spent largely on the selected research projects and the data library. The total amount of multi-year grants for these committed research projects is € 928,000 (2019: € 1,017,000), which includes the costs directly relating to the execution of the newly committed research projects, on the PhD program and FAR Audit Research Chair projects committed to in previous years, and further investment of € 108,000 (2019: € 237,000) in FAR's gathering of publicly available research data for research projects. These are recognized as an expense in the statement of income and expenses and as a liability in the balance sheet as unconditional commitments for this amount were made to research teams. This furthermore includes € 227,000 in the data library (see page 27 on data gathering investments) and additional funding of research related costs for existing projects (€ 66,000). An updated management estimate of the research commitment resulted in a revaluation of € 66,000 (increase) (2019: € 39,000 release).

Over the first five-year period of FAR existence, FAR was effectively able to allocate almost 85% of its regular total income (€ 8.2 million) on research and research related activities. FAR invested € 5.9 million (or 72%) of its total regular income in research projects, including the research infrastructure and research data gathering needed and vital to these research projects. Endowments to research teams at universities accounted for € 3.6 million (or 62% of total costs of research projects. Another € 1 million (or 12.5% of total income) has been allocated to research related activities such as FAR's "Calls for Research", FAR conferences, masterclasses, and knowledge dissemination, and general research project support. With just above € 1 million of total general expenses (or 12.5% of total income), FAR has met its own target cost ratio not exceeding 15% of income. The continuity reserve of € 0.26 million reflects the remainder 3% of total income over the first five years of FAR.

In addition, an amount of € 486,000 (2019: € 431,000) is recognized as project-related research costs. On the one hand, this increase reflects the growth of research and knowledge dissemination activities of

FAR, more specifically an increase in personnel costs and in information security control expenses due to the expansion of FAR's support capacity in data gathering. On the other hand, due to the "Covid-19" effect, FAR saved on the costs with regards to FAR's own conferences and masterclasses and related to international auditing research conferences, which almost all continued virtually. The general costs, including board costs and the general working organization, amount to € 214,000 (2019 € 224,000).

The remaining balance of income and expenses for 2020, in the amount of a surplus of € 22,000, is allocated to the continuity reserve.

Funding through invoicing will only take place if there is a liquidity requirement as the research projects progress, or to cover the approved and budgeted office costs. This means that FAR has limited unused financial resources.

As the Dutch Professional Body of Accountants (NBA), where our accounting records initially were kept, changed its external auditor from RSM Netherlands Accountants N.V. (who audited FAR's financial statements since inception) to Flynth Audit B.V. as from 2020, FAR followed that change of auditor. The new auditor has not been able to conclude on FAR management's allocation of estimated internal FAR staff costs to FAR's research commitments and certain expense categories, as can be seen in this year's audit opinion. We have taken good notice of the observations made by the external auditor and have already acted upon their main observation by implementing a time registration system as per 1 July 2021. This will further enhance our internal documentation of actual project activities by FAR staff and will further support the estimated allocation of such costs to future research commitments. While the allocation of internal FAR staff costs to research commitments inherently entails a degree of uncertainty and judgement, FAR's accounting principles have been consistently applied and the financial statements 2020 in our opinion fairly present the activities of FAR and their underlying economic substance. These 2020 financial statements were discussed with the auditor on 19 January 2022.

OUTLOOK FOR 2021

NEXT FIVE-YEAR TERM SECURED

We are pleased to have secured FAR's next five-year term over the period 2021 to 2026 with the largest nine audit firms in the Netherlands: Deloitte, EY, KPMG, PwC, BDO, Mazars, Grant Thornton, Baker Tilly, and Flynth. This means that FAR continues to pursue its objectives and will commit to (multi-year) research projects for another five years, until the end of 2025.

The starting point is therefore that the original objectives of FAR remain central: to conduct high-quality scientific auditing research, to share knowledge with the auditing profession and its stakeholders to inform the profession, academics and society with scientifically based findings, to feed accountancy education, while at the same time sustainably strengthening the (Dutch) auditing research community.

RESEARCH: CALL FOR RESEARCH PROPOSALS 2021

Aimed at enhancing knowledge exchange between academia and practice as well as academically informing practitioners and (public) policy makers in their continuous improvement efforts regarding the auditing profession, FAR issued two Calls for Research this year (2021) to invite multidisciplinary research groups in accounting and auditing to submit a written proposal to the Scientific Committee of FAR:

CALL FOR EMPIRICAL RESEARCH PROJECT PROPOSALS 2021

This is our regular yearly call for research projects, this year focused on three specific topics, while FAR is also open to empirical research proposals on other research questions and topics within the research objectives and focus set-out in this call. FAR supports research projects that adopt an interdisciplinary approach by using multiple research approaches and methods. Support that FAR will provide for empirical research projects may include, but is not limited to, access to (proprietary and publicly available) archival data and practitioners for survey research, experiments, interviews, and field case/event studies of the nine participating Big 4 and Mid-Tier audit firms. FAR empirical research projects generally have a project timeline of one to four years (depending on the scope of the research project) and include a research synthesis at the start and proactive

contributions to FAR's knowledge dissemination strategy such as practice notes, society papers, master classes, and conference presentations.

SPECIAL CALL FOR "THEMATIC RESEARCH PROGRAM" PROPOSALS 2021

With this Call for "Thematic Research Program" Proposals 2021 we invite university auditing research departments and scholars to submit a proposal for a research program geared towards audit research themes that require an interactive dialogue and knowledge exchange between practice and science to develop a coherent series of empirical research projects. A FAR Thematic Research Program should add to achieving FAR's objectives of stimulating in depth, relevant, and coherent audit quality research, increasing knowledge dissemination, and strengthening the auditing research faculty and community in the Netherlands through support of research financing and data access. The themes that FAR would like to develop over a period of time currently are (1) "Audit quality within the corporate reporting and assurance supply chain (eco system)" and (2) "Audit firm Quality Management Systems and audit quality".

THE 2021 INTERNATIONAL FAR CONFERENCE

The Covid-19 pandemic poses an ongoing challenge to FAR, as it does to other organizations. However, thankfully, the work of the colleagues at FAR and the researchers associated with FAR, can continue relatively normally, and the firms are continuing to actively supply data. Unfortunately, we again had to decide to host our 2021 FAR International Conference as an online event, just like we did in 2020. The theme this year is "**Auditing – The Human Factor**".

Throughout the past year we have found our way in digital communication. We have learned to appreciate the value of our social networks and through meetings using digital means. During these interactions we as individuals wield control over these systems and it is clear from the interactions how important the human factor is in making the communication work: the systems work for us, and we are in control of the information. In auditing we increasingly deploy machines to conduct analyses. These machines can produce any information

we want them to produce, but does the information make sense? Auditors are experts in assessing the validity and the reliability of the information these machines produce. Can the machine be trusted on providing appropriate reports? How does the auditor assure that that is the case, and how does the human factor come in play?

DIRECTOR OF OPERATIONS



We are very pleased to announce that Mrs Jeanine Lemstra has joined the Foundation for Auditing Research as per June 1st as its Director of Operations. Five years into its existence, FAR has matured to a full professional organization and reached its initial goals. Recently FAR secured its second five-year term (2021 - 2025) and is now expanding into its second phase. As Director of Operations Jeanine will lead the daily operations of FAR and have the responsibility, jointly with the Executive Board and the FAR team, to give substance to this next phase and ensure high-quality, state-of-the-art operational services in support of the FAR's strategy.

FINANCIAL OUTLOOK

To help us flesh out our research agenda, increase productivity of our research programs, and unlocking of knowledge and contribution to the development of the profession, FAR will also in the coming year rely on the financial contributions committed by the affiliated audit firms and donor(s). The general contributions for the coming year total a maximum of € 1,550,000 million (2020 € 1,650,000). Taking account of the research related costs (budgeted at € 480,000) on the one hand and the general office costs (budgeted at € 260,000) on the other, the maximum research budget for the coming year amounts to approximately € 800,000. In addition, the reserve for restricted use based on the additional grant in 2019 from PwC allows for an additional one-off budget of € 845,000. FAR is grateful to PwC for this additional contribution to further strengthen research collaborations between the auditing profession and audit researchers. PwC confirmed that the appropriation of the additional grant is at the discretion of the Board of FAR. Amongst other initiatives to be funded through this grant, FAR has established a design oriented joint working group (FAR program C) that will focus on the question of audit innovations and what audits will look like tomorrow. More specifically, this research will

focus on how “data science” may affect and aid audit engagements and audit quality. It is considered that data science offers tools and techniques that affect how audit engagements are designed and audit evidence can effectively and efficiently be gathered. The reason is that data science techniques potentially enable audits to be performed more efficiently and/or more effectively – and with that enhance audit quality. In 2021 this joint working group will work out a more developed research agenda with a meaningful practical and academic contribution on such important innovation for and developments in the profession.

When FAR was formed, preference was given to a transitional model based on a coordinating office organization. Although FAR will be further investing in its professional organization in 2021, the aim is still to keep the working organization to a minimum by cooperating as much as possible with the affiliated research groups and the audit firms. Despite FAR's ambitions and growth of activities, we continue to pursue a cost ratio not exceeding approximately 15 percent of the current basis of financial contributions.

Accordingly, there is an abundance of ambitions for the coming period. We are excited about the foundations that have been laid, the knowledge production and dissemination is increasing and FAR has been granted its 2nd term to further build-out its objectives of academically informing the professional development of the auditing profession.

Breukelen, January 27, 2022

On behalf of the executive board of Stichting Foundation for Auditing Research

sgd Prof. dr. O.P.G. Bik RA

Managing director and academic member of the board

sgd Prof. dr. J.F.M.G. Bouwens

Managing director and academic member of the board

sgd Prof. dr. H.M. Prast

Chair of the board



FINANCIAL STATEMENTS

Financial year from 1 January up to and including 31 December 2020

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1. BALANCE SHEET AT THE END OF THE FINANCIAL YEAR

(after appropriation of the balance of income and expenses)

<i>Amounts in TEUR</i>		31-12-2020	31-12-2019
ASSETS	Ref.		
Receivables	1	2,710	2,959
Cash	2	481	478
TOTAL ASSETS		3,191	3,438
LIABILITIES			
Equity	3	1,110	1,088
Long term liabilities			
Research commitments	4	960	1,313
Short term liabilities			
Research commitments	4	914	905
Current liabilities	4	207	132
LIABILITIES		1,121	1,037
TOTAL EQUITY AND LIABILITIES		3,191	3,438

2. STATEMENT OF INCOME AND EXPENSES

<i>Amounts in TEUR</i>		Actuals 2020	Budget 2020	Actuals 2019
	Ref.			
INCOME	5			
Financial contributions 'Big 4'		1,200	1,200	1,200
Financial contributions 'Next 6'		350	350	350
Donation Stichting Accountantsfonds		100	100	100
Additional grant PwC		0		845
TOTAL INCOME		1,650	1,650	2,495
EXPENSES	6			
Research-related costs		486	490	431
Costs of research projects		862	925	1,057
Revaluation of research related costs		66	0	-39
<i>Total project costs</i>	<i>6a</i>	<i>1,414</i>	<i>1,415</i>	<i>1,449</i>
Office costs		104	106	104
Board costs		71	83	83
Other operating costs		39	45	37
<i>Total general costs</i>	<i>6b</i>	<i>214</i>	<i>234</i>	<i>224</i>
TOTAL EXPENSES		1,628	1,649	1,673
OPERATING RESULT		22	1	822

<i>Amounts in TEUR</i>		Actuals 2020	Budget 2020	Actuals 2019
APPROPRIATION OF THE BALANCE OF INCOME AND EXPENSES:				
Addition or usage to continuity reserve		22	-	-23
Addition or usage to reserve for restricted use		0	-	845
		22	0	822

3. ACCOUNTING PRINCIPLES

3.1. OBJECTIVES AND ACTIVITIES

Stichting Foundation for Auditing Research [hereafter: FAR] has its registered office at Straatweg 25 in Breukelen. Its objectives are among other things to:

- bring about continuous improvement in the audit practice (including the applicable or associated laws and regulations);
- feed audit training programs; and
- at the same time reinforce academic auditing research.

To achieve its objectives, FAR initiates (often multi-year) research projects on the basis of a research agenda. These projects are awarded through procedures such as the Calls for Research Proposals, which are open to universities and research teams at both national and international level. By means of these research projects, FAR also aims to stimulate auditing research (in the Netherlands) and to disseminate the knowledge thus obtained via research articles, education and contributions to the professional debate for example, by organising conferences and masterclasses and by publishing professional articles. Furthermore, FAR focuses on unlocking existing scientific insights for audit practitioners.

To this end, FAR obtains financial contributions from the affiliated audit firms and donors, initially for a period of five years up to and including 2020. In addition, affiliated audit firms have undertaken to provide access to data. In 2020 FAR assured its extension for another five-year period up to and including 2025 under the same terms and conditions as the initial period.

3.2. PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

3.2.1. GENERAL

The financial statements have been prepared in accordance with the 'Guideline for Non-Profit Organisations' [DAS 640, Dutch Accounting Standards], as published under the responsibility of the Dutch Accounting Standards Board. The accounting principles proceed from measurement at nominal value unless a different principle is stated. The reporting period comprises the financial year from 1 January up to and including 31 December 2020, the comparative figures relate to the year 2019. The liabilities are presented in long term and short-term liabilities on the face of the balance sheet, in addition to the notes. The financial statements have been prepared in units of thousand euros, small rounding differences may occur. Reference numbers refer to the explanatory notes.

3.2.2. RECEIVABLES

Receivables are valued on initial recognition at the fair value of the counter-performance, including any material transaction costs. After initial recognition, receivables are valued at amortised cost. Bad debt provisions are offset against the book value of the receivables.

3.2.3. CASH

Cash consists of bank balances with a term to maturity of less than 3 months.



3.2.4. LIABILITIES

Current liabilities are accounted for at fair value on initial recognition. After initial recognition, current liabilities are valued at amortised cost. This is usually the nominal value.

The current liabilities have a remaining term to maturity of less than one year.

3.3. PRINCIPLES FOR THE DETERMINATION OF THE RESULT

3.3.1. INCOME

FAR's income consists primarily of contributions committed by the affiliated audit firms. The level of the contribution is determined based on undertaken research projects and approved office costs. These contributions are shown in the statement of income and expenses in the year in which the subsidised expenses or office costs are recognised. Donations and additional grants are recognized in the year that these are committed.

3.3.2. EXPENSES

The total grants for committed research projects, also if they cover multiple years, are recognised as an expense in the statement of income and expenses and as a liability in the balance sheet insofar as unconditional commitments have been made to research teams by the balance sheet date (other than the condition that the research must be conducted in conformity with the research proposal). FAR simultaneously recognises the estimated expected (internal and external) costs (other than the commitments to research teams) directly associated with the execution of the research projects to which those commitments relate.

The general costs are recognised in the period to which they relate. FAR does not employ any staff. For its working organization, FAR entered into a service level agreement with Nyenrode Business Universiteit which includes human resources, housing, ICT, and other activity-based facilities. The related costs are charged to FAR on a not-for-profit basis and are allocated to research related projects costs or general expenses based on activities concerned. Over 2020 an average of 4.1 FTE of staff has been charged to FAR, which expenses are accounted for under the related activities of research related activities, costs of research projects, and general expenses.

FAR is not recognized as an enterprise for VAT purposes and is therefore not liable to pay VAT on the contributions of the affiliated firms, or able to reclaim VAT paid.

4. NOTES TO THE BALANCE SHEET

1. RECEIVABLES

<i>Amounts in TEUR</i>		31-12-2020	31-12-2019
	Ref.		
<i>Accrued income:</i>	(a)		
Still to invoice to 'Big 4' firms		2,045	2,445
Still to invoice to 'Next 6' firms		240	425
		2,285	2,870
<i>Debtors</i>	(b)	395	85
Prepaid expenses		30	4
		2,710	2,959

a. Accrued income

Accrued income relates to the financial contributions still to be invoiced to the affiliated audit firms in respect of the research projects committed in the periode 2016 – 2020 and the additional grant received from PwC in 2019. These contributions are payable by the firms during the term of the projects and in line with their progress (as detailed under 4a). As they relate to the affiliated audit firms, no provision is considered needed.

The non-current part of the accrued income as of year-end amounts to TEUR 1,000 (31-12-2019 TEUR 1,750).

b. Debtors

Debtors include an amount of TEUR 155 of contributions invoiced to and to be received from accon avm audit B.V. as per termination of their affiliation to FAR per 31 December 2020. In 2021 FAR and accon avm audit B.V. have reached an instalment plan, including guarantees, allowing accon avm audit B.V. to pay their remaining balance in 12 monthly payments. The long-term part of debtors per 31 december 2020 therefore amounts to TEUR 65.

2. CASH

<i>Amounts in TEUR</i>		31-12-2020	31-12-2019
Current account at financial institution		481	478
		481	478

The cash is at FAR's free disposal.

3. EQUITY

<i>Amounts in TEUR</i>		Balance on 31-12-2020	Movements 2020	Balance on 31-12-2019
	Ref.			
Continuity reserve	(a)	265	22	243
Reserve for restricted use	(b)	845	-	845
		1,110	22	1,088

a. Continuity reserve

Guiding principle is that no reserves are allowed to be made without a pre-defined purpose. The money received must be managed responsibly.

To ensure that FAR will be able to also meet its obligations in the future, the board has created a continuity reserve in 2016. In light to the increase in operations, the surplus from the results appropriation 2020 (TEUR 21) was added to the continuity reserve.

In determining the level of the continuity reserve, FAR follows the guidelines of the Fundraising Institutions Association (Goede Doelen Nederland). The guidelines permit a maximum reserve of 1.5 times the annual organisational costs (including costs of staff, accommodation, administration, and board). The 2021 budgeted organisational costs are TEUR 261. The continuity reserve now equals 1.02 times the organisational costs and is considered adequate at this moment in time.

b. Reserve for restricted use

In addition, the reserve for restricted use based on the additional grant in 2019 from PwC allows for an additional budget of € 845,000 for 2020 and further.

FAR is grateful to PwC for this additional contribution to further strengthen research collaborations between the auditing profession and audit researchers. PwC confirmed that the appropriation of the additional grant 48 is at the discretion of the Board of FAR. Amongst other initiatives to be funded through this grant, FAR has established a design oriented joint working group (FAR program C) that will focus on the question of audit innovations and what audits will look like tomorrow. More specifically, this research will focus on how “data science” may affect and aid audit engagements and audit quality. It is considered that data science offers tools and techniques that affect how audit engagements are designed and audit evidence can effectively and efficiently be gathered. The reason is that data science techniques potentially enable audits to be performed more efficiently and/or more effectively – and with that enhance audit quality. In 2021 this joint working group will work out a more developed research agenda with a meaningful practical and academic contribution on such important innovation for and developments in the profession.

4. RESEARCH COMMITMENTS AND CURRENT LIABILITIES

a. Research commitments

The research commitments comprise accrued project costs with regards to the financial grants relating to the research projects committed and the expected research and project costs directly associated with these projects. Research commitments have a long-term and short-term part, presented as follows:

<i>Amounts in TEUR</i>		31-12-2020	31-12-2019
Research commitments – long-term		960	1,313
Research commitments – short-term		914	905
		1,874	2,218

Total research commitments can be detailed as follows:

<i>Amounts in TEUR</i>	Balance as of 31-12-2019	Costs of research projects	Usage	Revaluation of research related costs	Balance as of 31-12-2020
Endowments to research teams	1,938	305	-836	1	1,408
Project-specific data management	63	55	-39	5	84
Data gathering and management	56	100	-76	16	96
Public data gathering by FAR	38	108	-70	36	112
Project management and monitoring	54	30	-14	7	77
Project reports and communication	69	37	-10	1	97
Total	2,218	635	-1,045	66	1,874
Thereof committed in 2016	229	0	-212	8	25
Thereof committed in 2017	660	5	-278	20	407
Thereof committed in 2018	610	15	-208	12	429
Thereof committed in 2019	719	0	-276	56	499
Thereof committed in 2020	0	615	-70	-30	515

Expected usage of research commitments

<i>Amounts in TEUR</i>	Balance 2020	Exp. usage 2021	Exp. usage 2022	Exp. usage 2023	Exp. usage 2024
Endowments to research teams	1,408	631	494	239	44
Project-specific data management	84	54	25	5	0
Data gathering and management	96	68	23	5	0
Public data gathering by FAR	112	92	20	0	0
Project management and monitoring	77	41	23	11	2
Project reports and communication	97	28	41	23	4
Total	1,874	914	626	283	51
Thereof committed in 2016	27	24	3	0	0
Thereof committed in 2017	407	172	160	75	0
Thereof committed in 2018	428	224	119	60	25
Thereof committed in 2019	498	244	167	65	22
Thereof committed in 2020	514	250	177	83	4

The non-current part of this liability as of year-end amounts to TEUR 960 (31-12-2019 TEUR 1,313).

Revaluation of projects amounting to TEUR 66 increase (2019 TEUR 39 release) is related to an updated management estimate of the expected research and project costs directly associated with these projects.

b. Current liabilities

Current liabilities as of year-end amounting to TEUR 207 (31-12-2019 TEUR 132) mainly comprise costs payable in relation to the working organization and management fees.

5. NOTES TO THE STATEMENT OF INCOME AND EXPENSES

5. INCOME

The eight founding affiliated audit firms have committed themselves to pay an annual financial contribution up to a maximum of TEUR 1,500 for an initial period of five years from inception. As per December 31, 2020 ten audit firms are affiliated to FAR, being Deloitte, EY, KPMG, PwC, and (collectively) Accon AVM, Baker Tilly, BDO, Grant Thornton, Mazars (all four from 2017), and Flynth (as from 2018). Jointly, FAR's funding primarily consists of a maximum of TEUR 1,550 of funds that are committed by and received from the audit firms based on the committed research projects and approved budget. In this context, the audit firms undertake at the time of the commitment to pay the contributions to cover the approved multi-year research projects for their entire duration, so as to enable research teams to complete the research for which they obtained FAR's approval. The affiliated audit firms are invoiced for committed contributions as the research projects progress that is, at the moment when the project costs have been incurred, taking account of the cash position required to cover the general office costs.

In addition, Stichting Accountantsfonds and FAR entered a donorship agreement effective from 1 January 2016. Under this agreement, Stichting Accountantsfonds makes an annual contribution of € 100,000 for a period of five years up to and including 2020.

6. EXPENSES

6a. Project costs

Amounts in TEUR	2020	2019
<i>Research-related costs:</i>		
Research agenda and selection of proposals	63	62
FAR conferences and master classes	44	50
Attendance of research conferences	2	19
General data management	225	155
General research project assistance	152	145
	486	431
<i>Costs of research projects:</i>		
Endowments to current year new research projects	305	646
Additional endowments to existing research projects	0	17
Project-specific data management	55	29
Data gathering and management	100	83
Public data gathering by FAR	108	237
Project management and monitoring	30	20
Project reports and communication	37	25
	635	1,057
<i>Data library costs*</i>	227	0
<i>Revaluation of research related costs:</i>	66	-39
Total project costs	1,414	1,449

* In 2020 it took FAR an amount of TEUR 227 with regards to FAR's (proprietary and public) data library.

6b. General costs

General costs are specified as follows:

Amounts in TEUR		2020	2019
	Ref.		
<i>Office costs:</i>			
Financial administration		10	7
Executive management support		94	97
		104	104
<i>Board costs:</i>			
	(I)	71	83
<i>Other operating costs:</i>			
Communication		12	5
General operations		20	30
Other		7	2
		39	37
Total general costs		214	224

1. Board costs

The board costs comprise the fees paid to the chair of the board, to the institutions providing the other two members of the executive board (also academic board members) and to the (other) academic board members. In addition, academic board members are reimbursed for expenses incurred, including expenses for travel and stay. Part of the board costs are recognized under direct research-related costs. This can be detailed as follows:

Amounts in TEUR	2020	2019
Total board fees paid (including TEUR 22 non-deductable VAT in 2019, TEUR 21 in 2018)	133	131
Board fees recognized under direct research-related costs	-/- 63	-/- 62
Expenses for travel, stay and board meetings	1	14
Board costs recognized under general costs	71	83

6.1. ANALYSIS OF ACTUAL 2020 FIGURES AGAINST BUDGETED FIGURES

Based on its research objectives and criteria (and considering that access to data is at least equally valuable for academic research) FAR was able to commit TEUR 527 (2019: TEUR 803) research grants and related expenses for seven new empirical research projects this financial year. In addition, FAR committed to the gathering of publicly available research data, predominantly financial statements data, required for most of the research projects currently in progress. This amounted to an investment of TEUR 108 (2019: TEUR 237). Lastly, this year FAR committed no additional endowments in relation to existing research projects (2019: TEUR 17). This totals to TEUR 635 in costs of research projects over 2020 (compared to a budget of TEUR 925).

In addition, FAR invested TEUR 227 in FAR's gathering of publicly available research data for research projects and the data library pilot. An updated management estimate of the research commitment resulted in a revaluation of TEUR 66 (increase) (2019: TEUR 39 release).

An amount of TEUR 486 (budget: TEUR 490) is recognized as project-related research costs. On the one hand, this reflects the growth of research and knowledge dissemination activities of FAR, more specifically an increase in personnel costs and in information security control expenses due to the expansion of FAR's support capacity in data gathering. On the other hand, due to the "Covid-19" effect, FAR saved-out on the costs with regards to FAR's own conferences and masterclasses and related to international auditing research conferences, which almost all importantly continued virtually. The general costs, including board costs and the general working organization, amount to TEUR 214 (compared to TEUR 234 budget).

6.2. EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date.

6.3. PROPOSED RECOGNITION OF BALANCE OF INCOME AND EXPENSES FOR THE FINANCIAL YEAR 2020

The FAR board has approved to allocate the remaining balance of income and expenses for 2020, in the amount of TEUR 22, to the continuity reserve. This has been recognised in the financial statements.

The financial statements were adopted by the FAR board in Breukelen on 27 January 2022:

sgd Prof. dr. H.M. Prast
Chair of the board

sgd Prof. dr. J.F.M.G. Bouwens
*Managing director and
academic board member*

sgd Prof. dr. O.P.G. Bik RA
*Managing director and
academic board member*

sgd Prof. dr. W.R. Knechel
Academic board member

sgd Prof. dr. W.F.J. Buijink
Academic board member

sgd Prof. drs. E. Eeftink RA
Board member representing KPMG

drs. C.H.L.J. Bergmans RA
Board member representing Deloitte

sgd Prof. dr. A. de Bos RA
*Board member representing EY
(board member since 16-04-2021)*

sgd drs. P.A.J. Hopstaken RA
*Board member representing Mazars, BDO,
Baker Tilly, Grant Thornton and Accon avm*

sgd drs. M. de Ridder RA
Board member representing PwC



OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: The Board of Stichting Foundation for Auditing Research

A. Report on the audit of the financial statements 2020 included in the annual report

Qualified opinion

We have audited the financial statements 2020 of Stichting Foundation for Auditing Research based in Amsterdam.

In our opinion, except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying financial statements give a true and fair view of the financial position of Stichting Foundation for Auditing Research as at 31 December 2020 and of its result for 2020 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the statement of income and expenses for 2020; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our qualified opinion

In the total amount of long and short term research commitments an amount of € 258,000 is included for FAR staff costs related to projects which is based on estimates. We have not been able to obtain sufficient and appropriate audit evidence regarding these estimates due to inadequate registration of actual activities of FAR staff. As a result we were unable to audit the assumptions underlying the commitments.

Furthermore, the statement of income and expenses includes actual FAR staff costs for an amount of € 418,000. These costs are allocated to general costs (€ 94,000), research related costs (€ 165,000) and costs of research projects (€159,000). We were unable to obtain sufficient and appropriate audit information regarding the allocation of the € 418,000 staff costs to the different line items, because of inadequate registration of actual activities of FAR staff.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Foundation for Auditing Research in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

B. Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Except for the possible effects of the matters described in the 'Basis for our qualified opinion' section we conclude, based on the following procedures performed, that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board). Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the Foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the Foundation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

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- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, January 27, 2022
Flynth Audit B.V.

Initials for identification purposes:

A.J.B.-.d.H.

 Digitaal ondertekend door Anja Bast - den Hollander

Mw. A.J. Bast - den Hollander RA

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APPENDIX 1:

DETAILED OVERVIEW OF FAR'S RESEARCH PROGRAM A, B AND E

Details of FAR's current projects in Research Programs A (Research Syntheses), B (Empirical Research) and E (Auditing Research Chair) are included in the overview below. Details of FAR's current projects in Research Programs C (Joint Working Groups), D (Case Studies) and F (Audit Research PhD program) are included in FAR's board report.

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>The loss of talent - A threat for audit quality</i></p> <p>PROJECT NUMBER 2016B01</p>	<p>Understanding the drivers of potential talent loss across experience years and its consequences in terms of audit quality – in order for the firms to be better able to retain talent over the years (and thus better capitalize on their investment in learning and development). Focus is on the effectiveness and potential improvements of the firms' Performance Management Systems (being one of the most influential conditions in the work environment under control of the firms), taking the firm's business models into account.</p>	<p>Firms invest many resources in new professionals to build up their human capital to achieve quality audits, only to see many with talent leave (too early) over the years. Talent loss is very costly for audit firms that rely on knowledge workers – especially as the main loss of talent seems to be just after the firms have incurred the major parts of the training costs – hence, not only jeopardizing audit quality but also generating high replacement costs.</p>	<p>Prof. dr. F. Moers <i>Professor of Management Accounting and Control, Maastricht University</i></p> <p>Prof. I. Grabner <i>Professor at Vienna University</i></p> <p>Dr. J. Künneke MSc <i>Assistant Professor, Tilburg University</i></p>	<p>01/17 – 08/20</p>
<p><i>Why some auditors thrive while others struggle - The effects of multiple team membership on audit quality</i></p> <p>PROJECT NUMBER 2016B02</p>	<p>Identify the conditions where under audit firms can most effectively leverage on Multiple Team Memberships (specific to the firms' business model) and team members to most effectively cope with the demands of fluid team membership in securing both high quality audits, a motivated workforce, and appropriate team culture. I.e., increasing the benefits of working with fluid teams, while mitigating the negative effects of MTM to employees.</p>	<p>To learn why in the given business model (i.e., fluid audit teams, MTM) one employee thrives, while another suffers. I.e., identify previously unconsidered factors for firms to learn how to better capitalize on HC within the audit team and firm context (create appropriate organizational conditions). Furthermore, for audit staff to learn how to deal with the potential adverse effect and make use of the potential benefit (e.g., training on the job).</p>	<p>Prof. dr. R.B.H. Hooghiemstra <i>Professor, University of Groningen</i></p> <p>Prof. dr. F.A. Rink <i>Professor, University of Groningen</i></p> <p>Dr. D.B. Veltrop <i>Assistant Professor, University of Groningen</i></p>	<p>01/17 – 12/20</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Moving audit teams forward - Designing firm environments for sustainable learning from errors</i></p> <p>PROJECT NUMBER 2016B03</p>	<p>This study will (provide a diagnostic tool to) investigate the appropriate conditions audit firms may want to consider to strengthen their (audit team's) learning from error climate (i.e., the organizational context wherein audit teams effectively learn from errors) to strengthen the interplay between individual auditors' characteristics and the firm's organizational environment in order to strengthen audit judgment quality.</p>	<p>Above and beyond auditors' experience (and other audit inputs), the research team's recent research shows that audit firms can improve performance significantly when auditors are able to actively learn from errors in audits. Furthermore, given that audits are (sometimes) complex social interactions within an audit team, above and beyond auditors' individual learning, audit quality is ultimately the outcome of teamwork and interaction.</p>	<p>Prof. dr. W.H. Gijsselaers <i>Professor, Maastricht University</i></p> <p>Prof. dr. R.H.G. Meuwissen RA <i>Professor at Maastricht University</i></p> <p>Prof. dr. P. van den Bossche <i>Professor, University of Antwerp; Associate Professor Maastricht University</i></p> <p>Dr. T. Grohnert <i>Assistant Professor, Maastricht University</i></p> <p>Prof. A.C. Edmondson <i>Novartis Professor of Leadership and Management, Harvard Business School</i></p>	<p>01/17 – 12/19</p>
<p><i>The auditor's evaluation of misstatements - Exploration, drivers, and consequences</i></p> <p>PROJECT NUMBER 2016B04</p>	<p>Improve understanding and potential improvement recommendations about the process and the consequences of evaluating misstatements – when and why does the auditor waive or require adjustment? Focus is on the drivers in the process (not on evaluation of the misstatements itself). What is the type, nature, direction, magnitude, and recurrence of detected and adjusted misstatements? To what extent are such adjustments effective in improving actual financial reporting quality (i.e., the value of auditing)?</p>	<p>Auditors detect misstatements during the audit process for which the auditor (through a (social) negotiation process with management), either requires or waives an adjustment. Because this decision will directly influence the financial reporting quality, it is important for firms to know how to positively influence the effectiveness of the negotiation process over audit findings.</p>	<p>Prof. dr. A. Vanstraelen <i>Professor of Accounting, Maastricht University</i></p> <p>Dr. U. Thürheimer <i>Assistant Professor at UNSW, Australia</i></p> <p>Prof. R. Simnett <i>Professor at UNSW, Australia</i></p> <p>Prof. G.V. Krishnan <i>Professor of accounting, American University</i></p> <p>Prof. T.L. Yohn <i>Professor, Indiana University</i></p>	<p>01/17 – 12-20</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Professional skepticism profiles, effects on audit processes and outcomes, and the moderating role of audit firm culture</i></p> <p>PROJECT NUMBER 2016B05</p>	<p>This study focuses on a firm’s potential improvement of professional skepticism in the interplay between an auditor’s innate professional skepticism (personality trait), audit firm culture and audit quality by addressing three questions: How skeptical are auditors by nature in different ranks and experience levels? How does this professional skepticism affect the audit process auditors apply and the ultimate audit quality achieved? And how does firm and team culture affect professional skepticism in the audit?</p>	<p>This study will provide insights into what more skeptical auditors by nature do differently during the audit process and whether or not this leads to higher levels of audit quality (nature, timing, and extent of audit procedures) – and, through that, it will enable firms to strengthen firm culture in promoting professional skepticism (and more specifically how to provide the fruitful ground for less skeptical auditors by nature to perform a skeptical audit nevertheless). These insights are also highly relevant in relation to regulators (IFIAR, AFM, PCAOB) and standard setters (IAASB).</p>	<p>Dr. K. Hardies <i>Assistant Professor</i> <i>University of Antwerp</i></p> <p>Prof. A. Vanstraelen <i>Professor of Accounting,</i> <i>Maastricht University</i></p> <p>Prof. K.M. Zehms <i>Professor of Accounting,</i> <i>University of Wisconsin-Madison</i></p> <p>Dr. S. Janssen <i>Assistant Professor,</i> <i>University of Antwerp</i></p>	<p>01/17 – 12/20</p>
<p><i>Coordination and communication challenges in global group audits - Evidence from component audit leaders</i></p> <p>PROJECT NUMBER 2016B06</p>	<p>This study aims to identify barriers and best practices to achieve high audit quality of component audits of global group audits from the component auditor perspective. What is the influence of specific engagement characteristics on the degree of coordination and communication challenges of component auditors? What coordination and communication strategies (are thought to) help mitigate these challenges?</p>	<p>While the group auditor is ultimately responsible for the whole audit of the consolidated financial statements, irrespective of the extent of use of component auditors throughout the global group audit, the group auditor needs to make sure that the component audits are effective and efficient, despite at the same time having to deal with many coordination and communication challenges – which the group auditor (sub sample included in the study) may be able to overcome based on the recommendation of this study.</p>	<p>Prof. dr. A. Gold <i>Professor of Auditing, Vrije</i> <i>Universiteit of Amsterdam</i></p> <p>Dr. D. Hanes Downey <i>Assistant Professor,</i> <i>Villanova University</i></p> <p>Dr. A.J. Trotman <i>Assistant Professor,</i> <i>Northeastern University</i></p>	<p>01/17 – 04/18</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Going concern opinions research synthesis</i></p> <p>PROJECT NUMBER 2017A01</p>	<p>In this study the team aims at writing a literature review on going concern decisions. The study wants to update, extend what we know about going concern audit opinions. It also wants to identify whether new avenues for research can be identified.</p>	<p>What are the main determinants, considerations and hurdles for auditors to move on to a going concern opinion? What are the primary stakeholders' expectations in relation to auditors' detection and reporting of an auditees going concern risks? What are the determinants of auditors' effective going concern judgments (e.g., fear of self-fulfilling prophecy)?</p>	<p>Prof. M.A. Geiger <i>Professor of Auditing and Accounting, University of Richmond</i></p> <p>Prof. dr. A. Gold <i>Professor of Auditing, Vrije Universiteit of Amsterdam</i></p> <p>Prof. dr. P. Wallage <i>Professor of Auditing, University of Amsterdam, and Vrije Universiteit of Amsterdam</i></p>	09/17 – 12/18
<p><i>Does the private owner-managed firm audit market serve a different purpose?</i></p> <p>PROJECT NUMBER 2017B01</p>	<p>This study is designed to examine whether economic forces and regulation (institutions) affect different audits conditional on whether these audits are executed for public interest entities, privately owned business or ownermanaged business. The researchers want to start to ask the question whether regulation should be the same for the different type of firms.</p>	<p>Does the OMB environment call for different audits and auditing standards? What institutional factors (e.g., complexity, size, capital market structure, legal environment, audit risks, etc.) in the OMB environment may call for a specific audit approach and auditing standards for OMB audits?</p>	<p>Prof. dr. J. Suijs <i>Professor of Accounting, Erasmus University Rotterdam</i></p> <p>Dr. M. Gad <i>Assistant Professor, University of Bristol</i></p> <p>Dr. H.J.R. Litjens <i>Assistant Professor, Tilburg University</i></p>	01/18 – 03/19
<p><i>Audit production</i></p> <p>PROJECT NUMBER 2017B02</p>	<p>The authors propose to examine how the production of audits and its quality is affected by the accounting information system design of the client. The idea would be to gauge audit production efficiency and the quality of the client's AIS. They want to examine the magnitude of how the production surplus (price production versus price clients pay) is affected by these AIS designs.</p>	<p>What is the mutual impact of the audit and the auditee's internal controls and financial reporting quality? What is the impact of the quality of the auditee (e.g., internal controls, governance, management accounting, etc.) on audit quality and value?</p>	<p>Prof. J. Gerakos <i>Associate Professor, Dartmouth College</i></p> <p>Prof. C. Syverson <i>Professor of Economics, University of Chicago</i></p> <p>Dr. U. Thürheimer <i>Assistant Professor UNSW, Australia</i></p>	01/18 – 12/21

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Auditor judgment on internal control quality and audit quality</i></p> <p>PROJECT NUMBER 2017B03</p>	<p>This study aims at identifying what client characteristics affect the perception of internal control quality and whether this perception is substantiated by the quality of the internal controls that are present. They want to use archival data to examine their research question.</p>	<p>What is the mutual impact of the audit and the auditee's internal controls and financial reporting quality? What is the impact of the quality of the auditee (e.g., internal controls, governance, management accounting, etc.) on audit quality and value?</p>	<p>Prof. dr. J. Bédard <i>Professor, Université Laval</i></p> <p>Dr. A. Renders <i>Assistant Professor, Maastricht University</i></p> <p>Dr. C. Schelleman <i>Assistant Professor, Maastricht University</i></p> <p>Dr. M. Jans <i>Assistant Professor, Hasselt University</i></p> <p>L. Zou <i>PhD Candidate, Maastricht University</i></p>	<p>01/18 – 12/20</p>
<p><i>Improving audit quality by enhancing auditor's detection of markers of management deception</i></p> <p>PROJECT NUMBER 2017B04</p>	<p>Based on two experiments, this study explores the effectiveness of using a (negative affect) instruction to improve auditor fraud detection and skepticism. Given the importance of auditor interview of management during field work (e.g., the ISA 240 fraud enquiry) and resulting narratives in the audit process, this intervention (i.e., instruction) may help auditors overcome their experientially learned avoidance of false positives.</p>	<p>Auditors' knowledge, skills, and experience of repeatedly interacting with managers gives them the rare ability to detect (client) deception. Although they have a learned ability to detect deception, they need a prompt to use those abilities – because the ability is subconsciously suppressed due to learned disincentives (e.g., over time, auditors experientially learn that there are few rewards and numerous costs to undertake skeptical actions). In other words, auditors can detect deception, but they subconsciously avoid it (the “illusion of objectivity”).</p>	<p>Prof. dr. M.E. Peecher <i>Professor in Accounting, University of Illinois</i></p> <p>Prof. J. Hobson <i>Associate Professor, University of Illinois</i></p> <p>Sebastian Stirnkorb <i>PhD student Erasmus University Rotterdam</i></p>	<p>01/18 – 09/21</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>The effects of expert status on the audit of complex estimates</i></p> <p>PROJECT NUMBER 2017B05</p>	<p>It is proposed that auditors overestimate specialists' competence. The team wants to conduct an experiment to examine whether auditors rely more on the high-status specialists than the situation would warrant.</p>	<p>To study the impact of specialist involvement on audit quality.</p>	<p>Dr. J. Leiby <i>Associate Professor, University of Illinois</i></p> <p>Prof. dr. A. Gold <i>Professor of Auditing, Vrije Universiteit of Amsterdam</i></p> <p>Prof. K. Kadous <i>Professor of Accounting, Emory University</i></p>	<p>01/18 – 12/20</p>
<p><i>How is auditor commercialism related to audit quality and efficiency?</i></p> <p>PROJECT NUMBER 2017B06</p>	<p>This study will (1) examine whether a tradeoff actually exists between auditors' commercial and professional motivations and (2) whether audit firms' quality control mechanisms create conditions in which the two sets of motivations are (or can be) even mutually reinforcing.</p>	<p>Stakeholders to the auditing process have frequently asserted that there is a fundamental conflict between auditors' professional obligations and commercial interests, i.e., auditing as a profession versus auditing as a business – fueling regulatory and standard-setting interventions. The study may very well contribute to the demystification of current perceptions of (partners' and firms') focus on commercialism versus professionalism (or regulatory focus on quality over the firms' business model).</p>	<p>Prof. W.A. Ciconte <i>Professor of Accountancy, University of Illinois</i></p> <p>Prof. M. Willekens <i>Professor, KU Leuven</i></p> <p>Dr. J. Leiby <i>Associate Professor, University of Illinois</i></p>	<p>01/18 – 12-21</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>How Auditors' internal and external interactive relationships impact their judgement and decisions making: experimental evidence on the underlying causes of good and poor audit quality</i></p> <p>PROJECT NUMBER 2018B01</p>	<p>The project explores junior auditors' tendency to imitate senior auditors' auditing practices styles and, additionally, how the firm's promotion pressures may affect audit quality through such mimicking behavior. Second, the research project considers audit team engagements and investigates factors that may either foster or hamper auditors' herd behavior in fraud assessment tasks. Third, the project examines how auditor tenure and shareholder involvement in the selection of auditors influence auditors' decision to report more original information than management discloses in the financial report.</p>	<p>The main goal of this research project is to investigate key elements that affect the quality of auditor judgment and decisionmaking and the resulting quality of audits. This project gives consideration to: (1) the underlying drivers of auditor judgment and decision-making, such as organizational circumstances that may stimulate auditors or, conversely, prevent them from working in the manner expected of them; (2) the underlying causes of good and poor audit quality such as the role of imitation and herding (and related reputation concerns); and (3) the effectiveness of potential interventions that could be implemented to enhance audit quality.</p>	<p>Prof. E. Cardinaels <i>Professor, Tilburg University and KU Leuven</i></p> <p>Prof. K. Stouthuysen <i>Associate Professor, Vlerick Business School</i></p> <p>Dr. E. Reusen <i>Assistant Professor Department of Accounting and Control at RSM</i></p> <p>Viola Darmawan MSc <i>PhD student, KU Leuven</i></p>	<p>11/18 – 10/22</p>
<p><i>Culture controls in audit firms</i></p> <p>PROJECT NUMBER 2018B02</p>	<p>This study investigates the way audit firms in the Netherlands use culture controls, the extent to which these culture controls result in employees internalizing the organizational objective of high audit quality, and the factors that influence this relationship. More traditional employee controls, such as pay-for-performance and subjective performance evaluation, have not resulted in satisfactory high levels of audit quality (Rapport OOBaccountants-organisaties 2017). Audit organizations therefore have been using and emphasizing culture controls in their Management Control Systems.</p>	<p>This research highlights several important themes that can be adapted for education of future and current control system designers and audit managers. This research investigates the importance of culture control. This study provides insights into the unique incentive problem that audit firms face when it comes to motivating their employees. By examining the approach to Culture Controls of different audit firms, the audit firm can also learn from each other's best practices.</p>	<p>Prof. J. Bol <i>Professor at Tulane University, USA</i></p> <p>Prof. dr. M. Peecher <i>Professor in Accounting, University of Illinois</i></p> <p>Dr. K. Haesebrouck <i>Assistant Professor, Maastricht University</i></p> <p>Prof. I. Grabner <i>Professor at Vienna University</i></p>	<p>09/18 – 12/23</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>The drivers and the impact of audit involvement on audit quality</i></p> <p>PROJECT NUMBER 2018B03</p>	<p>The key objectives of the project are to understand, in the Dutch context: (1) the determinants of audit committee involvement with a particular focus on audit committee leadership, social cohesion of the audit committee and its fit in the overall board; (2) the impact of audit committee involvement on audit input factors; (3) the impact of audit committee involvement on audit process factors; (4) the impact of audit committee involvement on audit output factors; and (5) the impact of audit committee involvement on preaudit financial reporting quality.</p>	<p>The insights of the proposed project will not only be relevant for the academic community, but also for audit practice, standard setters and regulators to better understand the role of audit committee leadership, social cohesion of the audit committee and its fit in the overall board, and how it affects the core input, process and output factors relevant to audit quality, as well as the incremental contribution of the external auditor in improving financial reporting quality conditional on the extent of audit committee involvement.</p>	<p>Prof. dr. A. Vanstraelen <i>Professor of Accounting, Maastricht University</i></p> <p>Prof. G. Krishnamoorthy <i>Professor of Accounting at Northeastern University (Boston, USA)</i></p> <p>Dr. R. Deumes <i>Assistant Professor, Maastricht University</i></p> <p>Dr. C. Schelleman <i>Assistant professor, Maastricht University</i></p> <p>Dr. Ulrike Thürheimer <i>Associate Professor at UNSW, Australia</i></p> <p>Dr. Sanne Jansen <i>Associate Professor, University of Antwerp</i></p>	<p>09/18 – 08/21</p>
<p><i>How can audit committee support improve auditor's applications of professional skepticism</i></p> <p>PROJECT NUMBER 2018B04</p>	<p>The study has three main objectives: (1) assess the current state, best practices, and potential innovations that could occur in relation to audit committee support for the audit engagement team and its effects on the application of professional skepticism, (2) determine whether expressing greater audit committee support causes audit seniors to more appropriately apply skepticism, and (3) evaluate whether the application of skepticism can be enhanced if the message of support comes directly from the audit committee chair to the audit senior.</p>	<p>Highly skeptical auditors increase the likelihood that material misstatements are detected, which is important in promoting audit quality, investor confidence, and global financial stability. While skepticism is undoubtedly essential to audit quality, prior research has shown that it may come at a cost, which forms a significant barrier to the appropriate application of skepticism. The study investigates how support of the audit committee may reduce this barrier, enhance the appropriate application of professional skepticism, and hence lead to higher audit quality.</p>	<p>Prof. dr. A. Gold <i>Professor of Auditing, Vrije Universiteit of Amsterdam</i></p> <p>Dr. J. Leiby <i>Associate Professor, Illinois University</i></p> <p>Prof. J. Brazel <i>Professor, North Carolina State University</i></p> <p>Dr. T. Schaefer <i>Assistant professor, University of Missouri-Kansas</i></p>	<p>09/18 – 08/20</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Economic consequences of joint audit</i></p> <p>PROJECT NUMBER 2019A01</p>	<p>This research synthesis will present and discuss: (1) institutional aspects of joint audit: the genesis of their use in France (where it is mandatory) and in other countries, and the current interest in the UK and in The Netherlands; (2) academic arguments and empirical results concerning joint audit, in particular about the impact on market competition (i.e. market structure), audit quality and audit costs, including joint audit effectiveness.</p>	<p>The proposed practice note is relevant to regulators and auditors in The Netherlands in light of the recent debate on whether joint audit could increase the quality of the statutory audit by reducing the oligopoly of the Big 4 audit firms and by having the “two audit firms and auditors keeping each other sharp (the ‘four-eyes’ principle)”.</p>	<p>Prof. dr. A. Schatt <i>Professor, University of Lausanne, Switzerland</i></p> <p>Prof. dr. J. Bédard <i>Professor, Université Laval, Canada</i></p>	<p>07/19 – 10/19</p>
<p><i>What makes audit partners and their engagement teams successful?</i></p> <p>PROJECT NUMBER 2019E01</p>	<p>The objective is to understand the primary factors that make audit partners, management, and their engagement teams successful in terms of the quality of their teamwork and engagement outcomes. A major goal of this research project is to answer the fundamental question: what is it about audit partners and managers that matters? For this, the project will focus on audit partner and manager personality and leadership styles, their dyadic fit, and team dynamics and climate – all in regard to audit quality.</p>	<p>In terms of audit practice, the contribution of this study is to provide a scientific basis for organizing and managing audit teams to further enhance audit team performance and quality. This analysis should help you to develop more targeted responses to managing audit team leadership composition, achieving better and consistent audit outcomes, and improving the internal dynamics of audit teams (how teams work).</p>	<p>Prof. dr. Jere Francis <i>Professor, Maastricht University</i></p> <p>Prof. dr. Murray Barrick <i>Professor, Texas A&M University, USA</i></p> <p>Prof. dr. Olof Bik RA <i>Professor, Nyenrode Business Universiteit</i></p> <p>Prof. dr. Ann Vanstraelen <i>Professor of Accounting, Maastricht University</i></p> <p>L. Pieper <i>PhD student, Maastricht University</i></p>	<p>03/19 – 12/20</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Internal control quality and audit quality</i></p> <p>PROJECT NUMBER 2019B01</p>	<p>The study is aimed at investigating two interrelated themes: (1) Understanding the relevance of internal control quality for audit quality, and (2) identifying an information channel that (may) allow auditors to more accurately and efficiently assess internal control quality.</p>	<p>High profile frauds throughout the last years exposed failures of internal controls over financial reporting (GAO 2002) and underline the importance of audit quality as an independent assurance of the credibility of accounting information (DeFond and Zhang 2014). While there is already a broad literature on auditor's independence as a driver of audit quality, we know relatively little on auditor's ability to assess fraud risk during the audit process as well as its determinants.</p>	<p>Prof. dr. C. Hofmann <i>Chair for Accounting and Control at the University of Munich</i></p> <p>Dr. J. van Raak <i>Assistant Professor, University of Amsterdam</i></p> <p>Dr. N. Schwaiger <i>Assistant Professor, University of Munich</i></p> <p>Sebastian Kuhn <i>PhD student, University of Munich</i></p>	<p>09/19 – 07/22</p>
<p><i>Engaging Auditors' Innovation Mindset to Improve Fraud Detection with Data Analytics</i></p> <p>PROJECT NUMBER 019B02</p>	<p>The study examines whether the use of an (inflexible) work program and encouraging auditors to identify value-added insights during the audit impairs their judgments, thereby inadvertently decreasing audit quality. Additionally, the team draw from psychology theory on flexibility and investigate whether adding flexibility to the audit work programs that incorporate data analytics can improve auditors' ability to manage their competing goals so that they can maintain appropriately levels of professional skepticism and conduct a high-quality audit.</p>	<p>Audit firms are increasingly employing data analytics during the audit, which allows them to more thoroughly examine large quantities of client data. They are investing significantly in developing audit programs that feature data analytics, particularly in fraud detection. However, research suggests that the inflexibility of traditional audit work programs can inhibit auditors' professional skepticism and development of effective procedures for detecting fraud.</p>	<p>Prof. dr. A. Gold <i>Professor of Auditing at Vrije Universiteit of Amsterdam</i></p> <p>Dr. T. Carpenter <i>Associate Professor, University of Georgia</i></p> <p>Dr. M. Christ <i>Associate Professor, University of Georgia</i></p>	<p>09/19 – 08/21</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>The allocation of lead auditors to clients</i></p> <p>PROJECT NUMBER 2019B03</p>	<p>This study will conduct the first large scale archival research to investigate how audit firms/audit offices allocate lead auditors to their clients, and whether such decisions affect the performance of lead auditors.</p>	<p>An important factor that contributes to audit quality is how audit offices manage the assignments of their individual “lead” auditors, who oversee audit teams and sign the audit reports for their different clients. At present, systematic research about how offices make their allocation decisions in terms of which clients are assigned to which lead auditors is largely absent. The allocation of human capital in audit offices/ audit firms is of great importance because it can potentially influence the effectiveness, efficiency, and quality of audit.</p>	<p>Prof. dr. E. Cardinaels <i>Professor, Tilburg University and KU Leuven</i></p> <p>Dr. A. Sofla <i>Assistant Professor, KU Leuven</i></p>	<p>09/20 – 12/23</p>
<p><i>The Auditor Selection Process: From Tender to Relationship Management</i></p> <p>PROJECT NUMBER 2020B01</p>	<p>The proposed project aims to investigate a sample of companies that will give insight to the entire process through which client companies have to go following the introduction of mandated audit firm rotation.</p>	<p>The goal of the current project is to identify the antecedents and correlates of audit quality that relate to the auditor selection process, in the context of mandated audit firm rotation. We take advantage of the unique institutional setting provided by the Dutch experience, where mandatory audit firm rotation has been implemented as a potential solution to the possibility that long auditor tenure may lead to a deterioration of auditor independence and audit quality.</p>	<p>Dr. K. Hardies <i>Assistant Professor, University of Antwerp</i></p> <p>Prof. K. Hoang <i>Professor, University of Alabama</i></p> <p>Prof. dr. M. van Rinsum <i>Professor at RSM Erasmus University</i></p> <p>Dr. M.L. Vandenhoute <i>Assistant Professor, Vrije University Brussels</i></p>	<p>03/20 – 02/24</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Management control in auditing firms and its implications for managing competing objectives</i></p> <p>PROJECT NUMBER 2020B02</p>	<p>This project studies the interplay among management control mechanisms and the effect of their joint use on how professional and commercial objectives are managed in auditing firms. The proposed research focuses on management control in relation to the conflicting objectives that coexist in these auditing firms.</p>	<p>In almost all companies, an important task for management control is to manage organisational tensions. For example, a dilemma implies that only one option can be chosen thereby excluding the other (such as a make-or-buy decision). Other tensions are more subtle and allow for a continuous balancing of objectives. Studies on the role of management control in this context focus predominantly on commercial companies such as manufacturers or wholesalers. For these companies, both the commercial and the professional output is more or less visible and thoroughly evaluated by different parties.</p>	<p>S. Tiggelaar MSc <i>PhD student, University of Groningen</i></p> <p>Prof. dr. P.M.G. van Veen-Dirks <i>Professor, University of Groningen</i></p> <p>Prof. B. Sweeney <i>Professor, University of Galway</i></p> <p>Dr. Girdhar <i>Assistant Professor, University of Groningen</i></p>	<p>09/19 – 08/23</p>
<p><i>Learning and performing in audit firms: The role of the organizational context</i></p> <p>PROJECT NUMBER 2020B03</p>	<p>The first study investigates how an organizational context in which auditor-artificial intelligence interactions are prevalent affects auditors' cognitive processing and subsequently the degree of professional skepticism exercised by auditors. The second study investigates the organizational context of seeking and giving performance feedback in the audit environment. The third study investigates how the context of audit teams affects learning and performance.</p>	<p>In the past decade, the Dutch auditing profession has been under widespread public and political pressure to improve audit quality and change its culture from one focused on compliance and efficiency to one focused on adaptation and learning. Inspection reports of the Dutch Financial Markets Authority (AFM 2010, 2014) had long shown too many deficiencies in critical aspects of the audit, leading to external pressures to reform.</p>	<p>C. Peters MSc <i>PhD student, Tilburg University</i></p> <p>Prof. dr. B. Dierynck <i>Professor, Tilburg University</i></p> <p>Prof. K. Kadous <i>Professor, Emory University, USA</i></p>	<p>09/19 – 08/23</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Audit firm culture, audit quality and other organizational outcomes</i></p> <p>PROJECT NUMBER 2020B04</p>	<p>The study builds on the first project by examining the potential effect of an audit firm's organizational culture on individual auditor attitudes and behavior, audit team performance and audit quality, and other organizational outcomes such as employee job satisfaction/turnover and operating performance.</p>	<p>Given the critical importance of culture in facilitating high-quality audits, the contribution of this FAR research proposal is to scientifically examine the current state of organizational culture in audit firms, and to demonstrate whether a firm's culture is a key driver of measurable organizational outcomes, including audit quality and individual and team indices of employee attitudes, behaviors, and effectiveness.</p>	<p>Prof. dr. Jere Francis <i>Professor, Maastricht University</i></p> <p>Prof. dr. Murray Barrick <i>Professor, Texas A&M University, USA</i></p> <p>Prof. dr. Olof Bik RA <i>Professor, Nyenrode Business Universiteit</i></p> <p>Prof. dr. Ann Vanstraelen <i>Professor of Accounting, Maastricht University</i></p> <p>L. Pieper <i>PhD student, Maastricht University</i></p> <p>P. Masereel <i>PhD student, Maastricht University</i></p>	<p>03/20 – 2021</p>
<p><i>An analysis of the effect of mandatory fees disclosure on subsequent period fees and audit quality</i></p> <p>PROJECT NUMBER 2020B05</p>	<p>The purpose is to investigate which effect mandatory fee disclosure has on subsequent period audit pricing.</p>	<p>The overall purpose of this proposed project is to obtain a better understanding of the complex consequences of mandatory fee disclosure. We seek to identify the actual consequences in terms of audit pricing and audit quality in the context of mandated fee disclosure. By doing so, we assess whether the regulator's goals of ensuring high-quality audits is achieved.</p>	<p>Dr. M.L. Vandenhoute <i>Assistant Professor, Vrije University Brussels</i></p> <p>Prof. D. Breesch <i>Professor, Vrije University Brussels</i></p> <p>Dr. S. Janssen <i>Assistant Professor, Universiteit Antwerpen</i></p>	<p>01/21 – 12/22</p>

TITLE	WHAT?	WHY?	WHO?	TIMELINE
<p><i>Virtual audit teamwork: Working, learning, and delivering high audit quality virtually</i></p> <p>PROJECT NUMBER 2020B06</p>	<p>The overall aim of this proposal is to assess how virtual engagement teams can deliver highquality audits virtually.</p>	<p>Audit engagement teams operate in complex and challenging environments with deadline and budget pressures and a great responsibility towards society. Considering the challenging environment of an engagement team, audit firms make considerable investments in their employees' technical proficiency and leverage experienced auditors' specific knowledge within teams to provide high-quality audits.</p>	<p>I. Wiertz MSc <i>PhD student, Maastricht University</i></p> <p>Prof. dr. A. Vanstraelen <i>Professor of Accounting, Maastricht University</i></p> <p>Prof. dr. W. Gijssels <i>Professor, Maastricht University</i></p> <p>Prof. dr. R. Meuwissen RA <i>Professor, Maastricht University</i></p> <p>Dr. T. Grohnert <i>Assistant Professor, Maastricht University</i></p>	<p>09/19 – 08/23</p>
<p><i>The institutional context in and conditions under which auditors deliver quality</i></p> <p>PROJECT NUMBER 2020B07</p>	<p>In the first study we investigate the importance of audit firm culture on audit quality in a longitudinal study. In the second study we exploit a quasi-experimental setting to study the potential role of self-selection between auditors (audit firms) and their clients on audit quality (auditors hiring and selection mechanism). In the third and final study we investigate the information value of audit quality indicators (AQI's) that are currently not well developed (despite its potential value) and test which of these AQI's are most informative of audit quality.</p>	<p>The institutional context in and conditions under which auditors perform their work are important determinants of audit quality.</p>	<p>WP T. Bosman RA MSc <i>PhD student, University of Amsterdam</i></p> <p>Prof. dr. J.F.M.G. Bouwens <i>Professor, University of Amsterdam</i></p> <p>Prof. dr. O.P.G. Bik RA <i>Professor, Nyenrode Business Universiteit</i></p>	<p>09/19 – 08/23</p>

APPENDIX 2: OUTPUT LIST OF REALIZED FAR PUBLICATIONS

REALIZED CONTRIBUTIONS AND ACTIVITIES		
FAR's 2 nd Online Conference entitled 'Auditing – The Human Factor'	21 June 2021	https://foundationforauditingresearch.org/en/event/open-for-registration-far-internationalconference-auditing-the-human-factor/
FAR Online Masterclass by prof. dr. Christian Hofmann on 'Internal control quality and audit quality'	18 May 2021	https://foundationforauditingresearch.org/en/event/online-far-masterclass-by-prof-dr-christianhofmann-on-internal-control-quality-and-audit-quality/
FAR Professional paper: Hoe leren goed te leren?	31 May 2021	https://foundationforauditingresearch.org/files/papers/hoe-leren-goed-te-leren.pdf
FAR Literature Review and Practice Note - 'The measurement of audit quality in the Netherlands' by WP Tjibbe Bosman RA MSc	12 April 2021	https://foundationforauditingresearch.org/files/papers/bosman-2021-mab-literature-review.pdf https://foundationforauditingresearch.org/files/papers/lq2-far-practice-note-the-measurement-ofaudit-quality-in-the-netherlands-20210401.pdf
FAR Professional Paper: Fouten of Fraude	1 April 2021	https://foundationforauditingresearch.org/files/papers/fouten-of-fraude.pdf https://foundationforauditingresearch.org/files/papers/error-or-fraud(2).pdf
FAR Online Masterclass by Ann Vanstraelen: 'The drivers and impact of audit committee involvement on audit quality'	5 March 2021	https://foundationforauditingresearch.org/en/event/online-far-masterclass-by-prof-ann-vanstraelenand-prof-ganesh-krishnamoorthy-on-the-drivers-and-impact-of-audit-committee-involvement-onaudit-quality/
FAR Practice Note: 'Can audit committee support improve auditors' application of professional skepticism?' by Prof. dr. Anna Gold, Prof. Joseph Brazel, Dr. Justin Leiby, Tammie Schaefer PhD	3 March 2021	https://foundationforauditingresearch.org/files/papers/far-practice-note-bgls-10-02-21def-2018b04-gold.pdf
FAR Working Paper: 'Network structure and auditor compensation: Evidence from a bipartite network' by James Zhang, Prof. dr. Reggy Hooghiemstra, Prof. dr. Floor Rink & Dr. Dennis Veltrop	24 February 2021	https://foundationforauditingresearch.org/files/papers/working-paper-network-structure-and-auditor-compensation-14-09-2020-hooghiemstra.pdf

REALIZED CONTRIBUTIONS AND ACTIVITIES		
FARview #14 with Sebastian Kuhn on 'Internal control quality and audit quality'	4 March 2021	https://foundationforauditingresearch.org/en/news/farview-14-with-sebastian-kuhn/
FARview #13 with professor Jeroen Suijs on 'Does the private ownermanaged firm audit market serve a different purpose?'	23 February 2021	https://foundationforauditingresearch.org/en/news/farview-13-with-professor-jeroen-suijs-podcast-in-dutch/
FAR Online Masterclass by Jeroen Suijs: 'Does the private ownermanaged firm audit market serve a different purpose?'	22 January 2021	https://foundationforauditingresearch.org/en/event/online-far-masterclass-by-prof-dr-jeroen-suijs-on-does-the-private-owner-managed-firm-audit-market-serve-a-different-purpose/
FARview #12 with Professor Mark Peecher on 'Assessing and addressing fraud risk based on earnings calls'	21 January 2021	https://foundationforauditingresearch.org/en/news/farview-12-with-professor-mark-peecher/
FAR Working Papers: 'Auditors' Professional Skepticism: Traits, Behavioral Intentions, and Actions' and 'Professional Skepticism Traits and Fraud Brainstorming Quality' by dr. Kris Hardies, Prof. dr. Ann Vanstraelen, dr. Sanne Janssen & Prof. Karla Zehms	15 December 2020	https://foundationforauditingresearch.org/files/sanne-janssen-2016b05-2-final.pdf https://foundationforauditingresearch.org/files/sanne-janssen-2016b05-1-final.pdf
FARview #11 with professor Jasmijn Bol on 'The effect of audit culture on audit quality'	11 December 2020	https://foundationforauditingresearch.org/en/news/farview-11-with-professor-jasmijn-bol-podcast-in-dutch/
FAR Online Masterclass by Mark Peecher: 'Assessing and addressing fraud risk based on earnings calls: effects of focusing auditors on fraud vs. on management's dissonance'	4 December 2020	
FARview #10 with dr. Sanne Janssen on 'Professional Skepticism Profiles, Effects on Audit Processes and Outcomes, and the Moderating Role of Audit Firm Culture'	30 October 2020	https://foundationforauditingresearch.org/en/news/farview-10-with-dr-sanne-janssen/

REALIZED CONTRIBUTIONS AND ACTIVITIES		
FAR Conference Editorial: ‘Economic Consequences of Joint Audits’ by Prof. dr. Alain Schatt	19 October 2020	https://foundationforauditingresearch.org/files/papers/schatt-conf-19-10-20.pdf
FAR online Masterclass by Jasmijn Bol: ‘The effect of audit culture on audit quality’	16 October 2020	https://foundationforauditingresearch.org/en/event/online-far-masterclass-by-prof-jasmijn-bol-on-the-effect-of-audit-culture-on-audit-quality/
FARview#9 – Prof. dr. Wim Gijsselaers on ‘Mutual Understanding leads to Powerful Research’	25 September 2020	https://foundationforauditingresearch.org/en/news/farview-9-with-prof-wim-gijsselaers/
Presenting of ESB dossier to the Chamber Committee of Finance (within the House of Representatives) – online event	21 September 2020	https://www.tweedekamer.nl/debat_en_vergadering/commissievergaderingen/details?id=2020A03347
FAR Literature Review and Practice Note: ‘Internal Control Quality and Audit Quality’ by Prof. dr. Christian Hofmann	16 November 2020	https://foundationforauditingresearch.org/files/papers/practice-note-final-2019b01.pdf https://foundationforauditingresearch.org/files/papers/research-synthesis-2019b01-1-hofmann.pdf
FAR Practice Note and Working Paper: ‘Economic Consequences of Joint Audits’ by Prof. dr. Alain Schatt	17 September 2020	https://foundationforauditingresearch.org/files/papers/joint-audit.pdf
FARview #8 – Prof. Marshall Geiger on ‘COVID-19 and the Going Concern Opinion’	28 August 2020	https://foundationforauditingresearch.org/en/news/farview-8-with-prof-marshall-geiger/
Q&A follow up session FAR Conference with Prof. dr. Anna Gold and Dr. Tammie Schaefer on ‘How can audit committee support improve auditor’s applications of professional skepticism’	4 August 2020	https://youtu.be/B031iF_id4M
FARview #7 - Dr. Justin Leiby on ‘Empathy in auditing and the effects of expert status’	24 July 2020	https://foundationforauditingresearch.org/en/news/farview-7-with-dr-justin-leiby/
Q&A follow-up session FAR Conference with Prof. Jean Bédard on ‘The auditees internal controls and financial reporting quality’	14 July 2020	https://youtu.be/xoJr9VBvcdE

REALIZED CONTRIBUTIONS AND ACTIVITIES

Special FAR edition of ESB publication: 'Accountants doorgelicht'	9 July 2020	https://foundationforauditingresearch.org/files/papers/esb-4787s-accountants-doorgelicht.pdf
Q&A follow-up session FAR Conference with Prof. Alain Schatt on 'Economic consequences of joint audit'	8 July 2020	https://youtu.be/avFLqTC2_mw
FAR Working Paper: 'Moving Audit Teams Forward - Designing firm environments for sustainable learning from errors' by Wim Gijsselaers, Roger Meuwissen en Therese Grohnert	8 July 2020	https://foundationforauditingresearch.org/files/papers/gijsselaers-far-project-report-moving-audit-teams-forward.pdf
FARview #6 - Prof. Ganesh Krishnamoorthy on 'Audit committee involvement and audit quality'	3 July 2020	https://foundationforauditingresearch.org/en/news/farview-6-with-prof-ganesh-krishnamoorthy/
FAR's 1 st Online Conference entitled 'Academic and practitioner insights on audit quality'	22 June 2020	https://foundationforauditingresearch.org/en/event/online-far-conference-on-22-june-2020/
FARview #5 – Prof. Bart Dierynck on 'The effect of leadership at the lower levels, from senior to junior for example, should not be neglected'	12 June 2020	https://foundationforauditingresearch.org/en/news/farview-5-met-prof-bart-dierynck/
FAR Online Masterclass by Eddy Cardinaels and Kristof Stouthuysen: 'The impact of auditor interactions on audit quality'	5 June 2020	https://foundationforauditingresearch.org/en/event/online-masterclass-by-prof-dr-eddy-cardinaels-and-kristof-stouthuysen-on-the-impact-of-auditor-interactions-on-audit-quality-on-5-june-2020/
FARview #4 – Prof. dr. Philip Wallage & Prof. dr. Jan Bouwens on 'GCO's, Cash Resources and Corona'	20 May 2020	https://foundationforauditingresearch.org/en/news/farview-4-met-prof-dr-philip-wallage-en-prof-dr-jan-bouwens/
FAR Literature Review & Practice Note - 'Audit Committee Involvement and Audit Quality' by Ann Vanstraelen, Rogier Deumes, Sanne Janssen, Ganesh Krishnamoorthy, Mathijs van Peteghem, Caren Schelleman and Ulrike Thuerheimer.	6 May 2020	https://foundationforauditingresearch.org/files/papers/literature-review-22112019-2018b03-vanstraelen.pdf https://foundationforauditingresearch.org/files/papers/far-project-2018b03-vanstraelen-practicenote-en.pdf

REALIZED CONTRIBUTIONS AND ACTIVITIES

Podcast FARview #3 met Christian Peters	23 April 2020	https://www.youtube.com/watch?v=Hkf3vLlx34w https://www.youtube.com/watch?v=Lgcnb_UpjgY
Podcast FARview #2 met Therese Grohnert	3 April 2020	https://www.youtube.com/watch?v=ZA8GC5kms4I
FAR Working Paper - ‘Does Status Equal Substance?’ The Effects of Specialist Social Status on Auditor Assessments of Complex Estimates by Anna Gold, Justin Leiby and Kathryn Kadous	31 March 2020	https://foundationforauditingresearch.org/files/papers/gkl-feb-20-lehigh(1).pdf
Podcast FARview #1 met Mathijs van Peteghem	13 March 2020	https://www.youtube.com/watch?v=dg_TJDU688o
FAR Literature Review - ‘How can audit committee support improve auditor’s applications of professional scepticism’ by Anna Gold, Justin Leiby, Joseph Brazel, Tammie Schaefer	February 2020	https://foundationforauditingresearch.org/files/papers/far-2018b04-literature-review.pdf
FAR Literature review and Practice note - ‘Audit production’ by Joseph Gerakos, Chad Syverson and Ulrike Thürheimer	January 2019 November 2019	https://foundationforauditingresearch.org/files/papers/literature-review-gerakos-et-al.pdf https://foundationforauditingresearch.org/files/papers/practice-note-gerakos-et-al.pdf
FAR Literature Review and Practice Note - ‘The impact of auditor interactions on audit quality’ by Eddy Cardinaels, Kristof Stouthuysen and Evelien Reusen	November/ December 2019	https://foundationforauditingresearch.org/files/papers/cardinaels-goris-reusen-stouthuysen-literature-review-21-02-20.pdf https://foundationforauditingresearch.org/files/papers/cardinaels-goris-reusen-stouthuysen-practice-note-21-02-20.pdf
FAR Vlog (3) with FAR Researchers Ann Vanstraelen, Kris Hardies and Sanne Janssen	13 December 2019	https://foundationforauditingresearch.org/en/news/far-vlog-3-with-far-researchers-ann-vanstraelen-kris-hardies-and-sanne-janssen/
FAR Podcast #1: Philip Wallage - ‘Going Concern Opinions (GCOs) in Theory & Practice’	12 December 2019	https://foundationforauditingresearch.org/en/news/far-podcast-1-philip-wallage-agoing-concern-opinions-gcos-in-theory-practice/

REALIZED CONTRIBUTIONS AND ACTIVITIES

FAR Masterclass - Going Concern opinions (GCOs) in theory & practice by Marshall Geiger, Anna Gold and Philip Wallage	9 December 2019	https://foundationforauditingresearch.org/en/event/far-masterclass-by-marshall-geiger-anna-gold-and-philip-wallage-going-concern-opinions-gcos-in-theory-practice/
FAR Vlog (2) with Anna Gold: ‘How can audit committee support improve auditor’s applications of professional skepticism?’	13 November 2019	https://foundationforauditingresearch.org/en/news/far-vlog2-with-anna-gold-ahow-can-audit-committee-support-improve-auditoras-applications-of-professional-skepticisma/
FAR Vlog (1) with Researcher Katlijn Haesebrouck: ‘Researching the human factor in accounting’	14 October 2019	https://foundationforauditingresearch.org/en/news/video-interview-with-far-researcher-katlijn-haesebrouck-researching-the-human-factor-in-accounting/
FAR Masterclass on ‘Professional skepticism’ by Kris Hardies	9 October 2019	https://foundationforauditingresearch.org/en/event/far-masterclass-by-kris-hardies-professional-skepticism/
FAR Research Synthesis (final) - ‘A synthesis of research on auditor reporting on Going-Concern uncertainty: An update and extension’ by Marshall Geiger, Anna Gold and Philip Wallage	September 2019	https://foundationforauditingresearch.org/files/papers/a-synthesis-of-research-on-auditor-reporting-on-going-concern-uncertainty.pdf
FAR Practice Note - ‘Auditor reporting for Going-Concern uncertainty: Research findings and implications for practitioners’ by Marshall Geiger, Anna Gold and Philip Wallage	September 2019	https://foundationforauditingresearch.org/files/papers/auditor-reporting-for-going-concern-uncertainty-research-findings-and-implications-for-practitioners.pdf
FERF Podcast with FAR Academic Board Member Robert Knechel	5 September 2019	https://www.financialexecutives.org/FEI-Daily/September-2019/What-s-Driving-Audit-Fees-in-2019.aspx/
FAR Literature Review and Practice Note – ‘The Effect of Audit Culture on Audit Quality’ by Katlijn Haesebrouck, Mark Peecher, Jasmijn Bol and Isabella Grabner	31 August 2019	https://foundationforauditingresearch.org/files/papers/bol-2018b02-far-literature-review-the-effect-of-audit-culture-on-audit-quality.pdf https://foundationforauditingresearch.org/files/papers/2018b02-practice-note-the-effect-of-audit-culture-on-audit-quality.pdf
FAR Literature Review and Practice Note - ‘How is auditor commercialism related to audit quality and efficiency?’ by William Cicone, Justin Leiby and Marleen Willekens	July 2019	https://foundationforauditingresearch.org/files/papers/literature-review-cicone-leiby-willekens.pdf https://foundationforauditingresearch.org/files/papers/far-practice-note-how-is-auditorcommercialism-related-to-audit-quality.pdf

REALIZED CONTRIBUTIONS AND ACTIVITIES

<p>FAR Practice Note – ‘Internal controls’ by Jean Bédard, Nadine Glaudemans, Mieke Jans, Mathijs van Peteghem, Annelies Renders, Caren Schelleman and Lei Zou</p>	<p>July 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/far-project-2017b03-bedard---practicenoteen120419_1557845401_3d871903.pdf</p> <p>https://foundationforauditingresearch.org/files/papers/far-project-2017b03-bedard---practice-notenl120419_1557845430_7586744c.pdf</p>
<p>FAR Literature Review and Practice Note – ‘Do private firm audits serve a different purpose?’ by Mahmoud Gad Robin Litjens Jeroen Suijs</p>	<p>July 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/literature-reviews-gad-litjens-suijs.pdf</p> <p>https://foundationforauditingresearch.org/files/papers/practice-note-gad-litjens-suijs.pdf</p> <p>https://foundationforauditingresearch.org/files/papers/practice-note-gad-litjens-suijs-nl.pdf</p>
<p>FAR’s 4th International Conference entitled ‘Evidence informed policy making for the future of the auditing profession’</p>	<p>3 and 4 June 2019</p>	<p>https://foundationforauditingresearch.org/en/event/4th-international-far-conference/</p> <p>https://foundationforauditingresearch.org/files/congresboekje-2019far-final-1582555192.pdf</p>
<p>FAR Practice Note – ‘Ten considerations for conducting root cause analysis in auditing’ by Olof Bik</p>	<p>20 May 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/ten-considerations-for-conducting-root-cause-analysis-in-auditing_1558354850_1f9f1838.pdf</p>
<p>FAR Masterclass on ‘Judgment Biases’ in Auditing by Anna Gold</p>	<p>29 March 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/anna-gold-workshop-21-06-19.pdf</p>
<p>FAR Literature Review and Practice Note - ‘The Effects of Expert Status on the Audit of Complex Estimates’ by Dr. Justin Leiby, Prof. dr. Anna Gold, and Prof. Kathryn Kadous.</p>	<p>14 February 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/2017b05-far-project-literature-review-08022019_1553765527_2eeb95cc.pdf</p> <p>https://foundationforauditingresearch.org/files/papers/2017b05-far-project-practice-note-08022019english_1553764381_b37b2f0d.pdf</p> <p>https://foundationforauditingresearch.org/files/papers/2017b05-far-project-practice-note-08022019dutch_1553764553_7e088bff.pdf</p>
<p>FAR Masterclass on ‘Why some auditors thrive while others struggle: The effects of multiple team membership on audit quality’ by Prof. dr. Reggy Hooghiemstra and Dr. Dennis Veltrop</p>	<p>6 February 2019</p>	<p>https://foundationforauditingresearch.org/en/event/far-masterclass-by-reggy-hooghiemstra-dennis-veltrop/</p>

REALIZED CONTRIBUTIONS AND ACTIVITIES

<p>Article on Accountant.nl ‘Het risico dat de accountant loopt is Hoog!’ by Prof. dr. Jan Bouwens</p>	<p>January 2019</p>	<p>https://foundationforauditingresearch.org/files/papers/fd-risico-accountant-hoog-jb.pdf</p>
<p>Article on Accountant.nl ‘Laat Hoekstra bewezen maatregelen nemen voor accountants’ by Prof. dr. Jan Bouwens</p>	<p>December 2018</p>	<p>https://foundationforauditingresearch.org/files/papers/accountant-hoekstra-jb.pdf</p>
<p>Het Financieele Dagblad, Hoogleraar Olof Bik: ‘Accountants willen best hun cultuur aanpassen’ by Jeroen Piersma</p>	<p>8 October 2018</p>	<p>https://foundationforauditingresearch.org/files/papers/fd-accountants-cultuur-aanpassen-ob.pdf</p>
<p>Het Financieele Dagblad ‘Laat de Europese Unie geen eigen koers varen bij verslaggevingsregels’ by Prof. dr. Jan Bouwens</p>	<p>September 2018</p>	<p>https://foundationforauditingresearch.org/files/papers/fd-eu-geen-eigen-koers-jb.pdf</p>
<p>Special FAR Issue of the Maandblad voor Accountancy en Bedrijfseconomie (MAB) on ‘Moving the Audit Profession Forward – New Research and Best Practices’</p> <ul style="list-style-type: none"> • ‘Moving the Audit Profession Forward – New Research and Best Practices’ – Bik, Bouwens, Künneke, Wallage & Knoops • ‘Moving the Audit Profession Forward’ – Wallage • ‘Non-replicable?’ – Buijink • ‘The view from practice: Improving audit quality is a joint responsibility’ – Wallage, Bouwens & Bik • ‘Who is responsible for ensuring a high-quality audit that achieves accurate financial reporting?’ – Choudhary • ‘Preliminary research findings of three FAR-studies: what has been found so far?’ – Quadackers & van Zanten • ‘Three new FAR research projects: what’s going to happen?’ – Quadackers & van Zanten • ‘Global trends in audit quality, supervision, and standard setting’ – van Diggelen • ‘Bridging the knowledge gap between academia and practice: how research can help develop the auditing profession (vice versa)’ – Bik & Bouwens 	<p>September 2018</p>	<p>https://foundationforauditingresearch.org/files/papers/mab-927-8-volledig_1553765155_78a8fb9b.pdf</p>

REALIZED CONTRIBUTIONS AND ACTIVITIES

Financial Times - 'Abandoning quarterly reporting would increase the cost of capital' by Prof. dr. Jan Bouwens	August 2018	https://www.ft.com/content/631dba1e-a6de-11e8-926a-7342fe5e173f
FAR's 3 rd International Conference entitled: 'Moving the Audit Profession Forward – New Research and Best Practices'	5 and 6 June 2018	https://foundationforauditingresearch.org/en/event/3rd-international-far-conference/
FAR Masterclass on 'the Loss of Talent' by Frank Moers	16 May 2018	https://foundationforauditingresearch.org/files/papers/masterclass-report-loss-of-talent.pdf
FAR Practice Note 'Hoe de wetenschap de beroepsontwikkeling van accountants effectief kan informeren' on The Salterio Papers: by Prof. dr. Olof Bik RA and Prof. dr. Jan Bouwens	May 2018	https://foundationforauditingresearch.org/files/papers/the-steven-salterio-papers-20180508_1553764641_fc3cb8a6.pdf
Het Financieele Dagblad 'Toets het effect van een wet, en schaf die af als hij niet werkt' by Prof. dr. Jan Bouwens	May 2018	https://foundationforauditingresearch.org/files/papers/fd-toets-effect-wet-jb.pdf
FAR Literature Review - 'What is the relationship between audit quality and non-audit services?' By Prof. dr. Jan Bouwens	May 2018	https://foundationforauditingresearch.org/files/papers/nas-and-audit-literature-review-definitive-1553765568-f6696ea3.pdf
De Accountant – 'We moeten retoriek bestrijden!' interview with Prof. dr. Willem Buijink	March 2018	https://foundationforauditingresearch.org/files/papers/wb-we-moeten-retoriek-bestrijden_1553764823_b41a8fc2.pdf
Financial Times – 'Evidence does not support 'conflict of interest' worries' by Prof. dr. Jan Bouwens	March 2018	https://foundationforauditingresearch.org/files/papers/jb-evidence-does-not-support-aconflict-of-interest-worries_1553764778_3e030b17.pdf
Accountant.nl – 'De positieve spillover van advies op controle' by Prof. dr. Jan Bouwens	January 2018	https://foundationforauditingresearch.org/files/papers/accountant-spillover-van-advies-jb.pdf
FAR Masterclass on 'The identification and negotiation of audit findings' by Prof. dr. Ann Vanstraelen and Ulrike Thürheimer	15 November 2017	https://foundationforauditingresearch.org/files/papers/report-masterclass-15-november-2017.pdf

REALIZED CONTRIBUTIONS AND ACTIVITIES

<p>Special FAR Issue of the Maandblad voor Accountancy en Bedrijfseconomie (MAB) on ‘Controversies in Future Audit Quality: A multi-stakeholder perspective’:</p> <ul style="list-style-type: none"> • ‘Controversies in Future Audit Quality: A multi-stakeholder perspective’ – Bik, Bouwens, Wijnmalen, Wallage & Knoops • ‘In the Public Interest’ – Wallage • ‘The future of audit quality - A multistakeholder perspective’ – Bik • ‘Can research improve audit practice?’ – Bouwens • ‘Panel discussion: A true and fair value of the audit sector’ – Bik & Wijnmalen • ‘FAR Research Project: The loss of talent: A threat for audit quality?’ – Grabner, Künneke & Moers • ‘FAR Research Project: Professional skepticism: A trending concept in need of understanding’ – Hardies & Janssen • ‘FAR Research Project: The effects of multiple team memberships on individual auditors’ performance’ – Hooghiemstra, Rink & Veltrop • ‘FAR Research Project: What do we know about group audits?’ – Hanes Downey & Gold 	<p>October 2017</p>	<p>https://foundationforauditingresearch.org/files/papers/mab-september-oktober-far-2017_1553765242_466e3406.pdf</p>
<p>FAR consultation response to the NBA Green Paper on Audit Quality</p>	<p>29 September 2017</p>	<p>https://foundationforauditingresearch.org/files/papers/audit-quality-greenpaper-reactie-far-20170929_1553764877_3394fd02.pdf</p>
<p>De Accountant – ‘Auditkwaliteit: publiek belang moet voorop staan’ editorial article by Geert Dekker, interviewing Prof. dr. Olof Bik RA (and others)</p>	<p>21 September 2017</p>	<p>https://www.accountant.nl/nieuws/2017/9/auditkwaliteit-publiek-belang-moet-voorop-staan/</p>
<p>Het Financieele Dagblad – ‘Accountants openen hun ‘black box’ – Geheime gegevens zijn nu eindelijk toegankelijk voor onderzoekers FAR’ interview with Prof. dr. Jan Bouwens and Prof. dr. Olof Bik RA</p>	<p>9 June 2017</p>	<p>https://foundationforauditingresearch.org/files/papers/fd-black-box.pdf</p>

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<p>FAR's 2nd International Conference entitled 'Controversies in Future Audit Quality - A multi-stakeholder perspective'</p>	<p>7 and 8 June 2017</p>	<p>https://foundationforauditingresearch.org/en/news/reflections-on-the-2nd-international-far-conference-2017/</p>
<p>Special FAR Issue of the Maandblad voor Accountancy en Bedrijfseconomie (MAB) on 'What do we know about audit quality?':</p> <ul style="list-style-type: none"> • 'What practitioners and academics want to know about audit quality' – Bouwens • 'If auditors are like Belgian beers, which style would you prefer?' – Bruynseels & van Brenk • A discussion of 'Auditor-client coproduction of the audit and the effect on production efficiency' – Duiverman & Nolder • 'Opportunities to improve the measurement of audit quality: a call for collaboration between the profession and academics' – van Raak & Thürheimer • 'Debate on Public Audit Oversight enforcement: it is all about procedural justice?' – van Buuren & Wong • 'Panel discussion' – Wallage • 'A view from practice' – Bik • 'Puzzle' – Buijink 	<p>September 2016</p>	<p>https://foundationforauditingresearch.org/files/papers/mab-september-2016_1553765304_897ea232.pdf</p>
<p>Het Financieele Dagblad – 'Toezichthouder die altijd slaat kweekt bange accountants' by Robert Knechel</p>	<p>May 2016</p>	<p>https://foundationforauditingresearch.org/files/papers/fd20160519-rk.pdf</p>
<p>FAR's 1st International Conference entitled 'What do we know about audit quality?'</p>	<p>9 and 10 May 2016</p>	<p>https://foundationforauditingresearch.org/files/papers/mab-september-2016_1553765304_897ea232.pdf</p>



FOUNDATION FOR AUDITING RESEARCH

THE FOUNDATION

The Foundation for Auditing Research aims to enhance the knowledge of what makes a good audit today and to continuously improve audit practices. In a swiftly changing context regarding expectations and demands, FAR facilitates rigorous academic research with practical relevance for the auditing field. FAR research is aimed at disseminating new academic knowledge and insights, as well as scientifically informing ongoing debates about the subject of audit quality. FAR pursues these objectives by researching the drivers of audit quality, by collaborating with other research institutes internationally, and by sharing its findings through research conferences and masterclasses.

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