



FOUNDATION FOR AUDITING RESEARCH

ANNUAL REPORT

Financial year from 1 January 2022 up
to and including 31 December 2022

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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ABOUT FAR

We are pleased to hereby present the 2022 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.

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.

To secure our autonomous position, the FAR board members, staff and researchers adhere to the FAR Code, encompassing 3 guiding values:

1. Academic

All FAR academic research must be rigorous, traceable, objective, and transparent. All FAR research projects are therefore commissioned



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

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 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 NINE LARGEST AUDIT FIRMS IN THE NETHERLANDS

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.


With the nine largest audit firms of the Netherlands (Deloitte, KPMG, PwC, EY, Bakertilly, BDO, Grant Thornton, Mazars and Flynth) 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.

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

HIGHLIGHTS FOR 2022

- **May 2022:** On Friday, May 20, FAR hosted a research PhD seminar with Robert Knechel, Willem Buijink, Olof Bik, Jonas Vandennieuwenhuysen, Christian Peters, Tjibbe Bosman, Xiaoxing Li, James Zhang, Cara Zhang, Paul Masereel and Viola Darmawan. It was an inspiring morning, which started with a keynote / Q&A session by Robert Knechel, followed by interesting presentations and discussions by four PhD students, mostly on research design, theory and operationalizations.
- **June 2022:** On June 20-21, 2022, the fifth live conference of the Foundation for Auditing Research (FAR) was held at Nyenrode Business University. The theme of the conference was 'Inside out and outside in'. This theme allowed for a broad array of sessions that took issue with the influence of internal (e.g., audit teams) and external (e.g., regulators) factors on the quality of auditing and assurance and attracted an audience comprised of practitioners, academics, regulators, standard setters, and journalists.
- **September 2022:** On Sept 15, Prof. dr. Jere Francis delivered his inaugural address at Maastricht University. The inauguration was preceded by a FAR symposium themed "Audit Culture and Beyond," held at the Bonnefantenmuseum in Maastricht. Speakers included Lena Pieper (PhD candidate at Maastricht University), Steven Maijoor (board member of De Nederlandsche Bank) and Eddy Cardinaels (professor of Accounting at Tilburg University and KU Leuven).
- On Friday, Sept. 23, FAR organized a research PhD seminar with Jere Francis, Jonas Vandennieuwenhuysen, Lena Pieper, Christian Peters, Tjibbe Bosman, Xiaoxing Li, Cara Zhang, Sander Tiggelaar, Iver Wiertz and Paul Masereel. It was another inspiring day at Maastricht University. Ideas and feedback were exchanged, including opportunities and challenges in working with unique proprietary data, in line with Jere's inaugural lecture on "going small" in audit research. Topics included full population testing vs. sample testing, the importance of collaboration with auditees for audit quality, client-auditor alignment, workload management and information sharing in audit teams.
- **December 2022:** Aimed at enhancing knowledge exchange between academia and practice and academically informing practitioners and (public) policy makers in their continuous improvement efforts regarding the auditing profession, the Foundation for Auditing Research issued two topics in their Call for Research this year (2023), focused on **Audits in the mid-size Segment** and **Audit Innovation**.

A photograph of two men in business attire. The man on the right is speaking and gesturing with his hands. He is wearing a dark suit jacket, a light-colored shirt, and a dark lanyard with a badge. The man on the left is partially visible, facing the first man. The entire image has a blue color overlay. At the bottom, there is a white quote box with a blue background.

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



BOARD REPORT

AN OVERVIEW

This year marks the seventh anniversary of the Foundation for Auditing Research. Since the start we have focused our efforts on initiating and conducting best in class research to better understand drivers of audit quality. We are very pleased to see that significant progress has been made by various FAR research teams, supported with data from affiliated audit firms, which resulted in many noteworthy publications in 2022. We are proud to see how these insights help audit practitioners and other stakeholders in our knowledge dissemination events.

On behalf of the FAR Board, I want to provide you with an update on progress made in 2022. Our first strategic priority is to communicate research outcomes through knowledge dissemination. Our main goal here is to evidence-inform professional and public debate and policy making, which you can read about in section 1 of this annual report. In addition to publications from ongoing research projects, we have published several literature reviews which focus on current issues in auditing, such as team learning in virtual engagement teams and the development of data analytics and auditors' application of professional skepticism.

Our second strategic priority is efficient data gathering and resulting research output. Throughout 2022 the FAR data team has worked hard to transform research data which was affected by the issue we encountered in 2021 in our data retransformation tool. Through the dedicated efforts of the team, we were able to conclude on the retransformation in 2022, while also facilitating data requests for ongoing projects. We did put on hold further investments in our data library, which we expect to pick up again in 2023.

To make sure that the research we initiate is addressing current issues of importance, our third strategic priority is to be relevant. For that reason, we have sent out two specific calls for research towards the end of 2022. The first one focuses on audit innovation and the second one on mid-market segment auditors.

In September, FAR board member Olof Bik moved from Nyenrode Business University to Rijksuniversiteit Groningen where he was appointed Professor of Audit & Assurance in the Department of Accountancy at the Faculty of Economics and Business Administration. Because of his new responsibilities in Groningen, which require his full attention, Olof stepped down from the FAR Board by the end of the year. Olof is one of the founding fathers of FAR and on behalf of the entire board I want to thank him for his invaluable contribution to the success of FAR to date.

In October the board formed a committee to perform a review of our governance as set out in the Articles of Association. The proposed changes relate to management of day-to-day operations and the appointment of academic board members. Formal adoption of these changes is planned for the summer of 2023.

On a final note, I want to thank the research teams for their impressive work and resulting publications, as well as the FAR team who have given their best to coordinate data gathering and organize our knowledge dissemination activities and events. A special word of thanks goes out to the affiliated audit firms and Nyenrode Business University, whose support is fundamental to achieve our ambition of revealing all crucial drivers of audit quality.

On behalf of the board of the Foundation for Auditing Research



Prof. dr. Henriëtte Prast
Chair of the board

KNOWLEDGE DISSEMINATION TO ACADEMICALLY INFORM THE DEVELOPMENT OF THE AUDITING PROFESSION

FAR strongly believes that academics should share and discuss their findings with relevant stakeholders. This helps auditors, audit firms, policy makers, and oversight bodies to make informed decisions on auditing (e.g., policy issues, audit methodology, audit team dynamics, etc.). Sharing and interacting helps practitioners and stakeholders to use academic findings to their advantage. In turn, these interactions can help to develop the research agenda of academics.

In that respect one of FAR's focal points is unlocking existing academic knowledge. FAR pursues this mission through organizing masterclasses, seminars, and an annual conference. Furthermore, FAR's research output is distributed via podcasts, literature reviews, practice notes, working papers and other publications. FAR actively contributes to the professional and public debate on important topics in the profession. All of FAR's activities and publications are announced via the monthly newsletters and LinkedIn.

FAR CONFERENCE 2022: 'INSIDE OUT AND OUTSIDE IN'

On June 20-21, 2022, the fifth live conference of the Foundation for Auditing Research (FAR) was held at Nyenrode Business University. The theme of the conference was 'Inside out and outside in'. This theme allowed for a broad array of sessions that took issue with the influence of internal (e.g., audit teams) and external (e.g., regulators) factors on the quality of auditing and assurance. The conference attracted an audience comprised of practitioners, academics, regulators, standard setters, and journalists. The majority of the more than 100 participants were practicing auditors (45 percent). Given FAR's objective of using academic knowledge to improve audit quality in practice, this is a satisfying figure.

During the conference, ample attention was paid to the ecosystem of the reporting and assurance chain and the role that academic research can play in the ecosystem. The discussions referred to the collaboration between

academia and practice, the desired increase of diversity within audit teams, the increasing complexity of the audit, the role of culture and the increasing appreciation for auditor's professional judgment. As every year, the conference consisted of plenary sessions, so all attendees followed the same program. The number of discussions on the practical applicability of the research findings seemed higher than in previous years, which was probably caused by consciously reducing the focus on methodological and statistical issues.

The kick-off took place by Henriëtte Prast (chair of FAR and (supervisory) board member) and Olof Bik (at the time of the conference: Nyenrode Business University, managing director of FAR and chair of the conference). They sketched a picture of the past, present, and future of FAR. Currently, 9 audit firms are affiliated with FAR and FAR research projects are conducted at 30 universities worldwide. Prast and Bik talked about the 'sowing time' of FAR, overcoming thresholds, data challenges, hurdles taken and the harvest time that has now started. From now on, even more attention will be paid to presenting and sharing research results in an accessible manner and involving stakeholders in discussions about audit quality.

The conference consisted of two keynote speeches, two discussion sessions and five presentations of FAR research. The discussions after the research presentations were led by young professionals from the audit firms involved in FAR.

We have published a pdf-booklet containing summaries of the conference presentations and selected Q&As from the Q&A- sessions after each presentation.

You can find the full report, video's, presentation slides and the visual recordings on the FAR website under **Events/Past Events/FAR Conference 2022.**

A summary in Dutch has also been published on **Accountant.nl**.

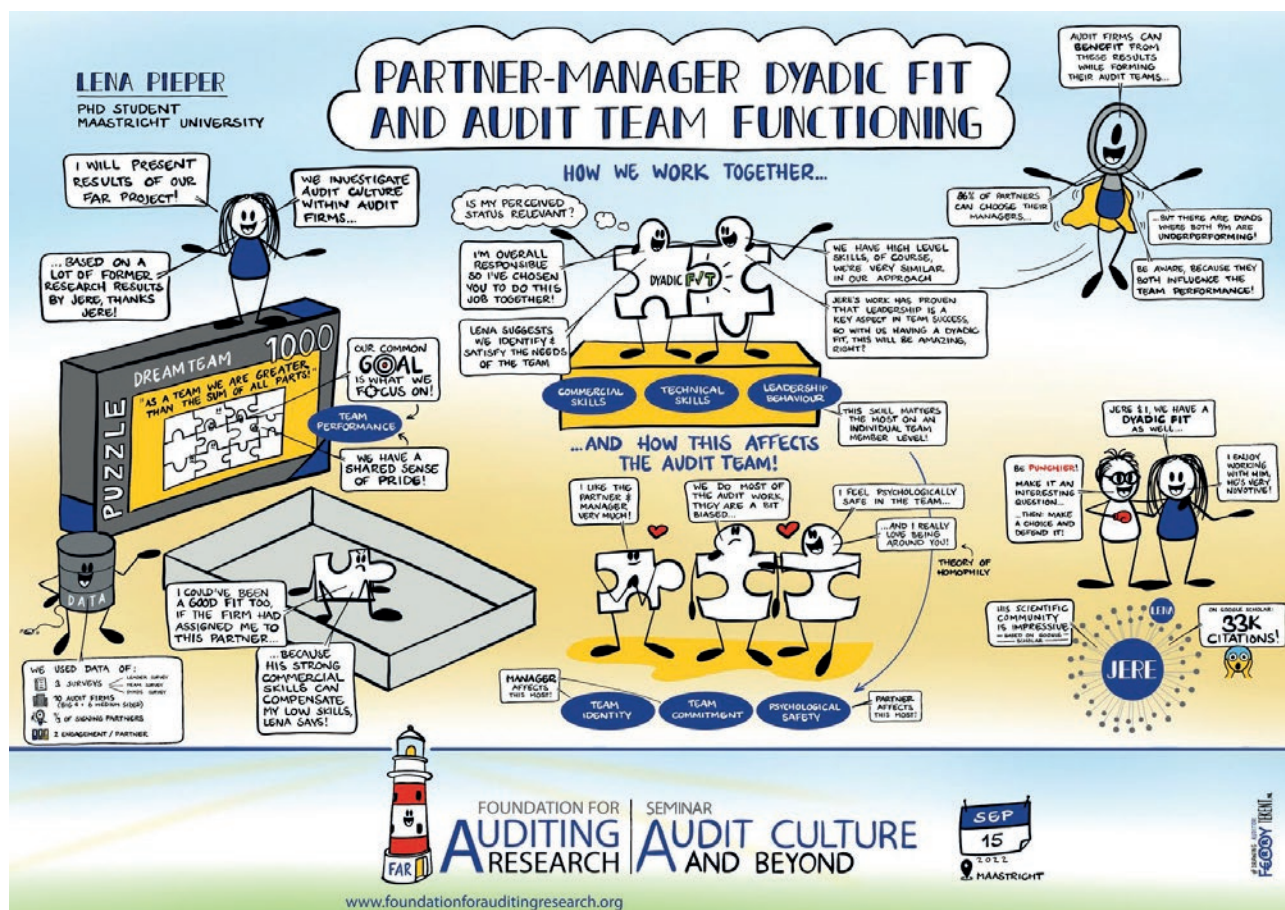
On September 15, 2022, Jere Francis delivered his inaugural lecture, related to his position as the Foundation for Auditing Research (FAR) Chair in Auditing Research at Maastricht University's School of Business and Economics. Professor Jere Francis is ranked among the top ten academics to publish in leading scientific journals in the field of accountancy research. His research has also been of practical significance to auditors and regulatory authorities. In his lecture, Francis outlined how his evolving research gradually convinced him that individual partners and teams within auditing firms determine the quality of auditing. This differs from his former 'economist' position that phenomena should be analyzed at a high level, not at an individual level. A version of the

inaugural address has also been published in The British Accounting Review. The abstract of that article states: *‘The paper describes an evolution from “going big” and asking basic questions about the audit market, institutions, and audit quality, to “going small” with a focus on smaller units of analysis (offices, partners, and engagement teams) as the key to understanding audit quality. I used to believe that audit firm differences, and differences across offices within firms, were the most important audit-related sources of variation in quality, and that differences in people and audit teams were relatively unimportant. ... I now believe the behaviors of partner-led engagement teams are just as important (and maybe more important) than audit firms and offices in understanding audit quality.’*

For the full article on the inaugural address and the FAR seminar, please see the article in Accountant.nl (Jere Francis: **'Niet alleen groot denken!'**)

Francis' inauguration was preceded by the FAR symposium 'Audit Culture and Beyond', held at the Bonnefantenmuseum in Maastricht. Speakers were Lena Pieper (PhD candidate at Maastricht University), Steven Maijor (board member of De Nederlandsche Bank) and Eddy Cardinaels (professor of Accounting at Tilburg University and KU Leuven).

Visual summaries of the seminar were made by Ferry Timp ([de Tekenende Accountant](#)), please visit the FAR website to see [all the summaries](#).



FAR MASTERCLASSES

The aim of the masterclasses is to stimulate knowledge exchange and interaction between science and practice and to share (intermediate) research findings. Holding masterclasses online allows participants from abroad to join in as well, resulting in higher attendance and active discussions.

On March 11, 2022, Jean Bédard (Laval University, Canada) and Alain Schatt (University of Lausanne, Switzerland) presented their online Masterclass ‘Economic Consequences of (Mandatory) Joint Audits’, based on their research on joint audits in France (project 2019A01). During the Masterclass, two research questions were discussed: (1) Does the French joint audit system lead to a lower market concentration and, ultimately, to greater consumer well-being (i.e., price and quality of audit services)?; and (2) why does the French regulator maintain this system which was adopted 55 years ago? From the analyses, it can be concluded that the French regulator has other motivations than increasing consumers’ well-being. The regulators’ position seems to be largely driven by protectionism. So, the survival of joint audits in France is politically motivated. The presenters stress that these results might differ in other institutional contexts (for example, when non-audit services are not banned).

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

FAR LITERATURE REVIEWS

Before the final products of the FAR research projects are published as (academic) papers, practice notes and literature reviews help in disseminating the knowledge accrued by the research teams.¹

If practitioners and stakeholders want to know more about the research project, they should be able to dig deeper into the theoretical background and existing research. The literature review that will be the basis for a FAR research project (and resulting academic publications) provides an excellent opportunity for this. For auditors and stakeholders, it is particularly interesting to know what the research questions are, how the research questions are substantiated, why they are relevant, what we already know about the research area from previous research and how this all leads to this specific FAR research project.

¹ In 2022, no practice notes were published.

In 2022, three literature reviews were published:

- **Team learning behaviors in virtual engagement teams** by Iver Wiertz, Ann Vanstraelen, Roger Meuwissen, Wim Gijssels, and Therese Grohnert (project 2020B06).
- **A systematic literature review on companies’ auditor selection process** by Jonas Vandennieuwenhuysen, Kris Hardies, Marie-Laure Vandenhaute, and Kris Hoang (project 2020B01).
- **Involvement in the development of data analytics and auditors’ application of professional skepticism** by Anna Gold, Joseph Brazel, Justin Leiby, and Xiaoxing Li (project 2021B01).

These literature reviews can be found on our website under: **Research & Publications/Publications**.

FAR WORKING PAPERS

Before findings of FAR research teams are submitted for publication in top auditing journals they are made available as FAR Working Papers.

In 2022 FAR published the following three working papers:

- **How do audit committees support audit engagement teams and encourage professional skepticism? A survey and experimental evidence** by Joseph Brazel, Anna Gold, Justin Leiby, and Tammie J. Schaefer (project 2018B04). This paper has been presented at the following conferences:
 - 2020 Foundation for Auditing Research Conference
 - 2021 Audit & Assurance Conference
 - 2021 European Auditing Research Network (EARNet) Symposium - BEST PAPER AWARD
- **Well-calibrated professional skepticism: its benefits on auditor responsiveness to the risk of material misstatement and its roots in culture controls and auditor values** by Jasmijn Bol, Isabella Grabner, Katlijn Haesebrouck and Mark Peecher (project 2018B02). This paper has been submitted to MAS and Audit section mid-year and was presented at the 2022 FAR Conference.
- **Auditor automation usage and professional skepticism** by Christian Peters (project 2020B03).

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

FARVIEW PODCASTS

The FARview podcasts have become an important ‘popular’ outlet for disseminating the knowledge accumulated within the FAR research projects. The podcasts are available via YouTube and Soundcloud.

In 2022, 7 podcasts went online:

- FARview #20 with Tjibbe Bosman: **Controleverklaring en faillissement**
- FARview #21 with Olof Bik: **Root cause analysis**
- FARview #22 with Frank Moers: **The loss of talent**
- FARview #23 with Sander Tiggelaar: **Management control in auditing firms and its implications for managing competing objectives**
- FARview #24 with Xiaoxing Li: **Audit technologies and auditor judgment**
- FARview #25 with Lena Pieper: **What makes audit partners and their teams successful?**
- FARview #26 with Christian Peters: **Automatisering en professional skepticism**

Links to these recordings can also be found on our website under the heading **Podcasts**.

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.

On October 14, 2022, Jan Bouwens presented at the red-carpet debate at the International Theater Amsterdam. He defended the proposition that we can learn much more from small differences between the opinions of different auditors evaluating the same audit file than from very large mistakes such as those made at Imtech or Carillion. These major accidents happen infrequently, and the mistakes are so obvious that everyone agrees that the audit led to a wrong judgment. Deviations in judgments between auditors based on the same audit file are much more telling. After all, they are much more common, and their discussion may lead to more data collection or an adjustment in the file. All the small learning points from such an analysis together provide much more insight into where, when, and why judgment errors occur than the very large errors do. Bouwens also published these thoughts on [Accountant.nl](#).

Contributions to the professional debate also take place in Dutch media and journals.

- Tjibbe Bosman, Merel van der Kuip and Wim Janssen published the article [Let op: deze controleverklaring valt buiten AFM-toezicht](#) in Maandblad voor Accountancy en Bedrijfseconomie 96(5/6) (2022): 145–151
- Frank Moers was interviewed for the magazine Accountant ([Er is te weinig aandacht voor ontastbare kennis](#)), concerning the FAR research on the role of tacit knowledge.
- Furthermore, several articles were based on the **FAR research study Bankruptcy and Auditor’s Reporting in the Netherlands**:
 - Accountancy Vanmorgen published the article **Handhaaf het sociale contract** by Tjibbe Bosman, Merel van der Kuip and Wim Janssen about the mandatory statutory audit in relation to bankruptcies.
 - A publication on Accountant.nl. **Going concern-verklaring leidt maar zelden tot faillissement** by Ronald Bruins.
 - **NBA Rapport werkgroep Continuïteit** over rol accountant bij bedrijfscontinuïteit
 - A publication in FM Magazine Online, **Opdrogen financiële informatie als voorteken van faillissement**
- In number 4 of the magazine Accountant, FAR directors Henriëtte Prast, Olof Bik and Jan Bouwens were interviewed on past, present, and future of FAR ([Zeven jaar FAR: van zaaien naar oogsten](#)).


These publications can be found on our website under: **Research & Publications/Publications**

YOUNG AUDITING ACADEMIC BROWN BAG SEMINARS AND PHD SEMINARS

FAR regularly organizes young auditing academic brown bag seminars and PhD-seminars. These seminars are aimed at PhD-students. Although the seminars are not knowledge dissemination activities for practitioners, they are important in helping PhD-students to improve their research to contribute to evidence-informed policy development concerning the auditing profession.

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



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

In 2022, four brown bag seminars were organized:

- On March 11, Linde Kerckhofs (Vrije Universiteit Brussel) presented the paper **The role of partner narcissism in a private market setting: consequences for audit reporting decisions and audit pricing**. The paper was discussed by Oliver Hegers (University of Amsterdam).
- On June 10, Christian Friedrich (Technische Universität Darmstadt) presented the paper **Audit firm technology and financial statement audits**. The paper was discussed by Ulrike Thuerheimer (University of Amsterdam).
- On November 18, Christian Peters (Tilburg University) presented the paper **Auditor automation usage and professional skepticism**. The paper was discussed by Renske Evers (Deloitte/Erasmus University Rotterdam).
- On December 16, Sander Tiggelaar (Rijksuniversiteit Groningen) presented the paper **Management control in auditing firms and its implications for managing coexisting objectives**. The paper was discussed by Ioan Gheorghe Ivanescu (University of Amsterdam).

And two PhD-seminars were held:

- On May 20, FAR organized a PhD seminar with Robert Knechel, which was mainly focused on discussing research designs.
- On September 23, FAR hosted a PhD seminar with FAR Research Chair Jere Francis at Maastricht University. Ideas and feedback were exchanged, including opportunities and challenges in working with unique proprietary data, in line with Jere's inaugural lecture on 'going small' in audit research.

Included in Appendix 2 is the overview of research publications produced by FAR over 2022. The overview also contains links to the relevant publications.

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

RESEARCH AGENDA: DRIVERS OF AUDIT QUALITY

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, organizational, 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 organization, 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). FAR applies various criteria to assess the quality, academic rigor, and relevance of the research proposals. We are open to various methodologies and a multidisciplinary approach. The criteria FAR applies include how well the proposal is supported by existing theory, and how well this theory is tested according to the proposals. In addition, it is important that the research team at least comprises 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.

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.

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

FAR's research programs can be summarized as follows:

	A - RESEARCH SYNTHESES	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.
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	FAR Practice Notes, Working Papers, Masterclasses, and conferences. The potential to be published in research synthesis calls of academic top journals.	FAR Practice Notes, Working Papers, Masterclasses, and conferences. The potential for multiple publications in top journals.	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.
FIRM DATA NEEDED	Yes	Yes	Yes
PROJECT TIMELINE	6 to 12 months	At least 4 years (50/50% FAR/University funding).	4 years
OUTPUTS	FAR Practice Notes, Working Papers, Masterclasses, and conferences. The potential for multiple publications in top journals.	FAR Practice Notes, Working Papers, Masterclasses, and conferences. The potential for multiple publications in top journals.	FAR Practice Notes, Working Papers, Masterclasses, and conferences. The potential for multiple publications in top journals.

DEVELOPMENT OF FAR'S RESEARCH PORTFOLIO IN 2022

Based on its research objectives and criteria the FAR was able to commit €97,000 to new research projects in 2022. This amount includes gathering of publicly available research data by FAR, mostly financial statements data, required for most research projects currently in progress.

The total investment in public data gathering amounts to €230,000. The development of our research activities can be summarized as follows – and is further detailed and illustrated per research program in the sections below (no changes in programs A: research syntheses, D: case studies and F: PhD program).

RESEARCH PROGRAM	B							C							E						
Year	2021	2021	2020	2019	2018	2017	2016	2021	2021	2020	2019	2018	2017	2016	2021	2021	2020	2019	2018	2017	2016
Beginning of period	29	25	20	16	12	6	0	2	2	2	2	2	0	0	1	1	1	1	1	0	0
Research proposals submitted to FAR	0	8	13	6	8	11	16	3	0	0	0	0	2	0	0	0	0	0	0	2	0
Research proposals committed to by FAR	2	4	7	4	4	6	6	3	0	0	0	0	2	0	0	0	0	0	1	0	0
Intermediate results presented	3	3	6	6	3	3	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0
Research projects completed	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of period	29	29	25	20	16	12	6	5	2	2	2	2	2	0	1	1	1	1	1	1	0
Completed projects	4	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

The research projects committed to in 2022 are (listed by project leader only):

RESEARCH PROGRAM B – EMPIRICAL RESEARCH PROJECTS

- Audit Planning Pressure - Dr. Arnt Verriest (KU Leuven), Dr. Ana Mickovic (University of Amsterdam), funded through a contribution from Stichting Accountantsfonds.
- Auditors' Use of Specialists and Group Centric Tendencies under Time Pressure and Inspection Risk - Dr. Christian Pietsch (Rotterdam School of Management, Erasmus University Rotterdam), investment €4.500,00. Proposal from 2021.

Since the start of FAR in 2015 we have been able to commit to a substantial number of projects and have made significant progress in the process of data management and delivery. We are now moving into a phase where output from these projects is finding its way to the world of audit practitioners, supervisory bodies, and other stakeholders. We will step up our knowledge dissemination activities to ensure delivery of many practical insights and applications.

3 projects presented intermediate findings at the FAR conference:

- **What makes audit partners and their engagement teams successful?** - Jere Francis/Lena Pieper
- **Culture controls in audit firms** - Jasmijn Bol
- **The loss of talent - a threat for audit quality?** - Frank Moers

2 research projects that completed with a FAR working paper:

- **Well-Calibrated Professional Skepticism: Its Benefits on Auditor Responsiveness to the Risk of Material Misstatement and Its Roots in Culture Controls and Auditor Values** (Jasmijn Bol, Isabella Grabner, Katlijn Haesebrouck, Mark Peecher)
- **How do Audit Committees Support Audit Engagement Teams and Encourage Professional Skepticism? A Survey and Experimental Evidence** (Joseph Brazel, Anna Gold, Justin Leiby, Tammie Schaefer)

An overview of all FAR research projects can be found on our website: www.foundationforauditingresearch.org.

FAR EMPIRICAL RESEARCH AND RESEARCH SYNTHESSES (PROGRAMS A AND B): NEW RESEARCH PROJECTS IN 2022

In May 2021 the Foundation for Auditing Research issued two Calls for Research, a call for Empirical Research Project Proposals and a call for Thematic Research Proposals. This Thematic Call was a new type of call, which therefore took more time in lead-up and review. For this reason, FAR chose not to issue a new call for proposals in 2022. We did issue a call for proposals in December of 2022 for application in 2023.

FAR's Thematic Research Program is geared towards audit research topics that exceed the scope reflected in FAR's regular individual research projects, but that require an interactive dialogue and knowledge exchange between practice and science to develop a coherent series of (empirical) research projects. FAR would support theme programs that adopt a multidisciplinary research approach. Furthermore, such programs would be geared towards expanding the research pool in the Dutch auditing research community.

In September 2021, FAR received one Thematic Research proposal. In December 2021 we completed our 1st round of review, discussion, and decision to present the proposal in the FAR Board. After review and discussion,

the FAR board has asked the team to revise and resubmit their original proposal, which is still ongoing.

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. 2022 saw the launch of two new JWG's, which were both part of the Call for Projects 2023:

- **Audits in the mid-size segment.** This joint working group of academics and practitioners seeks to investigate: (1) Audit and Assurance Services for Owner-Managed Businesses, (2) Audits of Less Complex (and / or Smaller) Entities, (3) Learning Climate in Mid-size Audit Firms, (4) Tier-based Market Response on Audit Regulation.
- **Audit Innovation.** This joint working group of academics and practitioners, which is funded by the additional contribution of PwC, seeks to investigate how new data sources and new modes analyses affect the (future) of audit and audit quality. The projects on audit innovation extend to four dimensions: (1) Data and Reliability; (2) Nature of audit services; (3) Organizational impact of data-driven audits and (4) Risk assessments.

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 conducts scientific research on the quality of audits. His work also enhances auditing research education in the Netherlands with the help of several PhD students. Professor Francis is currently working on two active FAR projects, supporting two PhD students, **“What makes audit partners and their engagement teams successful?”** and **“Audit Firm Culture, Audit Quality and Other Organizational Outcomes”**. The team was able to present preliminary findings from their 2019 project at the 2022 FAR Conference and we foresee the publication of several working papers over the next 12 months.

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. FAR now supports a total 5 PhD projects of which we are expecting to see output from in 2023:

- 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)



DATA PROVISION BY THE AFFILIATED AUDIT FIRMS

DATA COLLABORATION: FROM AUDIT FIRMS TO RESEARCH TEAMS

FAR conducts its research projects through a unique collaboration between science and practice in auditing. For each research project a detailed data request is prepared by the research team. This request is discussed with data liaisons from affiliated audit firms to align on feasibility and timing of data delivery. With this data, researchers unlock academic insights in relation to audit quality. These outcomes help to inform the public and academic debate relating to the audit profession and help to improve audit quality.

FAR works with an annual “Data gathering cycle” in which researchers, affiliated audit firms and FAR work in a recurring rhythm of project selection and allocation, setting a data gathering and sampling strategy, up to and including actual data gathering. The latter also includes data gathering during audit firms’ internal educational programs. The data gathering cycle is further substantiated by a “12 step approach” for data gathering including design, piloting, and validation of data gathered in close collaboration with research teams. We focus on existing management information systems for archival data within affiliated audit firms. For survey and experimental studies, we use existing meeting structures, like the firms’ internal training programs. Direct contact with researchers creates enthusiasm among affiliated audit firms about the relevance of

research questions. Firms often invite researchers they provide data for to their offices to experience the practical side of data gathering.

RESEARCH DATA PROCESSING SECURITY CONTROLS

Each year an independent audit is performed to assess the design, implementation, and operating effectiveness of FAR’s system of internal controls around data gathering, processing, and reporting. IT general controls are also included in the scope of this audit. For 2022 an ISAE 3000 “Type II” third party-assurance report is available on the FAR website. The outcome of the 2022 audit confirms that FAR affiliated audit firms can share (anonymized and transformed) confidential data with FAR researchers and can rely on the existing FAR-Centerdata processes for the confidentiality of their data.

RESEARCH DATA GATHERING

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 involves a significant amount of manual data collection.



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

FAR uses several data gathering techniques to scale up data collection from public sources by automating the process. This includes the ability to extract data from PDF's (the form in which annual reports are oftentimes published) and transform this to machine-readable data (for example through “Optical Character Recognition” techniques). FAR continues to further develop and optimize these techniques so that data can be extracted for research purposes in an efficient and reliable way.

To push data gathering forward, both FAR and the affiliated firms are investing in further strengthening their research data gathering infrastructure. Given the investment of affiliated audit firms in unlocking unique proprietary data, FAR took up the task of gathering publicly available data, like financial statements data since 2019. In 2022 the investment amounted to EUR 230,000 (2021: EUR 94,000).

PUBLIC DATA LIBRARY

Given the resources that are invested in collecting data for research projects, FAR continues to consider whether it would make sense to create a public data library with data that has been gathered by FAR for research projects. A public data library would allow researchers to re-use existing data in new FAR research projects. During 2022 this process was put on hold as we had to invest a significant part of our available time in retransforming existing data sets for research teams because of an issue with the data transformation tool, which was discovered in the course of 2021. All the underlying data was transformed successfully by the end of 2022.

“

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

FAR BOARD AND ORGANIZATION

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 has the casting vote. This means that the independent chair and independent academic board members jointly hold the majority of board votes; likewise do the independent chair and board members representing the affiliated audit firms.

Our chair is Prof. dr. Henriëtte Prast. Prof. dr. Jan Bouwens (University of Amsterdam – Amsterdam Business School) and, until 31 December 2022, Prof. dr. Olof Bik RA (Nyenrode Business Universiteit and since 1 September 2022 Rijksuniversiteit Groningen) acted as managing directors.

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
- **Prof. dr. O.P.G. Bik RA**, managing director and academic board member (board member until 31-12-2022)
- **Prof. dr. A. de Bos RA**, board member representing EY, as well as treasurer of the board (treasurer since 10-02-2023)
- **Prof. dr. J.F.M.G. Bouwens**, managing director and academic board member
- **Prof. dr. W.F.J. Buijink**, academic board member

- **Drs. M. Hogeboom RA**, board member representing KPMG (board member since 20-05-2022)
- **Drs. R. Jagbandhan RA**, board member representing PwC (board member since 10-02-2023)
- **Prof. dr. W.R. Knechel**, academic board member
- **Prof. drs. E. Eeftink RA**, board member representing KPMG (board member until 20-05-2022)
- **Drs. P.A.J. Hopstaken RA**, board member representing Mazars, as well as Baker Tilly, BDO and Grant Thornton
- **Drs. M. de Ridder RA**, board member representing PwC (board member and treasurer until 10-02-2023)

Prof. dr. Olof Bik RA, Scientific Board Member of the FAR Board and in that capacity also Managing Director of FAR, made the move from Nyenrode Business University to the University of Groningen as of 1 September 2022. There he has been appointed Professor of Audit & Assurance in the Department of Accountancy at the Faculty of Economics and Business Administration.

Olof decided that he could not properly combine his extensive administrative duties at FAR with his new responsibilities in Groningen. At the request of the FAR Board, Olof stayed on until 31 December 2022, to ensure continuity and a good handover to the Director of Operations.

As per 1 September 2022 our Director of Operations Jeanine Lemstra decided to leave FAR to take on another challenge. To maintain continuity, FAR has chosen to hire an ad interim Director of Operations while considering a more permanent solution.



RISK ASSESSMENT

Every year FAR prepares an overview of the main risks that have been identified as critical to achieving its purpose and goals. These are named and classified according to expected impact and likelihood of occurring. Management has put in place mitigating actions for all risks identified below.

RISK CATEGORY	RISK	RISK APPETITE	IMPACT*	LIKELIHOOD
STRATEGIC RISKS	Inability to timely publish meaningful results	Low	High	Medium
	Reputational damage through partner association	Low	High	Medium
OPERATIONAL RISKS	Inability to attract, develop and retain talent	Low	Medium	High
	Data security risk	Low	High	Medium
	Inability to ensure effective allocation of funds to research	Low	Medium	Medium
FINANCIAL RISKS	Inability to secure sufficient funding	Low	High	Medium

**Gross risk impact before applying mitigating control measures*

To manage these risks several measures have been implemented to bring down the remaining risk to an acceptable level. There is a clearly defined 12 step process from start to publication for all research projects. Around this process a control framework has been designed with mitigating controls for all aspects of data gathering, sharing and publication. Each year an independent auditor reviews the design, existence and operational effectiveness of these controls and provides a full (ISAE 3000) report with their findings. A summarized overview of the outcome of this report is published on the FAR website. In every board meeting the board is informed on how research projects are progressing. Once a year the board reviews and approves the overall financial budget and plan for the year ahead which includes a target for both research activities and other expenses.

BOARD MEETINGS AND OTHER CONSULTATIONS AND GATHERINGS

In 2022 five board meetings were held to discuss and decide on, amongst others, FAR's research agenda and programs, specifically on the Thematic Research Proposal. This application is currently still under revision.

The board furthermore discussed the launch of two new Joint Working Groups (JWG's) which were both

part of the Call for Projects 2023: **Audits in the mid-size segment** and **Audit Innovation** (see specified under chapter 2. Research Agenda: Drivers of Audit Quality).

Similar to 2021, 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. In this regard, several board meetings dealt with the 2022 FAR conference and the FAR seminar Audit Culture and Beyond, held in Maastricht on 15 September, to honor the work of Prof. Jere Francis preceding his inaugural address at the University of Maastricht.

From a governance perspective, in 2022 the FAR board amended their Articles of Association, in line with the new WBTR requirements. With the departure of Jeanine Lemstra, FAR's Director of Operations, per 1 September 2022 and the departure of Olof Bik as FAR Managing Director and Academic board member, per 31 December 2022, the FAR board appointed a Governance Committee to assess the current governance set-up and propose potential changes therein. These discussions, which also cover the process for replacement of academic board members, are expected to be finalized in the first half of 2023.

FINANCIAL RESULTS

OVERVIEW OF INCOME AND EXPENSES

FAR's financial income since inception in 2015 has consisted primarily of financial contributions from the affiliated auditing firms of € 1.55 million each year.

The cost structure is divided in three categories:

Costs for research projects	Endowments to research teams, costs for data collection, project monitoring & communication
Research related costs	Costs for general data management, knowledge dissemination and general research project assistance
General expenses	Board costs, executive management support and other general costs

For 2022 the breakdown of costs is as follows:

Amounts in EUR '000	Actuals 2022	Budget 2022	Variance
Costs for research projects	323	896	573
Research related costs	502	556	54
General expenses	389	294	-95
Total expenses	1,214	1,746	532

ANALYSIS OF ACTUAL 2022 FIGURES AGAINST BUDGETED FIGURES

Overall costs for research projects were €573k lower than budget. The main reason is that a substantial thematic research project was subject to a revise and resubmit process. This project is scheduled to be discussed in the FAR board in 2023 and the 2022 budget was added to the reserves for restricted use for use in 2023.

Research related costs were lower than budget by €54k because of lower costs for general data management and general research project assistance.

General expenses were €95k higher than budget due to additional costs for the interim director of operations (€53k) as well as higher consultancy costs for the ISAE3000 audit and amendments to the Articles of Association..

OUTLOOK FOR 2023

RESEARCH: EXPECTED OUTPUT 2023

There are several noteworthy publications forthcoming in 2023. There have been approximately 8 working papers submitted or re-submitted to journals in late 2022 on the topics of going concern, professional skepticism, judgments, culture controls and auditor personalities. We expect around 3 working paper submissions in early 2023 relating to group audits and audit innovations. Furthermore, we are in the process of planning several masterclasses, podcasts, and brown bag seminars.

THE 2023 FAR CONFERENCE

In June we will be hosting the next FAR Conference: **Auditors and their Judgments**. This year's conference seeks to understand the role of judgments in audit processes and in audit opinions.

The first keynote speaker will be *Kathryn Kadous* (Schaefer Chaired Professor of Accounting and the Director and Associate Dean of the Ph.D. Program at Emory University's Goizueta Business School). We also have presentations by FAR researchers *Wim Gijssels* & *Therese Grohnert*, *Justin Leiby*, *Anna Gold* & *Sara Bibler*, *Nina Schwaiger* & *Sebastian Kuhn* and *Kris Hardies*. We will be organizing a panel discussion with PhD students and Young Professionals moderated by *Wendy Groot* and after the success of last year's panel discussion we are also very happy to be welcoming the hosts of *Busy Season Talks* again.

For details of the conference, please visit the FAR website under: **Events/Upcoming Events**

FINANCIAL OUTLOOK

The general contributions from affiliated audit firms and other third parties for the coming year are expected to total a maximum of EUR 1,630,000 million (2022: EUR 1,632,000). In addition to this we expect to use most or all of the reserved balance of EUR 845,000 for research projects that have been submitted for the innovation call for research. Considering research related costs (budgeted for EUR 545,000) on the one hand and general office costs (budgeted for EUR 370,000) on the other, the maximum research budget for the coming year amounts to approximately EUR 825,000.

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 2023, 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, due to which our cost ratio increases above our initial target of 15% of income, we pursue a cost ratio that is stable over the coming years.

Breukelen, 5 June 2023

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

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



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

FINANCIAL STATEMENTS

Financial year from 1 January up to and including 31 December 2022

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1. BALANCE SHEET AT THE END OF THE FINANCIAL YEAR

(after appropriation of the balance of income and expenses)

Amounts in EUR '000		31-12-2022	31-12-2021
ASSETS	Ref.		
Receivables	1	2,757	2,581
Cash	2	328	407
TOTAL ASSETS		3,085	2,988
LIABILITIES			
Equity	3	1,584	1,166
Long term liabilities			
Research commitments	4	379	767
Short term liabilities			
Research commitments	4	807	814
Current liabilities	4	315	241
LIABILITIES		1,501	1,822
TOTAL EQUITY AND LIABILITIES		3,085	2,988

2. STATEMENT OF INCOME AND EXPENSES

Amounts in EUR '000		Actuals 2022	Budget 2022	Actuals 2021
	Ref.			
INCOME	5			
Financial contributions 'Big 4'		1,200	1,200	1,200
Financial contributions 'Next 5'		350	350	350
Research Contributions		82	80	22
TOTAL INCOME		1,632	1,630	1,572
EXPENSES	6			
Research-related costs		502	556	581
Costs of research projects		330	896	733
Revaluation of research related costs		-7	-	-88
<i>Total project costs</i>	<i>6a</i>	<i>825</i>	<i>1,453</i>	<i>1,226</i>
Office costs		207	194	169
Board costs		66	65	69
Other operating costs		116	35	52
<i>Total general costs</i>	<i>6b</i>	<i>389</i>	<i>294</i>	<i>290</i>
TOTAL EXPENSES		1,214	1,747	1,516
OPERATING RESULT		418	-117	56

Amounts in EUR '000		Actuals 2022	Budget 2022	Actuals 2021
APPROPRIATION OF THE BALANCE OF INCOME AND EXPENSES:				
Addition or usage to continuity reserve		-	-82	56
Addition or usage to reserve for restricted use		418	-35	-
		418	-117	56

3. ACCOUNTING PRINCIPLES

3.1. OBJECTIVES AND ACTIVITIES

3.1.1. GENERAL

Stichting Foundation for Auditing Research (hereafter: FAR) has its registered office at Straatweg 25 in Breukelen. Its objectives are to enhance the knowledge of what makes a good audit today and to academically inform audit practices in their continuous improvement efforts.

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.

To fund these activities all affiliated audit firms provide financial contributions, which have been secured for a five-year term between 2021 and 2025. In addition, affiliated audit firms also provide access to data.

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, in line with previous years. 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 2022, the comparative figures relate to the year 2021. 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 amortized 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 amortized 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 subsidized expenses or office costs are recognized. 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 recognized 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 recognizes 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. These include expected personnel costs with regards to project specific data management, project monitoring, and communication, based on an estimate of time needed for these activities.

General costs are recognized in the period to which they relate. 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. Related costs are charged to FAR on a not-for-profit basis but include a risk premium as well as coverage for employer costs like social charges. These costs (including VAT) are allocated to research related projects costs or general expenses based on activities concerned as registered through time registration (as from July 2021). In 2022 an average of 3.8 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

Amounts in EUR '000		31-12-2022	31-12-2021
	Ref.		
Accrued income:	(a)		
Still to invoice to 'Big 4' firms		2,345	2,145
Still to invoice to 'Next 5' firms		340	278
		2,685	2,423
Debtors	(b)	-	54
Prepaid expenses		12	21
Other receivables		60	83
		2,757	2,581

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 period 2016 – 2022 and the additional grant 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). No provision is considered needed.

The non-current part of the accrued income as of year-end amounts to EUR 260,000 (31-12-2021 EUR 845,000).

2. CASH

Amounts in EUR '000		31-12-2022	31-12-2021
Current account at financial institution		328	407
		328	407

The cash is at FAR's free disposal.

3. EQUITY

Amounts in EUR '000		Balance on 31-12-2021	Movements 2022	Balance on 31-12-2022
	Ref.			
Continuity reserve	(a)	321	-	321
Reserve for restricted use	(b)	845	418	1,263
		1,166	418	1,584

a. Continuity reserve

The guiding principle is that only reserves with a pre-defined purpose are allowed. To ensure that FAR will be able to meet its future obligations from existing commitments, the board has created a continuity reserve in 2016. In determining the continuity reserve amount FAR follows the guidelines of Fundraising Institutions Association (Goede Doelen Nederland). These guidelines allow for a maximum reserve of 1.5 times annual organizational costs (including costs of staff, accommodation, administration, and board). As per 31 December 2022 the continuity reserve remained unchanged at EUR 321,000, which equals 0.96 times the budgeted organizational costs for 2023 (EUR 334,000).

b. Reserve for restricted use

The reserve for restricted use was initially formed from an additional grant of EUR 845,000 by PwC in 2019. The main initiative to be funded through this grant is additional research on audit innovation for which a call for research was sent out in December 2022. This research is focused on how “data science” may affect and aid audit engagements and audit quality. Researchers will investigate the tools and techniques that data science offers and how these affect the way audit engagements are designed and how audit evidence can be gathered effectively and efficiently. The board will consider incoming proposals in 2023.

The addition in 2022 of EUR 418,000 relates to a reservation by the board for a thematic research proposal. This project was presented to and discussed in the FAR board in 2022 and is currently in a revise and resubmit process. Presentation and discussion of a revised version of this research proposal is scheduled in 2023.

4. RESEARCH COMMITMENTS AND CURRENT LIABILITIES

a. Research commitments

Research commitments comprise of accrued project costs (including expected personnel costs) for financial grants relating to committed research projects and 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 EUR '000</i>		31-12-2022	31-12-2021
Research commitments – long-term		379	767
Research commitments – short-term		807	814
		1,186	1,581

Total research commitments can be detailed as follows:

<i>Amounts in EUR '000</i>	Balance as of 31-12-2021	Costs of research projects	Usage	Revaluation of research related costs	Balance as of 31-12-2022
Endowments to research teams	1,259	19	-397	0	881
Project-specific data management	28	8	-12	0	24
Data gathering and management	102	62	-63	-7	94
Public data gathering by FAR	108	90	-71	0	127
Project management and monitoring	58	6	-16	0	48
Project reports and communication	26	5	-19	0	12
Total	1,581	190	-578	-7	1,186
Thereof committed in 2017	374	28	-103	-2	297
Thereof committed in 2018	213	14	-112	-	115
Thereof committed in 2019	311	22	-215	-	118
Thereof committed in 2020	396	29	-122	-5	298
Thereof committed in 2021	287	-	-24	-	263
Thereof committed in 2022	-	97	-2	-	95

Expected usage of research commitments

<i>Amounts in EUR '000</i>	Balance 2022	Exp. usage 2023	Exp. usage 2024	Exp. usage 2025
Endowments to research teams	881	603	215	63
Project-specific data management	24	15	9	0
Data gathering and management	94	55	28	11
Public data gathering by FAR	127	99	28	-
Project management and monitoring	48	30	18	-
Project reports and communication	12	5	3	4
Total	1,186	807	301	78
Thereof committed in 2017	297	212	85	-
Thereof committed in 2018	115	100	15	-
Thereof committed in 2019	118	85	33	-
Thereof committed in 2020	298	293	5	-
Thereof committed in 2021	263	61	124	78
Thereof committed in 2022	95	56	39	-

The non-current part of this liability as of year-end amounts to EUR 379,000 (31-12-2021 EUR 767,000).

Revaluation of projects amounts to EUR 7,000 release (2021 EUR 88,000 release). The release in 2021 was driven by a remeasurement of costs per hour for hours allocated to research projects by FAR staff. For 2022 no changes were applied to the hourly rate.

b. Current liabilities

Current liabilities as of year-end amounting to EUR 315,000 (31-12-2021 EUR 241,000) mainly comprise costs payable in relation to the working organization and management fees.

5. NOTES TO THE STATEMENT OF INCOME AND EXPENSES

5. INCOME

As per December 31, 2022 nine audit firms are affiliated to FAR, being Deloitte, EY, KPMG, PwC, and (collectively) 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 EUR 1,550,000 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, 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.

Over 2022 FAR invoiced research contributions of other third parties for an amount of EUR 82,000.

6. EXPENSES

6a. Project costs

Amounts in EUR '000	2022	2021
<i>Research-related costs:</i>		
Representation costs	2	3
Research agenda and selection of proposals	-	-
FAR conferences and master classes	112	123
Attendance of research conferences	-	2
General data management	253	273
General research project assistance	135	180
	502	581
<i>Costs of research projects:</i>		
Endowments to current year new research projects	19	234
Additional endowments to existing research projects	-	210
Project-specific data management	8	11
Data gathering and management	62	40
Public data gathering by FAR	230	94
Project management and monitoring	6	9
Project reports and communication	5	11
	330	609
<i>Data library costs</i>	-	124
<i>Revaluation of research related costs:</i>	-7	-88
Total project costs	825	1,226

6b. General costs

General costs are specified as follows:

Amounts in EUR '000		2022	2021
	Ref.		
Office costs:			
Financial administration		18	28
Executive management support		189	142
		207	169
Board costs:	(I)	66	69
Other operating costs:			
Communication		4	4
General operations		110	46
Other		2	2
		116	52
Total general costs		389	290

I. 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 EUR '000	2022	2021
Total board fees paid (including EUR 22,000 non-deductible VAT in 2022, EUR 22,000 in 2021)	140	139
Board fees recognized under direct research-related costs	-/- 76	-/- 72
Expenses for travel, stay and board meetings	2	2
Board costs recognized under general costs	66	69

6.1. EVENTS AFTER THE BALANCE SHEET DATE

There are no noteworthy events after the balance sheet date.

6.2. PROPOSED RECOGNITION OF BALANCE OF INCOME AND EXPENSES FOR THE FINANCIAL YEAR 2022

The FAR board has approved allocating the remaining balance of income and expenses for 2022, in the amount of EUR 418,000, to the restricted reserve. This has been recognized in the financial statements.



The financial statements were adopted by the FAR board on 5 June 2023:

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. A. de Bos RA
Board member representing EY

sgd drs. M-A. Hogeboom RA
*Board member representing KPMG
(Board member since 20-05-2022)*

sgd drs. R. P.R. Jagbandhan RA
Board member representing PwC

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

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

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

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



OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: The board of directors of Stichting Foundation for Auditing Research

Report on the audit of the financial statements 2022 included in the annual report**Our opinion**

We have audited the financial statements 2022 of Stichting Foundation for Auditing Research based in Breukelen.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Foundation for Auditing Research as at 31 December 2022 and of its result for 2022 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 2022;
2. the profit and loss account for 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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 opinion.

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.

Based on the following procedures performed, we conclude 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.

Management is responsible for the preparation of the other information, including the report of the board of directors 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).

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management 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, management is responsible for such internal control as management 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, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management 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.

Management 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 foundation's internal control;
- 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 the foundations 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.

Hoofddorp, July 7, 2023

RSM Netherlands Accountants N.V.

Digitaal ondertekend door:
Wilfred Castricum
7 juli 2023 18:23 +02:00...



Drs. W.J.O. Castricum RA

APPENDIX 1:

DETAILED OVERVIEW OF FAR'S RESEARCH PROJECTS COMMITTED TO IN 2022

TITLE	WHAT?	WHY?	WHO?
<p><i>Audit planning pressure</i></p> <p>PROJECT NUMBER 2022B01</p>	<p>How much audit planning pressure – within and outside the original audit planning – occurs in the audit practice over the past few years? How many audits are completed within the original audit planning – and with how much audit effort? How many audits are not completed within the original audit planning – and how (with what audit effort) is this time-overrun absorbed? Examining planned versus realized audit effort on three aspects:</p> <ul style="list-style-type: none"> - Distribution of audit effort over time - Concentration of audit effort in (the compilation of) the audit team - Time pressure in the completion phase of the audit 	<p>Good audit planning (who does what when) – and its subsequent realization – is essential for an efficient and effective audit production. However, apart from “normal” time-budget or deadline pressure that can arise within the expected timeline of the audit, all kinds of disruptions can occur that prevent the original audit planning from being realized. How auditors respond to such “audit planning pressure” will make the difference between a more or less efficient and effective completion of the audit.</p>	<p>Dr. Arnt Verriest <i>KU Leuven</i></p> <p>Dr. Ana Mickovic <i>University of Amsterdam</i></p>
<p><i>Auditors' Use of Specialists and Group Centric Tendencies under Time Pressure and Inspection Risk</i></p> <p>PROJECT NUMBER 2022B03</p>	<p>To examine our predictions, we will conduct an experiment with practicing auditors who will be asked to act as in-charge senior on the audit of a client's goodwill impairment analysis. We will examine the (a) likelihood, (b) timing, and (c) extent of specialist involvement in the audit of the client's fair value of equity and (d) auditors' reasonableness judgments and (e) follow-up procedures to concerns identified by the specialist.</p>	<p>This study examines how time budget pressure affects auditors' use of the work of a specialist and whether these effects can be mitigated by inspection risk, a strong one-team identity, and auditors' paradox mindset. Regulators and academics across the globe (a) recognize time budget pressure as one of the main causes of reduced audit quality; (b) frequently identify deficiencies in auditors' use of the work of specialists; and (c) find that, due to fear of regulatory inspection results, auditors manage inspection risks through their effort allocation.</p>	<p>Dr. C. Pietsch <i>Erasmus University Rotterdam</i></p> <p>Prof. N. Kochetova <i>Saint Mary's University</i></p> <p>Dr. Alexey Lyubimov <i>Concordia University</i></p>

APPENDIX 2:

OUTPUT LIST OF REALIZED FAR CONTRIBUTIONS AND ACTIVITIES IN 2022

(Please see FAR website for all FAR projects)

REALIZED CONTRIBUTIONS AND ACTIVITIES		
FAR Working Paper: Auditor Automation Usage and Professional Skepticism by Christian Peters	23 December 2022	https://foundationforauditingresearch.org/files/papers/peters-2022-wp-(002).pdf
FARview #26 with Christian Peters on Automatisering en Professional Skepticism	23 December 2022	https://foundationforauditingresearch.org/en/news/farview-26-with-christian-peters/
FARview #25 with Lena Pieper on What makes audit partners and their teams successful?	11 November 2022	https://foundationforauditingresearch.org/en/news/farview-25-with-lena-pieper/
Article Accountant.nl: Leren van kleine fouten	18 October 2022	<i>Leren van kleine fouten (accountant.nl)</i>
FAR Literature Review: Involvement in the Development of Data Analytics and Auditors' Application of Professional Skepticism by Prof. dr. Anna Gold, Prof. dr. Joseph Brazel, Prof. dr. Justin Leiby, PhD Candidate Xiaoxing Li	17 October 2022	https://foundationforauditingresearch.org/files/far-research-synthesis-2021b01-23-sep-2022-clean.pdf
Article Accountant.nl: Er is te weinig aandacht voor ontastbare kennis	7 October 2022	https://www.accountant.nl/globalassets/accountant.nl/blad/2022-nr-5/accountant-2022-nr5-er-is-te-weinig-aandacht.pdf
FAR Working Paper: Well-Calibrated Professional Skepticism: Its Benefits on Auditor Responsiveness to the Risk of Material Misstatement and Its Roots in Culture Controls and Auditor Values	19 September 2022	https://foundationforauditingresearch.org/files/working-paper-bgkp-aug-2022.pdf
FAR Literature Review: A systematic literature review on companies' auditor selection process by Jonas Vandennieuwenhuysen, Dr. Kris Hardies, Dr. Marie-Laure Vandenhoute, Dr. Kris Hoang	16 September 2022	https://foundationforauditingresearch.org/files/a-systematic-literature-review-on-companies-auditor-selection-processes-far-project-vandennieuwenhuysen.pdf
Article Accountant.nl: Zeven jaar FAR: van zaaien naar oogsten	14 September 2022	<i>Zeven jaar FAR: van zaaien naar oogsten (accountant.nl)</i>
FARview #24 with Xiaoxing Li on Audit technologies and auditor judgment	12 September 2022	https://foundationforauditingresearch.org/en/news/farview-24-with-xiaoxing-li/

Other Publications: Let op: deze controleverklaring valt buiten AFM-toezicht	28 July 2022	https://mab-online.nl/article/78424/
FARview #23 with Sander Tiggelaar on ‘Management control in auditing firms and its implications for managing competing objectives’	6 July 2022	https://foundationforauditingresearch.org/en/news/farview-23-with-sander-tiggelaar-podcast-in-dutch/
<p>FAR’s 2022 Conference – Inside out and outside in This year’s plenary sessions were:</p> <ol style="list-style-type: none"> 1. The AFM examination into fraud - Hanzo van Beusekom (board member of the AFM) 2. How is auditor commercialism related to audit quality and efficiency? – Marleen Willekens (KU Leuven) 3. What makes audit partners and their engagement teams successful? – Jere Francis & Lena Pieper (Maastricht University) 4. Busy Season Talks – On making sure audits deliver on expectations - Therese Grohnert (Maastricht University), Mark Peecher (Gies College of Business), Auke de Bos (EY Netherlands) 5. Bankruptcy and auditor’s reporting in the Netherlands - Tjibbe Bosman (University of Amsterdam) 6. Regulation and audit firms - Yasmine Chahed (Visiting Research Fellow, Alliance Manchester Business School) 7. Culture controls in audit firms - Jasmijn Bol 8. The loss of talent - a threat for audit quality? - Frank Moers 	20 & 21 June 2022	https://foundationforauditingresearch.org/en/event/far-conference-2022-inside-out-and-outside-in-33/
FARview #22 with Frank Moers on The loss of talent	14 June 2022	https://foundationforauditingresearch.org/en/news/farview-22-with-frank-moers-podcast-in-dutch/
FARview #21 with Olof Bik on Root cause analysis	24 May 2022	https://foundationforauditingresearch.org/en/news/farview-21-with-olof-bik-podcast-in-dutch/
PhD Workshop with Prof. Robert Knechel	20 May 2022	
Article in Accountant.nl on Going concern-verklaring leidt maar zelden tot faillissement	3 May 2022	https://www.accountant.nl/magazines/accountant-2022-nr.-2/going-concern-verklaring-leidt-maar-zelden-tot-faillissement/

FAR JWG Governance Triangle and Audit Quality , Veltrop, Hooghiemstra, Rink	15 April 2022	
FARview #20 with Tjibbe Bosman on Controleverklaring en faillissement	5 April 2022	https://foundationforauditingresearch.org/en/news/farview-20-with-tjibbe-bosman-podcast-in-dutch/
FAR Working Paper: How do audit committees support audit engagement teams and encourage professional skepticism?	28 March 2022	https://foundationforauditingresearch.org/files/papers/far-working-paper-how-do-audit-committees-support-audit-engagement-teams-and-encourage-professional-skepticism-feb-2022.pdf
Publication in FM Magazine Online on FAR GCO study Opdrogen financiële informatie als voorteken van faillissement	25 March 2022	https://financieel-management.nl/artikelen/opdrogen-financiele-informatie-als-voorteken-van-een-faillissement/
Publication NBA Rapport werkgroep Continuïteit over rol accountant bij bedrijfscontinuïteit	24 March 2022	https://www.nba.nl/nieuws-en-agenda/nieuwsarchief/2022/maart/rapport-werkgroep-continuïteit-over-rol-accountant-bij-bedrijfscontinuïteit/
Publication Accountant.nl Going concern-verklaring leidt maar zelden tot faillissement	24 March 2022	https://www.accountant.nl/vaktechniek/2022/3/going-concern-verklaring-leidt-maar-zelden-tot-faillissement/
FAR Online Masterclass by Jean Bédard and Alain Schatt on Economic consequence of joint audits	11 March 2022	https://foundationforauditingresearch.org/en/event/online-far-masterclass-by-prof-alain-schatt-and-prof-jean-bedard-on-the-economic-consequences-of-joint-audits-28/
FAR Literature Review: Team learning behaviors in virtual engagement teams by Iver Wiertz, PhD Student, Prof. dr. Ann Vanstraelen, Prof. dr. Roger Meuwissen RA, Prof. dr. Wim Gijssels, dr. Therese Grohnert	21 February 2022	https://foundationforauditingresearch.org/files/team-learning-behaviors-far-literature-review.pdf
Publication in Accountancy van Morgen Handhaaf het sociale contract by Tjibbe Bosman, Merel van der Kuip, Wim Janssen	11 February 2022	<i>Handhaaf het sociale contract · Accountancy Vanmorgen</i>

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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