

The Foundation for Auditing Research, today and tomorrow

Towards the end of 2015, the Foundation for Auditing Research (FAR) started with a major ambition: to examine the work of auditors using internal data from the ten largest accountancy firms in the Netherlands. As of October 2020, we entered our second five-year term.

The idea of FAR was, and is, to advance scientific and practical knowledge in the field of auditing. In recent years more than 25 research groups have started at FAR, with a wide variety of projects. The researchers are affiliated with the world's best universities, including Harvard, University of Illinois, LMU Munich and Maastricht University. 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.

The FAR finances dozens of PhD students, young PhD candidates and senior researchers. And more importantly: FAR provides the researchers with anonymized data. 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 the data. It is then up to the research groups to answer their research questions 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 will also systematically keep the requested data up to date, to learn from it for themselves. 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 many of these papers available to policymakers, 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 about auditing, for example in the area of audit quality.

FAR considers knowledge dissemination to be just as important as knowledge acquisition. 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. Like the academic who recently said that the profession is in bad shape, because auditors make stupid mistakes, such as not checking original bank statements. Or the auditor, who prepared policy on going-concern opinions, and without any hesitation pointed out that there is no systematic knowledge about this. However, we already know quite a lot about many subjects. There are literally hundreds of papers on continuity, for example.

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 and newsletters. 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).

We hope that FAR will be an important catalyst in this process.