

## EAA PhD Forum 2018

### Session: Empirical Research in Auditing

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#### Learning objectives

- Discuss the concept of auditor independence;
- Review and critically evaluate findings from prior research;
- Discuss how to interpret abnormal audit fees;
- Discuss avenues for future auditing research in general, and using the European “landscape” in particular.

#### Brief overview/summary

This session provides an overview of the field of empirical auditing research. The main focus would be on the topic of auditor independence. Following some “famous” corporate collapses (e.g., Enron) in which auditors have been implicated, a number of causes and remedies have been proposed. Moreover, regulatory action has been taken in an attempt to fix audit. For example, in the US the effects of the Sarbanes-Oxley Act of 2002 have drawn significant research effort. The EU followed with its own regulatory action, which also has been investigated. However, there is still a significant scope for further research. In this session we will review prior findings and will highlight the research opportunities available to researchers that are interested in audit-related issues in the EU. With this in mind, we will review several European reforms in the audit market.

#### References

The following is a short list of papers; a longer reference list is available upon request.

Amir, E., Kallunki, J.P. and Nilsson, H., 2014. The association between individual audit partners’ risk preferences and the composition of their client portfolios. *Review of Accounting Studies*, 19 (1): 103-133.

André, P., Broye, G., Pong, C., & Schatt, A. 2016. Are joint audits associated with higher audit fees? *European Accounting Review*, 25 (2): 245-274.

Cameran, M., Francis, J.R., Marra, A., & Pettinicchio, A. 2015. Are there adverse consequences of mandatory auditor rotation? Evidence from the Italian experience. *Auditing: A Journal of Practice & Theory* 34(1): 1-24.

Causholli, M., Chambers, D.J., and Payne, J.L.. 2014. Future nonaudit service fees and audit quality. *Contemporary Accounting Research*, 3 (3): 681-712.

DeFond, M., Raghunandan, K., and Subramanyam, K.R. 2002. Do non-audit service fees impair auditor independence? Evidence from going concern audit opinions. *Journal of Accounting Research* 40: 1247–1274.

Zerni, M., Haapamäki, E., Järvinen, T. and Niemi, L. (2012). Do joint audits improve audit quality? Evidence from voluntary joint audits. *European Accounting Review*, 21(4): 1- 35.

#### Who should attend?

This session aims at PhD students who specialize in empirical auditing research.