



International Symposium on Audit Research

Program

Consortium

University of Southern California
Maastricht University
Nanyang Technological University
UNSW Sydney

Scientific Committee 2017

Roger Simnett, UNSW Sydney, Co-Chair
Ken Trotman, UNSW Sydney, Co-Chair
Elizabeth Carson, UNSW Sydney, 2017 Conference Co-Chair
Roger Meuwissen, Maastricht University
Caren Schelleman, Maastricht University
Ann Vanstraelen, Maastricht University
Terence Ng, Nanyang Technological University
Hun-Tong Tan, Nanyang Technological University
Ted Mock, University of California, Riverside

Hosted by

UNSW Sydney
June 16–17, 2017
Crowne Plaza Coogee

Principal Sponsors

Centre for Accounting
& Assurance Research



AUDIT ANALYTICS®

Welcome Reception
Sponsored by Audit Analytics
 Thursday June 15, 2017
 05:30pm–07:00pm Bluesalt Bar

Friday June 16, 2017

08:00am– 08:45am	ISAR Registration	
08:45am– 09:00am	Welcome – Ken Trotman, UNSW Sydney (Venue: Oceanic East)	
09:00am– 10:30am	Plenary Session (Venue: Oceanic East) <i>Auditors' Professional Skepticism: Measurement for Achieving Functional Skepticism</i> Kathryn Kadous, Emory University Chair: Ken Trotman, UNSW Sydney	
10:30am– 11:00am	Morning Tea	
11:00am– 12:30pm	Parallel Sessions	
	<p style="text-align: center;">Session 1A (Venue: Oceanic East) Chair: Roger Meuwissen Maastricht University</p> <p style="text-align: center;"><i>Auditor Expertise in Mergers and Acquisitions</i> Ronen Gal-Or Northeastern University Rani Hoitash Bentley University Udi Hoitash Northeastern University</p> <p style="text-align: center;"><i>Relevance versus Reliability: Industry Specialist Auditors and Accrual Informativeness</i> Annelies Renders Maastricht University Britt Smeets Maastricht University Ann Vanstraelen Maastricht University Patrick Vorst Maastricht University</p> <p style="text-align: center;"><i>Is Exposure to Complex Tax Issues Associated with Better Audit Quality of Income Tax Accounts?</i> Nathan Goldman The University of Texas at Dallas Kathleen Harris Washington State University Thomas Omer University of Nebraska–Lincoln</p>	<p style="text-align: center;">Session 1B (Venue: Oceanic West) Chair: Terence Ng Nanyang Technological University</p> <p style="text-align: center;"><i>The Effect of Anticipated Inspection Focus on Audit Effort</i> Yoon Ju Kang University of Massachusetts–Amherst Jenny McCallen University of Massachusetts–Amherst</p> <p style="text-align: center;"><i>Solving the Puzzle: Helping Auditors Find Fraud in Evidence Evaluation</i> Ashley Austin University of Richmond Tina Carpenter University of Georgia</p> <p style="text-align: center;"><i>Managing the Auditor-Client Relationship Through Partner Rotations: The Experiences of Audit Firm Partners</i> Mary Kate Dodgson Northeastern University Chris Agoglia University of Massachusetts–Amherst Bradley Bennett University of Massachusetts–Amherst Jeffrey Cohen Boston College</p>
12:30pm– 01:30pm	Lunch (Hotel Restaurant)	

Friday June 16, 2017

01:30pm– 03:00pm	Parallel Sessions	
	<p style="text-align: center;">Session 2A (Venue: Oceanic East) Chair: Ann Vanstraelen Maastricht University</p> <p style="text-align: center;"><i>Audit Firm Office Consulting Service Focus and Engagement Audit Quality</i> Albert Nagy John Carroll University Matthew Sherwood University of Massachusetts–Amherst Aleksandra Zimmerman Northern Illinois University</p> <p style="text-align: center;"><i>Bundling of Audit and Non-audit Services as an Entry Barrier</i> Jeroen Vander Cruyssen KU Leuven Ann Gaeremynck KU Leuven Robert Knechel University of Florida Marleen Willekens KU Leuven</p> <p style="text-align: center;"><i>Audit Personnel Salaries and Audit Quality</i> Jeffrey Hoopes University of North Carolina at Chapel Hill Kenneth Merkley Cornell University Joseph Pacelli Indiana University Joseph Schroeder Indiana University</p>	<p style="text-align: center;">Session 2B (Venue: Oceanic West) Chair: Hun-Tong Tan Nanyang Technological University</p> <p style="text-align: center;"><i>The Effect of CSR Assurance and Explicit Assessment on Investor Valuation Judgments</i> Hien Hoang UNSW Sydney Roger Simnett UNSW Sydney Ken Trotman UNSW Sydney</p> <p style="text-align: center;"><i>Can Increased Auditor Scrutiny Deter R&D Underinvestment? The Importance of Communication with the Board and Consistency with Peer Behavior</i> Benjamin Commerford University of Kentucky Jessica Osgood University of Massachusetts–Amherst Elaine Wang University of Massachusetts–Amherst</p> <p style="text-align: center;"><i>The Importance of Quantifying Uncertainty: Examining the Effects of Sensitivity Analysis and Audit Materiality Disclosures on Investors' Judgments and Decisions</i> Aasmund Eilifsen Norwegian School of Economics Erin Hamilton University of Nevada–Las Vegas William Messier University of Nevada–Las Vegas</p>
03:00pm– 03:30pm	Coffee Break	
03:30pm– 05:00pm	Parallel Sessions	
	<p style="text-align: center;">Session 3A (Venue: Oceanic East) Chair: Caren Schelleman Maastricht University</p> <p style="text-align: center;"><i>The Impact of IFRS Adoption and IFRS Renouncement on Audit Fees: The Case of Switzerland</i> Bernard Raffournier GSEM–University of Geneva Alain Schatt University of Lausanne</p> <p style="text-align: center;"><i>Abnormal Audit Fees and Accounting Quality</i> Jeff Coulton UNSW Sydney Gilad Livne University of Exeter Angela Pettinicchio Bocconi University Stephen Taylor University of Technology, Sydney</p> <p style="text-align: center;"><i>The Impact of Benefit Plan Audits on Financial Statement Auditor Choice and Financial Statement Audit Quality</i> Jaclyn Prentice Oklahoma State University Kenneth Bills University of Arkansas Gary Peters University of Arkansas</p>	<p style="text-align: center;">Session 3B (Venue: Oceanic West) Chair: Jeff Cohen Boston College</p> <p style="text-align: center;"><i>Performance on Within-office Distributed Audit Teams: The Roles of Shared Context, Communication, and Accountability</i> Denise Downey Villanova University Karla Johnstone University of Wisconsin–Madison Kara Obermire Oregon State University</p> <p style="text-align: center;"><i>The Effects of Psychological Ownership on Specialists' Judgments and Communication in Audit Teams</i> Tim Bauer University of Illinois at Urbana–Champaign Cassandra Estep Emory University Emily Griffith University of Wisconsin–Madison</p> <p style="text-align: center;"><i>Can Distributed Teams Reduce Staff Reliance on a Supervisor's Client-Favorable Preferences?</i> Stephen Kuselias Providence College Chris Agoglia University of Massachusetts–Amherst Elaine Wang University of Massachusetts–Amherst</p>
6:30pm	Reception and Dinner Seafood Buffet, Crowne Plaza Coogee	

Saturday June 17, 2017

09:00am–10:30am	Parallel Sessions	
	<p style="text-align: center;">Session 4A (Venue: Oceanic East) Chair: Gary Monroe UNSW Sydney</p> <p style="text-align: center;"><i>Do Type II Subsequent Events Pose Risk to Financial Reporting Quality?</i> Keith Czerney University of Nebraska–Lincoln Jaime Schmidt University of Texas–Austin Anne Thompson University of Illinois at Urbana–Champaign Wei Zhu University of Illinois at Urbana–Champaign</p> <p style="text-align: center;"><i>Auditor Regulation and Financial Reporting Quality of Financial Institutions: Evidence from the Staggered Implementation of the EU Audit Directive</i> Ines Simac KU Leuven Marleen Willekens KU Leuven</p> <p style="text-align: center;"><i>Auditor Use of Non-GAAP Earnings When Setting Quantitative Materiality</i> Nicholas Hallman University of Texas at Austin Jaime Schmidt University of Texas at Austin Anne Thompson University of Illinois at Urbana–Champaign</p>	<p style="text-align: center;">Session 4B (Venue: Oceanic West) Chair: Ted Mock University of California, Riverside</p> <p style="text-align: center;"><i>Upward Communication of Audit Issues: The Effects of Issue Ambiguity and Intrinsic Motivation</i> Kathryn Kadous Emory University Chad Proell Texas Christian University Jay Rich Illinois State University Daniel Zhou Emory University</p> <p style="text-align: center;"><i>Auditor Integration of IT Specialist Input on Internal Control Issues: How a Weaker Team Identity Can Be Beneficial</i> Cassandra Estep Emory University</p> <p style="text-align: center;"><i>The Effect of Expectancy Violations and Audit Partner Tenure on Client Managers' Negotiation Positions: The Benefits and Implications of Longer Partner Tenure</i> Mary Kate Dodgson University of Massachusetts–Amherst Chris Agolia University of Massachusetts–Amherst Bradley Bennett University of Massachusetts–Amherst</p>
10:30am–11:00am	Morning Tea	
11:00am–12:00pm	Parallel Sessions	
	<p style="text-align: center;">Session 5A (Venue: Oceanic East) Chair: Karla Johnstone University of Wisconsin–Madison</p> <p style="text-align: center;"><i>The Effects of Non-Big 4 Mergers on Audit Efficiency and Audit Market Competition</i> Andrew Kitto University of Florida</p> <p style="text-align: center;"><i>Small Audit Firms' Failure to Remediate the PCOAB's Quality Control Criticisms: Effects on Perceived and Actual Audit Quality</i> Melissa Carlisle Case Western Reserve University Bryan Church Georgia Institute of Technology Vicky Yu Hunter College, CUNY</p>	<p style="text-align: center;">Session 5B (Venue: Oceanic West) Chair: Noel Harding UNSW Sydney</p> <p style="text-align: center;"><i>A Field Study on Small Accounting Firm Membership in Associations and Networks: Implications for Audit Quality</i> Kenneth Bills University of Arkansas Christie Hayne University of Illinois at Urbana–Champaign Sarah Stein Virginia Tech</p> <p style="text-align: center;"><i>Archival Evidence on Contrast Effects in Auditors' Assessment of Client Risk</i> Nicholas Hallman University of Texas at Austin</p>
12:00pm–01:00pm	Lunch (Hotel Restaurant)	

Saturday June 17, 2017

01:00pm– 02:00pm	<p style="text-align: center;">Parallel Sessions</p> <table border="1" style="width: 100%;"><tr><td style="width: 50%; vertical-align: top;"><p style="text-align: center;">Session 6A (Venue: Oceanic East) Chair: Robyn Moroney Monash University</p><p><i>PCAOB Inspections and Audit Firm Behavior: An Analysis of the First Three Inspection Rounds of Small Audit Firms</i></p><p style="text-align: center;">Ann Vanstraelen Maastricht University Lei Zou Maastricht University</p><p><i>Metro Area Office-Client Balance and Audit Market Outcomes</i></p><p style="text-align: center;">Michael Ettredge University of Kansas Matthew Sherwood University of Massachusetts–Amherst Lili Sun University of North Texas</p></td><td style="width: 50%; vertical-align: top;"><p style="text-align: center;">Session 6A (Venue: Oceanic West) Chair: Arnie Wright Northeastern University</p><p><i>The Effect of Increased Audit Disclosure on Managerial Decision Making: Evidence from Disclosing Critical Audit Matters</i></p><p style="text-align: center;">Jeremiah Bentley University of Massachusetts–Amherst Tamara Lambert Lehigh University Elaine Wang University of Massachusetts–Amherst</p><p><i>Barriers to Transferring Accounting and Auditing Research to Standard Setters</i></p><p style="text-align: center;">Kris Hoang The University of Alabama Steven Salterio Queen's University Jim Sylph</p></td></tr></table>	<p style="text-align: center;">Session 6A (Venue: Oceanic East) Chair: Robyn Moroney Monash University</p> <p><i>PCAOB Inspections and Audit Firm Behavior: An Analysis of the First Three Inspection Rounds of Small Audit Firms</i></p> <p style="text-align: center;">Ann Vanstraelen Maastricht University Lei Zou Maastricht University</p> <p><i>Metro Area Office-Client Balance and Audit Market Outcomes</i></p> <p style="text-align: center;">Michael Ettredge University of Kansas Matthew Sherwood University of Massachusetts–Amherst Lili Sun University of North Texas</p>	<p style="text-align: center;">Session 6A (Venue: Oceanic West) Chair: Arnie Wright Northeastern University</p> <p><i>The Effect of Increased Audit Disclosure on Managerial Decision Making: Evidence from Disclosing Critical Audit Matters</i></p> <p style="text-align: center;">Jeremiah Bentley University of Massachusetts–Amherst Tamara Lambert Lehigh University Elaine Wang University of Massachusetts–Amherst</p> <p><i>Barriers to Transferring Accounting and Auditing Research to Standard Setters</i></p> <p style="text-align: center;">Kris Hoang The University of Alabama Steven Salterio Queen's University Jim Sylph</p>
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02:00pm– 02:45pm	<p style="text-align: center;">Poster Session (including Coffee Break in Oceanic Foyer)</p> <p style="text-align: center;"><i>Auditing as an Affective Work System: The Medium is the Message</i> Michael Alles, Rutgers Business School Glen Gray, California State University at Northridge Junko Takagi, ESSEC Business School</p> <p style="text-align: center;"><i>How Does Auditors' Use of Audit Data Analytics Affect Perceptions of Audit Quality and Assurance?</i> Dereck Barr-Pulliam, University of Wisconsin–Madison Helen Brown-Liburd, The State University of New Jersey Kerri-Ann Sanderson, Bentley University</p> <p style="text-align: center;"><i>Personal Consequences of Audit Failures</i> Marcin Bartkowiak, Technical University of Munich Benedikt Downar, Technical University of Munich Jürgen Ernstberger, Technical University of Munich Christopher Koch, Johannes Gutenberg University Mainz</p> <p style="text-align: center;"><i>Who Makes it to the Top in Audit Firms?</i> Benedikt Downar, Technical University of Munich Jürgen Ernstberger, Technical University of Munich Christopher Koch, Johannes Gutenberg University Mainz</p> <p style="text-align: center;"><i>The Role of Institutional Environment and Governance to Adoption of International Auditing Standards</i> Elina Haapamaki, University of Vaasa</p> <p style="text-align: center;"><i>Evidence from Audit Partner Switches on the Effects of Audit Partner Characteristics on Audit Quality</i> Kris Hardies, University of Antwerp Sarwar Hossain, UNSW Business School Ellie Chapple, Queensland University of Technology</p> <p style="text-align: center;"><i>Evidence About the Value of Public Sector Audit to Stakeholders</i> David Hay, University of Auckland Carolyn Cordery, Aston University</p> <p style="text-align: center;"><i>Audit Materiality in Practice: Disclosures in UK Auditors' Reports</i> Gihani Mandalawaththage, Queensland University of Technology Reiner Quick, Darmstadt University of Technology Mahbub Zaman, Queensland University of Technology</p> <p style="text-align: center;"><i>The Effects of Corporate Governance and Economic Disturbance on Compliance with One-Time Mandatory Disclosures</i> Dereck Barr-Pulliam, University of Wisconsin–Madison Stephani A. Mason, DePaul University</p> <p style="text-align: center;"><i>Does Considering Key Audit Matters Affect Auditor Judgment Performance?</i> Nicole Ratzinger-Sakel, University of Hamburg Jochen Theis, University of Duisburg–Essen</p> <p style="text-align: center;"><i>Partner Workload and Audit Quality: Does Internal Resource Availability Influence the Relation?</i> Katsushi Suzuki, Hitotsubashi University Tomomi Takada, Kobe University</p> <p style="text-align: center;"><i>Entrance Requirements to the Audit Profession within the EU and Audit Quality</i> Christophe Van Linden, Belmont University Kris Hardies, University of Antwerp</p>		

Saturday June 17, 2017

02:45pm–
04:15pm

Plenary Session

(Venue: Oceanic East)

Informing Audit Research with Economic Theory: Practice and Regulation

Robert Knechel, University of Florida

Chair: Elizabeth Carson, UNSW Sydney

04:15pm–
04:30pm

Wrap-up and ISAR 2018

(Venue: Oceanic East)

Elizabeth Carson, UNSW Sydney
Roger Meuwissen, Maastricht University