

# 2024 PCAOB/TAR Registered Reports Conference on Current Issues in Auditing – Call for Registered Report Proposals

## Research Topics of Interest

Current research topics of interest include, but are not limited to:

- Theoretical models of the economics of auditing and audit oversight, including determinants of incentives to compete on quality.
  - What is the relationship between PCAOB inspection deficiencies, audit quality, and the quality of issuer financial reporting?
- Estimation of investor demand for PCAOB inspections, PCAOB data, enforcement actions, e.g.:
  - Some audit firms use their PCAOB registration for marketing purposes. How valuable is PCAOB oversight to audit firms?
  - There is demand for PCAOB information on the web, including via vendors. How valuable is the information made available?
  - Issuer market reactions to disclosures of the inspections results and enforcement actions.
- Optimal scoping of the PCAOB’s inspections program and marginal value of selecting incremental audit files for inspection.
- Empirical research on economic relationship between regulated audit practice and non-regulated parts of the professional services firm, incl. partner compensation; theoretical research on efficiency rationale for profit sharing across audit and non-audit practice.
- Empirical evidence regarding the employment market for audit firm personnel.
- Economic incentives, cognitive biases, and heuristics in auditing.
- “Industrial organization” of audit firms (as such term is used in economic theory), including audit-firm structure, market structure and competition, strategic behavior, and the supply of qualified human capital.
- Determinants and effects of diversity, equity, and inclusion in the auditing profession.
- The role of data and technology in the audit.
  - Implications of reliance/overreliance on AI for fraud detection.
  - New AI tools with applications to auditing and financial reporting.
  - Implications of the use of generative AI software by firms and engagement teams.

- Implications of the use of generative AI on the training and development of newer/junior staff.
- Implications of AI for auditor independence.
- Economic effects of the application of auditing standards to audits of emerging growth companies.
- How do firm and issuer behaviors change following enforcement?
- Auditors' relationship to financial statement restatements:
  - roles of current auditors in identifying financial misstatements;
  - why current auditors did not identify financial statement errors or internal control weaknesses in cases where the financial reports were later restated;
  - were errors identified by new auditors (fresh eyes and more professional skepticism) that led to a restatement?
  - How "Big R" restatements may be mischaracterized as "little r" revisions and how to identify those.
- Investor outreach and experimental studies to understand investors' use of audit reports.
- Demand for and economic effects of audit firm transparency, disclosure of audit firm and audit engagement performance metrics.
- Drivers and deterrents of critical audit matter reporting and use by investors.
- Companies' current practice of using service organizations and auditor considerations when companies use service organizations.
- Extent of the use of internal audit's work or use of internal audit in a direct assistance capacity and investor perceptions of the effect on audit quality.
- Trends in issuer outsourcing of the internal audit function.
- Implications of the use of "others under the direction of management" for controls testing (under AS 2201.16-.19).
- Correlation of quality-based compensation adjustments with inspection results and impact on audit partner behavior.