

# RISET DALAM AUDIT

FITRIANY

Fakultas Ekonomi  
Universitas Indonesia

# SUMBER:

## 1. A Review of Archival Auditing Research

Mark DeFond, Jieying Zhang

University of Southern California

*Journal of Accounting and Economics* 58.2 (2014): 275-326.

## 2. China-Related Research in Auditing: A Review and Directions for Future Research

Dan A. Simunica and Xi Wub

*Sauder School of Business, The University of British Columbia, Canada*

*School of Accountancy, Central University of Finance and Economics, China*

CHINA JOURNAL OF ACCOUNTING RESEARCH, Vol 2 Issue 2 ©  
LexisNexis, 2009

## 3. Riset Eksperimental Pengauditan: Evaluasi dan Topik Kontemporer

Intiyas Utami

JAKI Juni 2013

# TIPE RESEARCH DALAM AUDIT

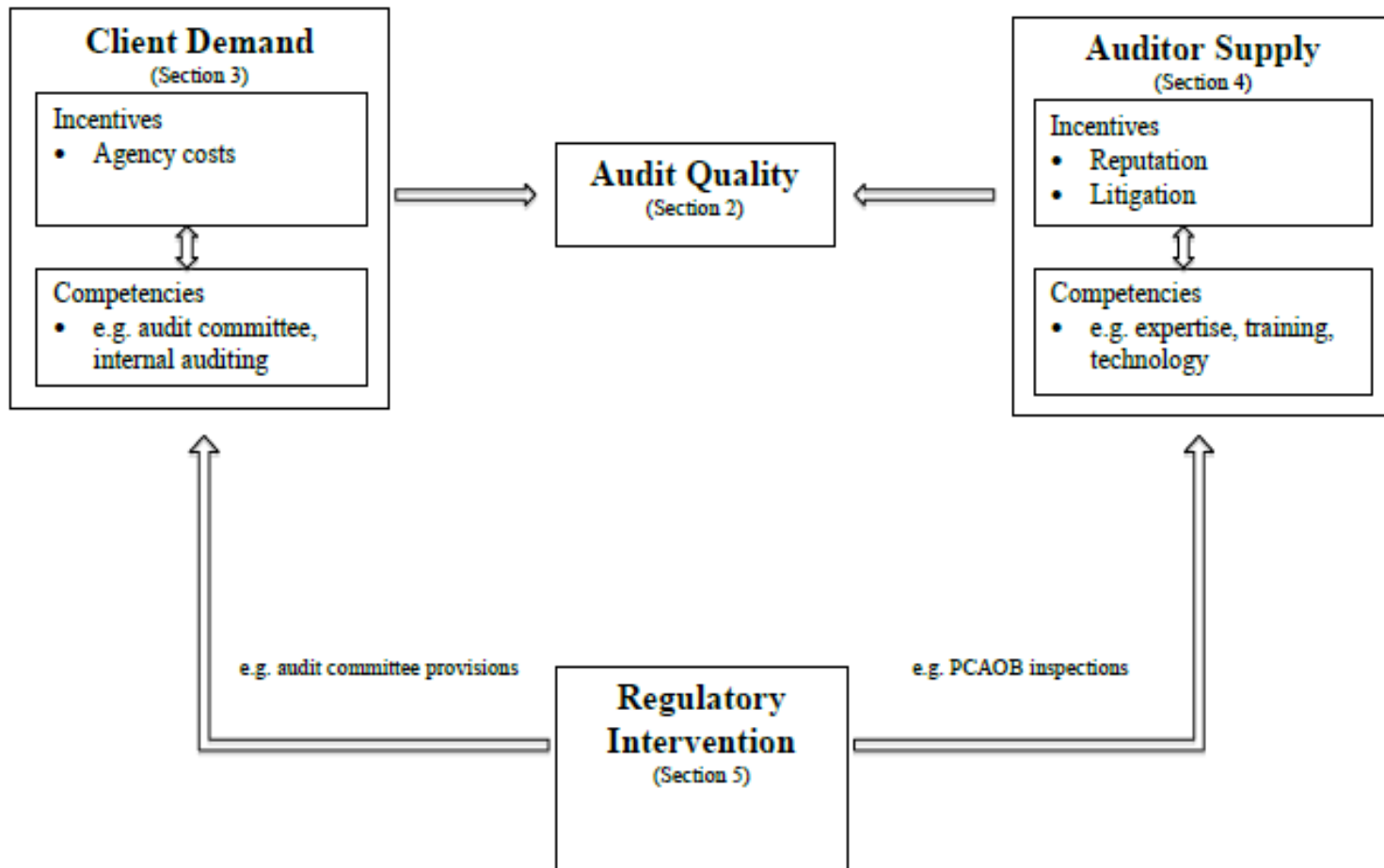
- ◉ archival
- ◉ experiments
- ◉ surveys
- ◉ Studi kasus

# 1. MARK DEFOND, JIEYING ZHANG

- ◉ Scope: journal in auditing that are published from 1996 through early 2013

# 1. MARK DEFOND, JIEYING ZHANG

## Audit Quality Framework



# 1. MEASURING AUDIT QUALITY

## Output-based audit quality measures

- 1 Material misstatements
- 2 Audit opinion
- 3 Earnings quality characteristics
- 4 Perception-based measures

## Input-based audit quality measures

1. Auditor characteristics
2. Audit fees

Proxy Category	Commonly used proxies	Directness	Egregiousness	Actual vs. Perceived	Measurement Issues		
					Discrete vs. Continuous	Consensus on Measurement	Measurement Error
<i>OUTPUT MEASURES</i>							
Material misstatements	Restatements, AAERs	Very direct	Very egregious	Actual	Discrete	High	Low
Audit opinions	GC opinions	Very direct	Egregious	Actual	Discrete	High	Medium
Earnings quality	DAC, meet/beat, accrual quality, conservatism	Relatively less direct	Relatively less egregious	Actual	Continuous	Low	High
Perception-based	market reaction, cost of capital, change in client market share, change in fees	Very indirect	Egregiousness can be inferred	Perceived	Continuous	Depends on proxy	Can be high (e.g., COC)
<i>INPUT MEASURES</i>							
Auditor characteristics	Big N, industry specialization	N/A	N/A	Actual	Discrete	High	Can be high (e.g., specialization)
Audit fees	Audit fees	N/A	N/A	Actual	Continuous	High	Medium

## 2. CHINA-RELATED RESEARCH IN AUDITING: A REVIEW AND DIRECTIONS FOR FUTURE RESEARCH

DAN A. SIMUNICA AND XI WUB

- Focus on studies of:
  - the public accounting profession,
  - external auditing,
  - audit committees
- In China.
- From 33 international accounting journals - publications of China-related auditing research => 40 publication with full reference



## TOPICS AND ISSUES IN CHINA-RELATED AUDITING RESEARCH:

- (1) the development of the Chinese public accounting profession,
- (2) auditing standards in China,
- (3) the audit firm disaffiliation program,
- (4) demand for auditing and auditor choice,
- (5) attributes of audit quality,
- (6) auditor reporting,
- (7) audit pricing,
- (8) auditor legal liability and sanctions,
- (9) users' response to auditing and auditor information,

## (1) THE DEVELOPMENT OF THE CHINESE PUBLIC ACCOUNTING PROFESSION

Tang (1999) discusses **issues** affecting the **development of the Chinese accounting profession**, including:

- the independence of Chinese CPAs,
- professional competence,
- professional ethics,
- the setting of accounting standards,
- the legal liabilities of Chinese CPAs.

Hao (1999): **the changes** in the organization and regulation of **accounting practitioners** in China during the 20<sup>th</sup> century and argues that the professionalization process of the public accounting profession in China is very different as compared to the West, and that the **Chinese government** maintains **a dominating influence** over the Chinese **accounting profession**.

## (1) THE DEVELOPMENT OF THE CHINESE PUBLIC ACCOUNTING PROFESSION

Wallace (2000) analyzes the accounting profession in China using a six-way framework:

- (1) legal environment;
- (2) political environment;
- (3) technological environment;
- (4) market setting;
- (5) self-disciplinary and external regulatory environment; and
- (6) intra-firm (organizational) considerations.

Using the United States as a basis for comparison, he describes unique aspects of Chinese developing markets within these dimensions of the profession and identifies a number of research opportunities.

## 2. CHINESE AUDITING STANDARDS

### *a. The Development of Auditing Standards*

Chinese independent auditing standards (CIAS) have been promulgated since 1995.

Xiao, Zhang and Xie (2000):

- identify various **factors that motivated the setting** of the CIAS.
- discuss some major features of **the Chinese audit market** that would significantly hinder the further development of the audit profession (and particularly the effectiveness of auditing and accounting standards) in China.

Lin and Chan (2000): further describe the **framework of the CIAS** and make a **comparison** of the CIAS and the technical pronouncements issued by the International Federation of Accountants (**IFAC**).

## 2. CHINESE AUDITING STANDARDS

### *b. The Consequences of Auditing Standards*

A number of studies have explored the consequences of adopting new auditing standards in China.

DeFond, Wong and Li (2000) find that the frequency of modified opinions increased nine-fold subsequent to the adoption of the first batch (ie, the Jan. 1996 batch) of auditing standards, which suggests increased auditor independence

## 2. CHINESE AUDITING STANDARDS

- Sami and Zhou (2008a):
  - investigate the **impact of the implementation of the first** (ie, Jan. 1996) **batch of Chinese auditing standards** on the information environment.
  - measure **the improvement in accounting disclosure and information environment** from both:
    - **market perspective** (trading volume, price volatility, and stock price synchronicity) and
    - **accounting perspective** (non-core earnings).

### 3. DEMAND FOR EXTERNAL AUDITING AND AUDITOR CHOICE

- ◉ *Demand for External Auditing*
- ◉ Haw, Qi and Wu (2008): investigating the determinants and consequences of the voluntary demand for semi-annual financial audit by some listed Chinese companies.
- ◉ Based on a sample of 2,458 semi-annual interim reports released by listed Chinese firms from 1996 to 1999, they find that:
  - choice of **voluntary auditing** is positively associated with **the percentage of tradable shares, profitability, and company size**.
  - earnings response coefficients of audited firms are **higher** than those of unaudited firms, especially when the auditing is voluntary

### 3. DEMAND FOR EXTERNAL AUDITING AND AUDITOR CHOICE

- ◉ *The Impact of Political Institutions on Auditor Choice*
- ◉ The corporate ownership structure in the Chinese transitional economy is characterized by the dominance of government (or state) owners.
- ◉ Chan, Lin and Zhang (2007) use agency theory to test whether the **demand for quality-differentiated audits** by listed Chinese companies is systematically associated with **changes in ownership structure**.
- ◉ They find that: a decrease in government held shares and increase of institutionally held shares leads to a general **increase in the demand** for higher-quality audits in Chinese stock markets.



### 3. DEMAND FOR EXTERNAL AUDITING AND AUDITOR CHOICE

#### ◉ *The Impact of Corporate Governance on Auditor Choice*

Lin and Liu (2009) examine the impact of internal corporate governance mechanisms on the auditor choice decisions made by IPO firms becoming listed in China during the 'bear market' period of 2001-2004.

The authors use three variables to proxy for internal corporate governance mechanisms, ie,

- ownership concentration,
- Size of the supervisory board (SB),
- duality of board chairman and CEO.

Find: firms with more dominant controlling shareholders, with a smaller size of SB, or in which the board chairman and CEO are the same person, are **less likely to hire a high quality auditor** (measured as a Chinese Top-10 or Big 4 auditor).

## 4. AUDITOR ATTRIBUTES PERCEIVED AS IMPORTANT TO AUDIT QUALITY

Chen, Shome and Su (2001) conducted a questionnaire survey (with 149 usable responses) on the **attributes perceived as being important to audit quality**.

The survey was administered to auditors from a local CPA firm and a Big 5 firm operating in Shanghai, as well as to subjects who functioned as regulators.

The authors found that the regulators group appeared to be the most distinct, suggesting that auditors and regulators **have different views with respect to factors that are most important in determining audit quality**. Local and Big 5 auditors were the closest among all comparison pairs, although their views differed on some dimensions.

## 5. AUDITOR REPORTING

### *Political and Other Institutional Influences on Auditor Reporting*

- ◉ Chan, Lin and Mo (2006) examine whether auditor opinions are affected by political and economic influences from governments.
- ◉ They use auditor location (local versus nonlocal auditors) to capture such influences from local governments in China.
- ◉ Based on data from China's stock markets for the period 1996-2002, the authors find that local auditors, who have greater economic dependence on local clients and are subject to more political influence from local governments than non-local auditors, are more likely to report favorably on local government-owned companies.

## 5. AUDITOR REPORTING

### *The Impact of Organizational Form on Auditor Reporting*

Analytical research suggests that limiting the liability of accountants poses a threat to audit quality. However, there is little existing empirical evidence to support this argument.

Firth, Mo and Wong (2005b) investigate this issue by examining the **association between the legal forms of Chinese CPA firms** (unlimited liability versus limited liability) and the **reporting conservatism of auditors**.

Based on a sample of 2,767 Chinese listed company audits from the period 2000 to 2002, the authors find that to compensate for higher risk and liability exposures, **auditors in unlimited liability partnership firms** are more likely to have **a higher threshold for issuing clean audit reports**, and thus are **more conservative** in their reporting.

## 5. AUDITOR REPORTING

### *The Relationship between Earnings Management and Auditor Reporting*

Chen, Chen and Su (2001) investigate the empirical relationship between **earnings management** induced by profitability regulation and modified audit opinions (MAOs) in the Chinese stock market during 1995 and 1997.

They find a significant association between receiving MAOs and **reporting profits marginally above the target levels** specified in stock de-listing and rights offering regulations.

## 5. AUDITOR REPORTING

- ◉ *The Audit Firm Size Effect on Auditor Reporting*

Unlike developed audit markets, the emerging Chinese auditing market is much **less concentrated**.

Taking advantage of this market structure, Li, Song, and Wong (2008) using Chinese data from 2001 to 2003, document a continuous relation between **audit firm size** (measured either by total assets audited, total sales audited, or total audit fees) and the **issuance of modified opinions**.

## 5. AUDITOR REPORTING

### *The Impact of Modified Audit Opinions on the Timing of Earnings Announcements*

Using data during 1995-1999, Haw, Park, Qi and Wu (2003) examine the impact of auditor reporting on the corporate financial reporting process in China.

Consistent with prior literature, they find that modified audit opinions **delay** the announcements of both positive and negative earnings surprises.

They also document a significant interaction effect between audit opinions and earnings surprises, ie, positive earnings surprises with modified audit opinions **are announced significantly later** than unqualified negative earnings surprises.

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## 6. USERS' RESPONSES TO AUDITING AND AUDITOR INFORMATION

### *Users' Response to Modified Audit Opinions*

Chen, Su and Zhao (2000) examine the market reaction to the initial announcement of modified audit opinions (MAOs) by companies listed on the Shanghai Stock Exchange over a three-year period (1995-97) and provide empirical evidence of **the economic impact** of auditors' reports in the Chinese emerging market. After controlling for the effect of changes in accounting earnings and other concurrent announcements, the authors find:

- (1) MAOs are associated with significantly **negative market returns**, and investors do not show a negative market reaction to MAOs until the second year;
- (2) no difference in market reaction between GAAP- and non-GAAP-related MAOs is observed; and
- (3) no difference in market reaction between a qualified opinion and an unqualified opinion with explanatory notes is observed either.

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## 6. USERS' RESPONSES TO AUDITING AND AUDITOR INFORMATION

### *Market Response to Higher Quality Auditors*

Gul, Sun and Tsui (2003) investigate whether the higher quality (top-ten) auditors in the Shanghai Stock Exchange affect **the positive association with a change in earnings per share and cumulative abnormal return (CAR)**. They find that the **positive market reaction to a reported increase in earnings** is **stronger for firms audited by high quality auditors**.

# SOME DIRECTIONS FOR FUTURE RESEARCH

- ◉ How auditor's legal liability to investors affect the level of auditor effort and audit fees
- ◉ nature of financial reporting fraud and the factors that increase the likelihood of such fraud
- ◉ Evolution of financial reporting and audits of financial statements

**RISET EKSPERIMENTAL  
PENGAUDITAN: EVALUSI DAN  
TOPIK KONTEMPORER**

INTIYAS UTAMI

JAKI JUNI 2013

Riset eksperimental merupakan suatu metode riset yang menguji hubungan sebab akibat kausalitas antarvariabel (Shadish, Cook, dan Campbell 2002). Tipe riset eksperimental dapat dibedakan menjadi riset eksperimental tulen dan riset eksperimental semu yang memiliki perbedaan dalam hal kekuasaan untuk memanipulasi variabel, randomisasi, dan adanya grup kontrol (Nahartyo 2012).

Riset eksperimental yang memenuhi tiga syarat tersebut (kekuasaan manipulasi, randomisasi, dan grup kontrol) tergolong dalam riset eksperimental tulen. Sedangkan, riset eksperimen semu apabila desain riset hanya menggunakan grup kontrol atau pengukuran berulang. Syarat mutlak (*sine qua non*) dari riset eksperimental adalah adanya validitas internal yang tinggi (Campbell dan Stanley

# Riset dan Publikasi REP di Indonesia

No	Sumber	Judul Penelitian	Peneliti
1.	Jurnal Riset Akuntansi Indonesia Vol. 6 No. 1, Januari 2003	Pengaruh Keahlian Audit dan Independensi terhadap Pendapat Audit: Sebuah Kuasi Eksperimen	Sekar Mayang Sari
2.	Jurnal Akuntansi dan Keuangan Indonesia (Volume 5, Nomor 1, Juni 2008)	Skeptisme Profesional Auditor dalam Mendeteksi Kecurangan	Suzy Novianti
3.	Disertasi Program S3 FEB UGM (2006)	Pengujian dan Mekanisme Pengurangbiasan Efek Kekinian, Pengalaman Audit, Telaah Sendiri dan Telaah Kelompok dalam Pertimbangan Auditor	I Wayan Suartana
4.	Disertasi Program S3 FEB UGM (2009)	Alat Bantu Keputusan <i>Foresight</i> dan Strategi Mitigasi Bias <i>Hindsight</i> untuk Mempersempit Kesenjangan di antara Perspektif Auditor dan Evaluator	I Made Narsa
5.	Disertasi Program S3 FEB UGM (2013)	Strategi Pemitigasian Efek Halo untuk Menentukan Risiko Salah Saji Material dengan Swa-eksplanasi dan Balikan Eksplanatori	Intiyas Utami
6.	Disertasi Program S3 UNDIP (2007)	Skeptisme Profesional Auditor Dalam Mendeteksi Kecurangan Untuk Mencapai Prosedur Audit Yang Efektif	Suzy Noviyanti
7.	Accounting and Taxation, Vol.5 (1 April 2013)	<i>Flexible Working Arrangement and Stress Management Training in Mitigating Auditor's Burnout: An Experimental Study</i>	Intiyas Utami Supriyadi
8.	Global Journal of Business Research Vol. 8. No. 1 (2014)	<i>Halo Effect in Analytical Procedure: The Impact of Client Profile and Scope of Information</i>	Intiyas Utami, Indra Wijaya Kusuma, Gudono, Supriyadi



Terima kasih 😊

[fitri\\_any@yahoo.com](mailto:fitri_any@yahoo.com)