



# Request for Proposals

## Academic Research in Auditing

November 2020

**Proposal Deadline:**  
**Monday, March 15, 2021,**  
**11:59 pm PDT**

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness, and responsiveness to dynamic market conditions.

The CAQ is committed to providing opportunities for the academic community to work closely with the profession. In 2008, the Center established a Research Advisory Board (RAB), comprised of representatives from academia and the profession, which reviews proposals relating to scholarly research in auditing. In the past 12 years, the RAB has awarded 48 grants for independent academic research projects on topics of interest to the profession.

### TOPICS OF INTEREST

The CAQ is keenly interested in research that can inform audit practice or address policy and regulatory issues that impact audit quality and the profession. Researchers are encouraged to develop research questions and determine the most appropriate method to address those questions. The RAB supports studies employing a wide range of research method, including archival studies, meta analyses, modeling, literature reviews, behavioral/experimental research studies, descriptive analyses, etc. Below is a list of topics that reflect areas that the RAB considers to be of greatest importance. Additional details about these topics can be found on the CAQ's website at <https://www.thecaq.org/rab-request-for-proposals-topics-of-interest-in-2021>.

#### Key Topic of Interest for 2021:

- + Multinational Group Audits
- + Firms' System of Quality Control
- + Audits of Internal Control over Financial Reporting (ICFR)
- + Auditing in a Virtual Environment
- + Corporate Disclosures over Non-Financial Information

#### Topics of Continued Interest:

- + Non-GAAP Measures
- + Critical Audit Matters (CAMs)
- + Innovative Technologies Used in the Audit
- + Materiality
- + Professional Skepticism
- + Auditing Accounting Estimates and Fair Value Measurements
- + Auditor Risk Assessment
- + Fraudulent Financial Reporting
- + Effectiveness of Boards and Audit Committees

The CAQ convenes an annual Auditing Research Symposium that provides an opportunity for a robust dialogue between members of the profession and academic representatives on key issues that practitioners face in conducting an audit. One goal of the Symposium is to provide insights into areas that would benefit from further

research in auditing that informs practice. At CAQ Symposium 2020 there were panel presentations on *Multinational Group Audits* and *Firms' System of Quality Control*. Videos of the panel discussions and a summary of the smaller breakout sessions are available on the [CAQ website](#). Also, the 2016 Eighth Annual CAQ Symposium included a panel that provided [insights into the types of research support](#) that RAB grant awardees can receive on their projects from RAB firm representatives.

**NOTE:** Researchers awarded CAQ RAB grants in 2021 will receive an invitation to attend the CAQ Symposium in Chicago, IL in August. In addition, they may have the opportunity to confer with a member of the RAB about their research idea.

## PROPOSAL INSTRUCTIONS

The CAQ produced a [short video on elements of a successful proposal](#) which may be helpful in the development of successful proposals.

**Proposals MUST contain the following elements:**

- + A description of the **research question** and its importance to practice.
- + A description of **how the research fits into the existing literature** by explaining how the proposed study builds on the extant research on the topic.
- + A description of **specific predictions**, including theory-based explanations underlying the predictions. Research without specific predictions (e.g., interview, case study, survey) will also be considered though it should include a description of how the research relates to theory.
- + A description of the **proposed methodology**, including the research design and key variables, if applicable, and the proposed methods of analysis. If the researcher has begun to implement the research plan, (e.g., researcher has developed a data collection protocol or has gathered data from a pilot study; researcher has created a database of observations from a secondary data source) include that information in your proposal submission.

**In addition to the above, proposals should include these components:**

- + A description of the resources needed to complete the study, and what assistance will be required from the CAQ and its member firms (e.g., funding request, access to professional staff – including experience and/or industry requirements, secondary data sources).
- + A timeline for data collection, analysis and report writing, or other milestones.
- + An **itemized budget** including budget rationale. Note that the CAQ requires a waiver of university overhead and will not pay for travel to conferences or for journal submission fees. CAQ member firms do not permit researchers to offer payment or gifts to audit personnel for participating in research studies.
- + Identification of proposed members of the research team, including a brief description of their roles (e.g., project director, research assistant, etc.), and the estimated level of effort (in hours) proposed for each member.
- + Curriculum vitae for the proposed principal investigator and other key members of the research team.
- + Other information that the research team believes will assist in the review of the proposal.

While there is no restriction on the number of pages, proposals should be focused and concise. **In addition, researchers are required to include an executive summary (no longer than two pages) that is written for a non-academic audience.**

The RAB anticipates making available a total of approximately \$200,000 to fund multiple projects during this submission period. The number of projects selected for funding will depend on the quality and number of proposals received and the total dollar amount of funds requested.

## SUBMISSION PROCESS

The CAQ has an [online process](#) for submitting research grant proposals. To submit your proposal, please go to [http://thecaq.qualtrics.com/jfe/form/SV\\_ealqQeRqHalefCB](http://thecaq.qualtrics.com/jfe/form/SV_ealqQeRqHalefCB). For your proposal to be considered for funding it must be *received on or before Monday, March 15, 2021, 11:59 pm PDT*.

Proposals will be reviewed by the CAQ's Research Advisory Board, and grant awardees will be notified no later than **Monday, May 31, 2021**. Questions should be addressed to Margot Cella ([mcella@thecaq.org](mailto:mcella@thecaq.org)).