Report Type

Mid Term Award Report

Full Name

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Faculty/Department

Cambridge Judge Business School

Project Title

Auditor University Education: Does it Matter?

Project Start Date

Jan 01, 2016

Project End Date

Dec 31, 2021

Project Abstract

We examine the implications of auditor education for audit quality and audit pricing. We exploit a novel  
institutional setting in the UK where signing auditors are identifiable and have diverse university-level educational  
backgrounds. Using hand-collected data for a large sample of signing auditors we establish two main findings.  
First, auditors with directly relevant university-level education in accounting are not associated with higher  
accruals quality or higher audit fees relative to auditors with other university degrees. However, the broader set of  
auditors who major in fields with a quantitative emphasis, including accounting, are associated with higher accruals quality and with higher audit fees, when compared to their peers with more qualitative educational backgrounds. Overall, our study provides direct evidence on the incremental value of education for the audit profession.

Activities and Achievement

We have received a positive second round Revise and Resubmit from European Accounting Review (EAR), to be resubmitted  
by May 2020.

Dissemination

We were invited to present the paper at the European Accounting Association 2017 Congress in Valencia, the  
27th Audit & Assurance Conference in London, and the Accounting Research conference at ESMT Berlin in 2018.  
In 2019, we presented our findings to the ICAEW, the largest chartered accountancy certification body in the UK.  
We received positive feedback and further suggestions, which we will incorporate into the latest revision at EAR.

Outputs

Title: Auditor University Education: Does it Matter?  
Abstract: We examine the implications of auditor education for audit quality and audit pricing. We exploit a novel  
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Major Difficulties and Any Other Issues

None.

Web Links

SSRN Link:  
<https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3364386>

Additional Information

Declaration

Details of relevant outputs of this award have been submitted to the CERF Database and details of any ensuing outputs will be submitted in due course.

Signature - Main Award Holder