



# CENTER FOR AUDIT QUALITY

*Serving Investors, Public Company Auditors & the Markets*

## **Request for Proposals For Academic Research in Auditing March 30, 2009**

The Center for Audit Quality (CAQ or Center) is an autonomous, nonpartisan, nonprofit group based in Washington, D.C. It is governed by a Board that comprises leaders from the public company auditing firms, the American Institute of CPAs and the investor and issuer communities. The organization is affiliated with the AICPA.

The CAQ was created to serve investors, public company auditors and the markets. The Center's mission is to foster confidence in the audit process and to aid investors and the capital markets by advancing constructive suggestions for change rooted in the profession's core values of integrity, objectivity, honesty and trust.

One of the CAQ's key stakeholder groups is accounting and auditing academics. 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. The RAB will fund independent research on topics related to the profession of auditing and accounting; any appropriate research method can be employed. As part of this first round of submissions, the RAB is seeking proposals from academic researchers that address one of the following topics:

- Professional judgment used by preparers and auditors in the application of financial reporting standards (e.g., evaluation of estimates of fair values, impairments, development stage intangibles, contingent liabilities; effects of changes in the form of accounting/auditing standards; application of evaluation frameworks from other professions; etc.).
- Audit quality (e.g., output measures, input measures, restatements arising from materiality measures used by auditors, inspectors, regulators and courts; effects of different legal regimes; etc.)
- Professional skepticism (e.g., factors that encourage/discourage professional skepticism; developing and improving auditor skill set, etc.)
- Value of the audit (e.g., the view of stakeholders; the value proposition of audited financial statements, etc.)

Note that examples under each topic are illustrative.

Proposals should contain the following information:

- Description of the research question to be addressed
- Motivation and contribution of the project to the extant literature
- Proposed methodology for the study

- Project work plan with specific milestones and deadlines
- Information about what resources are needed to address the research question

You are encouraged to limit your proposal to five pages. In addition to the narrative that describes the research question to be addressed and the approach, each proposal should include the following”

- Single page Itemized budget, and one-page budget justification (these two pages are in addition to the five page limit). Note that the CAQ requires a waiver of overhead.
- Identification of all members of the research team (e.g., project director, research assistant, staff scientist, faculty), including a brief description of their role and level of effort (in hours and fees).
- Curriculum vitae for the proposed project director and other key staff.
- Any other information that will assist the review of the proposal.

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. The RAB anticipates making available a total of \$200,000 to fund multiple projects during this submission period.

To be considered, proposals must be received by **5:00 pm, Friday, May 15, 2009** to:

Margot Cella  
Center for Audit Quality  
601 13<sup>th</sup> Street, NW  
Suite 800 North  
Washington, DC 20005

Electronic copies may be submitted by the deadline to: [mcella@thecaq.org](mailto:mcella@thecaq.org)

Proposals will be reviewed by the Research Advisory Board. Grants will be announced on or about **June 15, 2009**.