

# The Effect of Accountability on the Evaluation of Evidence: A Tax Planning Setting

## Abstract

The evaluation of evidence is a key component of the tax research task. This study adds to the current literature regarding evidence evaluation and confirmation bias in the accounting profession. Previous studies (Johnson, 1993; Marchant et al., 1993) have suggested that tax professionals prefer evidence that confirms their initial opinion, which is consistent with the findings in the psychology literature. This study considers the effects of the tax professional's environment in which these decisions are made. First, staff accountants responsible for finding and evaluating evidence are directly accountable to a supervising accountant. Second, client advocacy is prevalent in all decisions in public accounting. Staff accountant subjects in this study were found to be affected by the opinion of their supervisor. However, this effect was moderated by client advocacy. That is, subjects in an evidence evaluation task confirmed their supervisor's opinion (going against their own initial opinion), only when the opinion was the client favorable position. When the supervisor's opinion was not client favorable, accountants confirmed their own initial opinion (going against the supervisor's opinion). These findings supplement the findings of previous studies by determining how contextual factors such as accountability and client advocacy affect the influence of confirmation bias in an evidence evaluation task.