

Accountability and Evidence Evaluation in Two Audit Tasks

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This research explores the impact of accountability and the initial view of a reviewer on the evidence evaluation processes of auditors. Audit seniors completed two audit tasks, an unstructured going concern assessment and a semi-structured internal control evaluation. The research investigated whether accountability would influence the perceived importance of positive or negative items of evidence. In other words, the focus was whether accountable participants would rate the items of evidence consistent (inconsistent) with a reviewer's initial view as more important (less important) than would unaccountable participants. Overall, accountability did not influence the perceived importance of the evidence items. However, accountable participants rated positive and irrelevant evidence items as more important than did unaccountable participants in the unstructured task. Possible reasons for the results are discussed. In addition, issues relating to accountability and evidence evaluation in forensic auditing and fraud auditing are presented.

INTRODUCTION

Accountability, or the social pressure to justify one's views to others (Tetlock and Kim 1987) is a pervasive feature of the auditing environment. Auditors deal with multiple sources of accountability, such as other audit team members, superiors in the audit hierarchy, clients and third parties (Gibbins and Newton 1994). This research investigates the impact of accountability on the evidence evaluation processes of auditors, specifically, whether accountability affects the perceived importance of positive or negative items of evidence. The research questions ask whether accountable participants rate the items of evidence consistent (inconsistent) with a reviewer's initial view as more important (less important) than do unaccountable participants. Prior research has that found auditors who are not accountable tend to focus on negative evidence. This study explores whether this result generalizes to auditors who are held accountable. This research contributes to our knowledge of accountability and reviewer preferences in auditing, two possible influences in audit judgments (Rich, Solomon and Trotman 1997).