

Professor Steve Asare Receives Funding for New Research Project



Stephen Kwaku Asare, KPMG Term Professor, has been chosen by the Center for Audit Quality (CAQ) to receive funding for a new research project—one of only five selected by CAQ’s Research Advisory Board (RAB). In response to a request for proposals issued in March, he and his co-author (Arnie Wright) submitted “The Collaboration Between Financial Statement Auditors and Fraud Experts in Fraud Risk Assessment.”

“The proposed study is important to the practice of auditing because of its potential to improve audit effectiveness and efficiency,” says Asare. “Needless to say, improving audit efficacy also improves the credibility of the financial reporting process and strengthens stakeholders’ confidence in capital markets.”

Asare says the team has found from prior research that financial statement auditors have difficulties designing effective fraud detection tests to respond to elevated fraud risks. Further, financial statement auditors are reluctant to seek the counsel of forensic auditors at their firms (see Asare and Wright, *Contemporary Accounting Research* 2004). In the proposed study, they will examine the underlying rationale for this reluctance, propose/test alternative ways to increase collaboration between the forensic and audit groups, and evaluate whether and when such collaborations would enhance the detection of fraudulent financial reporting.

Asare also serves as editor of *Journal of Accounting Literature* and is the coordinator of the Fisher School’s doctoral program in accounting.

Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants. CAQ is an autonomous public policy organization serving investors, public company auditors and the capital markets. The RAB is comprised of four members from the academic world and four representatives from the auditing profession; its goal is to make the request for research on issues important to the profession an annual initiative. For more information, visit www.thecaq.org.