

# AUDITOR SIZE AND AUDITOR CONSERVATISM IN THE CONTEXT OF KEY AUDIT MATTERS: THE MODERATING ROLE OF AUDITOR GENDER

Erboon Ekasingh<sup>1</sup>, Weerapong Kitiwong<sup>2</sup> and Naruanard Sarapaivanich<sup>3</sup>

<sup>1,3</sup> Faculty of Business Administration

Chiang Mai University, Chiang Mai, Thailand

<sup>2</sup> School of Management and Information Sciences

University of Phayao, Phayao, Thailand

## ABSTRACT

We investigate whether the relationship between auditor size and auditor conservatism is conditional on auditor gender. Although prior studies have examined the relationship between auditor size, auditor gender and auditor conservatism, none has tested auditor conservatism in the context of Key Audit Matters (KAMs). We analyze the data of 341 listed companies in Thailand, where KAMs has been first implemented since 2016. We observe 593 firm-year observations from 2016 to 2017, when KAMs was first introduced and the subsequent year. The requirement to disclose the name of the engagement partner and the audit firm in Thailand also allows us to collect the proportion of female/male engagement partners in each firm. Our analyses, using the number and types of KAMs disclosed as measures of auditor conservatism, show that Big 4 (vs. non-Big 4) auditors disclose relatively higher number of KAMs and higher proportion of industry-common KAMs in their auditor's reports. This relationship is positively moderated by the within-audit firm gender composition, particularly when the engagement partners are female-dominated.

**Keywords:** 1) Auditor Conservatism 2) Key Audit Matters 3) Auditor Size 4) Auditor Gender

## 1. Introduction

The investors' concerns of the limited value of standard audit reports, which contains a "pass or fail" audit opinion, give rise to demand for more transparent and informative report (EY, 2016). With the traditional "boilerplate" auditor's report, it could be difficult for any users to fully understand what the most important risks are in the auditor's opinion. In response to these concerns, the International Auditing and Assurance Standards Board (IAASB) has issue new enhanced auditor reporting standards. The most significant transformation arising from this recent reform is the requirement for auditors of listed companies to disclose "key audit matters (KAMs)" in the audit report. KAMs are those matters that the auditor considered to be of most significance in the audit of financial statements (IAASB, 2015). As such, KAMs are expected to provide greater transparency and improve communications between auditor and investors, and other financial statements users, particularly audit committees and board of directors (KPMG, 2017).

---

<sup>1,2</sup> Department of Accounting

<sup>1</sup> E-mail: [erboon.e@cmu.ac.th](mailto:erboon.e@cmu.ac.th)

<sup>2</sup> E-mail: [weerapong.kitiwong@gmail.com](mailto:weerapong.kitiwong@gmail.com)

<sup>3</sup> E-mail: [naruanard@gmail.com](mailto:naruanard@gmail.com)

In this study, we investigate the conservative auditor behavior in the context of KAMs by considering the number and types of KAMs disclosed, specifically, the relationship between auditor size and auditor conservatism as well as the moderating role of auditor gender. Previous studies found that Big 4 auditors are more conservative than non-Big 4 auditors, using accruals (Francis and Krishnan, 1999; Francis and Wang, 2008), a modified/going concern opinion (Francis and Krishnan, 1999; Goh, et al., 2013; Berglund, Eshlemen and Guo, 2018), IPO earnings forecasts (Lee, Taylor and Taylor, 2006), and the level of voluntary disclosure (Clarkson, Ferguson and Hall, 2003) as measure of auditor conservatism. Big 4 auditors are expected to report more conservatively than non-Big 4 auditors because the risk of litigation and reputation loss for failing to signal investors increases with the size of audit firm (DeAngelo, 1981; Becker, DeFond, Jiambalvo and Subramanyam, 1998). Although the relation between audit characteristics (e.g., size, reputation, industry expertise) and auditor conservatism have been extensively examined, there is little research examining the potential effects of auditor gender. Previous studies on auditor gender found that female auditors are associated with smaller abnormal accruals (Ittonen, Vähämaa, and Vähämaa, 2013), interpret uncertainty expressions more conservatively (Han, Hellmann, and Lu, 2016), and are more likely to issue a going-concern opinion (Hardies, Breesch, and Branson, 2016), than male auditors. We therefore expect that Big 4 auditors will be more conservative than non-Big 4 auditors, and this relation will be strengthened when the engagement partners in the firm are female-dominated.

We use a sample of 341 listed companies in Thailand, where KAMs has been first implemented since 2016, with 593 firm-year observations from 2016 to 2017. Our results show that Big 4 auditors disclose a higher number of KAMs and a higher proportion of industry-common KAMs in their audit reports, than non-Big 4 auditors. Further, the increase in auditor conservatism with Big 4 auditors is greater when these audit firms have more female than male engagement partners.

Our findings contributes to the literature on auditor conservatism by introducing new measures; number and types of KAMs disclosed. We also provide the first evidence on how auditor size affects auditor conservatism in the context of KAMs, and how this relationship is moderated by the gender of engagement partners in the audit firm.

## 2. Literature Review

### **Auditor Conservatism and Auditor Size**

In auditing literature, the Big N model is basically used to categorize audit firms according to their size. Comparing to non-Big 4 auditors, Big 4 auditors are perceived to have higher audit quality (Becker, et al., 1998) and be more conservative (Francis and Krishnan, 1999; Lee, et al., 2006). Big 4 auditors have to be more conservative in performing their audits because they have a greater motivation for maintaining their reputational asset (DeAngelo, 1981) and avoiding dire consequences from litigation exposure (Clarkson, et al., 2003). DeAngelo (1981) indicated that disclosures of Big 6 audit firms' clients are more comprehensive since reputation is the great concern of Big N audit firms, while Clarkson, et al. (2013) found that Big N audit firms disclose more voluntary information in their client's report to avoid litigation risk.

Based on these findings, we expect that an auditor who is more conservative would also disclose the greater number of KAMs. As mentioned earlier, KAMs are matters that, in the auditor's professional judgment, required the most significant attention in performing the audit. Since KAMs is used as a means of improving the communication between auditors and stakeholders of audits, the informative value of the audit report, and the transparency of financial reporting, insufficiently disclosing KAMs in the audit report may

affect audit firms' reputation, especially Big 4 firms. Thus, we expect that an auditor who is more conservative would also disclose the greater number of KAMs. Therefore, the following hypothesis is proposed:

**Hypothesis 1: Big 4 auditors will disclose a higher number of Key Audit Matters, compared to non-Big 4 auditors.**

KAMs are usually industry-specific, that is, the type of KAMs would be largely the same for entities in similar industries (EY, 2016). However, the key challenge of disclosing KAMs lies in how to communicate the new content, i.e., how much to disclose, how to provide informative discussion without providing forecasts, and how to frame the tone when discussing KAMs (KPMG, 2017). Thus, there is a concern that KAMs may include information or wording that could be misinterpreted by users with different backgrounds and levels of expertise in financial matters (EY, 2016). Consequently, conservative auditors may be less likely to discuss KAMs that are too specific to the company. Given the high risk of losing reputation and of litigation, we expect that Big 4 auditors will act more conservatively than non-Big 4 auditors, by disclosing KAMs that are more common to the industries than those that are unique or specific to an entity. Therefore, the following hypothesis is proposed:

**Hypothesis 2: Big 4 auditors will disclose a higher proportion of industry-common Key Audit Matters, compared to non-Big 4 auditors.**

#### **Gender**

An auditor is a risk estimator with risk-aversion (Lennox and Kausar, 2017), thereby performing an audit with varying degree of conservatism which depends heavily on an individual's characteristics. There have been the on-going debates on the influence of the individual's characteristics, especially gender difference, on auditor conservatism. Female auditors are more conservative than male auditors because they are more risk averse (Hardies et al., 2016), lesser overconfident (Ittonen and Peni, 2011), and lesser tolerant to either income-increasing and income-decreasing earnings management than male auditors (Ittonen, et al., 2013). In addition, they are more likely to issue going-concern audit reports (Hardies, et al., 2016) and interpret the term "uncertainty" more conservatively (Han et al., 2016).

At firm level, gender composition of audit engagement partners may affect auditor conservatism. "The partners provide leadership at many levels: technical leadership, leadership in the production and commercial aspects of the firm's operation, and shaping the culture and atmosphere within the office" (IFAC, 2011, p.26). Thus, they are responsible for their firms' quality control system and may have collective responsibility for being more conservative. As female auditors are more conservative than male auditors, the proportion of female to total auditors should lead to the varying degree of the impact of auditor size on auditor conservatism. Based on these arguments, the following hypotheses are proposed:

**Hypothesis 3: The positive relationship between Big 4 auditors and the number of Key Audit matters Disclosed will be strengthen when the proportion of female engagement partners in their firms is higher than male; and**

**Hypothesis 4: The positive relationship between Big 4 auditors and the proportion of industry-common Key Audit Matters Disclosed will be strengthen when the proportion of female engagement partners in their firms is higher than male.**

### 3. Research Methodology

#### 3.1 Data and Sample and data collection

The sample firms were selected from companies listed on the Stock Exchange of Thailand (SET) from 2016 to 2017, which are the first two years after the implementation of KAMs disclosure in Thailand. We collected data from the companies' financial statements, annual reports, and from 56-1 form, published on the website of Thailand Securities and Exchange Commission ([www.sec.or.th](http://www.sec.or.th)) and the companies' websites. Our final sample is determined by data availability, and totals 593 firm years for 341 unique firms. Observations total 296 for year 2016, 297 for year 2017.

#### 3.2 Measurement of Variables and Model Specification

To test our hypotheses, we use four ordinary least squares regression models, including variables normally used in the audit quality studies.

##### Dependent and Independent Variables

While most studies use going-concern audit report or discretionary accruals to measure audit conservatism, we introduce new measurements for determining audit conservatism in the context of KAMs. The first measurement is the number of KAMs disclosed (*NumKAMs*), which is collected by counting the number of KAMs disclosed in the auditor's reports. The second measurement is the proportion of industry-common KAMs disclosed in the auditor's reports (*IndComKAMs*). The industry-common KAMs is the types of KAMs that are usually disclosed within the same industry. Following Almulla and Bradbury (2018), we determine the number of industry-common KAMs by counting the type of KAMs that are disclosed by more than 20 percent of the firms within the same industry<sup>4</sup>. Thus, the proportion of KAMs is calculated by dividing the number of industry-common KAMs disclosed by the number of total KAMs disclosed.

The test variables are a dummy indicating auditor Size (*Big4*), and the proportion of female engagement partners in the firm (*Gender*). The proportion of female engagement partners in the firms are calculated by dividing the number of female engagement partners in each audit firm by the total number of engagement partners in each audit firm.

##### Control Variables

The principal determinants of audit conservatism are factors relating to the audit committee and client characteristics. The firm's audit committee takes an important role of client financial reporting conservatism, therefore, size, audit committee qualifications and education backgrounds, and the number of meetings during the year are found to influence audit conservatism (e.g., Cao, Myers and Omer, 2012). The client characteristics and financial health such as size, complexity, liquidity and risks of the audit client are also found to affect audit conservatism (e.g., Berglund, et al., 2018). We also control for auditor's opinion, audit fees, whether there are emphasis of matters disclosed, and the joint

<sup>4</sup> We use 20 percent for the cut of point of industry-common KAMs. Industry-common KAMs of each industry are as follows: Those of agro and food industry are revenue recognition (50%) and inventory (30%). Those of resource industry are revenue recognition (56%), inventory (44%), accounts receivable (31%), investment (20%), and good will and intangible assets (20%). Those of technology industry are investment (27%), revenue recognition (25%), and good will and intangible assets (25%). Those of services industry are revenue recognition (54%), investment (23%), and good will and intangible assets (23%). Those of industrials industry are inventory (59%) and revenue recognition (39%). Those of consumer products industry are revenue recognition (61%), inventory (60%), and investment (31%). Those of property and construction industry are revenue recognition (61%), investment property (25%), and inventory (21%).

association between type of auditor's opinion and emphasis of matters (e.g., Myers, Schmidt, and Wilkins, 2014; Czerney, Schmidt, and Thompson, 2017). To control for possible industry and year effects, we include industry and year indicator variables in all models.

### Models

We employ four models to test our hypotheses. Model 1 and Model 2 address H1 and H2, respectively, by examining the relationships between auditor size and auditor conservatism. Model 3 and 4 are used to test H3 and H4, respectively, by examining the moderating role of auditor gender on the relationship between auditor size and auditor conservatism. The models are specified as follows:

$$\begin{aligned} \text{NumKAMs} = & b_0 + b_1\text{Big4} + b_2\text{ACNum} + b_3\text{ACAcct} + b_4\text{ACMeet} + b_5\text{LogAssets} + \\ & b_6\text{ROA} + b_7\text{Loss} + b_8\text{LEV} + b_9\text{DCA} + b_{10}\text{BlockShare} + b_{11}\text{INSTShare} + \\ & b_{12}\text{LogFee} + b_{13}\text{Opinion} + b_{14}\text{EOM} + b_{15}\text{Opinion*EOM} + e \quad \dots(1) \end{aligned}$$

$$\begin{aligned} \text{IndComKAMs} = & b_0 + b_1\text{Big4} + b_2\text{ACNum} + b_3\text{ACAcct} + b_4\text{ACMeet} + b_5\text{LogAssets} + \\ & b_6\text{ROA} + b_7\text{Loss} + b_8\text{LEV} + b_9\text{DCA} + b_{10}\text{BlockShare} + b_{11}\text{INSTShare} + \\ & b_{12}\text{LogFee} + b_{13}\text{Opinion} + b_{14}\text{EOM} + b_{15}\text{Opinion*EOM} + e \quad \dots(2) \end{aligned}$$

$$\begin{aligned} \text{NumKAMs} = & b_0 + b_1\text{Big4} + b_2\text{Gender} + b_3\text{Big4*Gender} + b_4\text{ACNum} + b_5\text{ACAcct} + \\ & b_6\text{ACMeet} + b_7\text{LogAssets} + b_8\text{ROA} + b_9\text{Loss} + b_{10}\text{LEV} + b_{11}\text{DCA} + \\ & b_{12}\text{BlockShare} + b_{13}\text{INSTShare} + b_{14}\text{LogFee} + b_{15}\text{Opinion} + b_{16}\text{EOM} + \\ & b_{17}\text{Opinion*EOM} + e \quad \dots(3) \end{aligned}$$

$$\begin{aligned} \text{IndComKAMs} = & b_0 + b_1\text{Big4} + b_2\text{Gender} + b_3\text{Big4*Gender} + b_4\text{ACNum} + b_5\text{ACAcct} + \\ & b_6\text{ACMeet} + b_7\text{LogAssets} + b_8\text{ROA} + b_9\text{Loss} + b_{10}\text{LEV} + b_{11}\text{DCA} + \\ & b_{12}\text{BlockShare} + b_{13}\text{INSTShare} + b_{14}\text{LogFee} + b_{15}\text{Opinion} + b_{16}\text{EOM} + \\ & b_{17}\text{Opinion*EOM} + e \quad \dots(4) \end{aligned}$$

where;

*NumKAMs* = the number of Key Audit Matters disclosed;

*IndComKAMs* = the proportion of industry-common KAMs disclosed;

*Big4* = a dummy variable given the value 1 if the company was audited by a Big 4 audit firm, 0 else;

*Gender* = the proportion of female engagement partners in the audit firm;

*ACNum* = the number of audit committee members in the company;

*ACAcct* = the proportion of audit committee members with an accounting degree;

*ACMeet* = the number of audit committee meeting;

*LogAssets* = the natural logarithm of total assets;

*ROA* = net income divided by lagged total assets;

*Loss* = a dummy variable given the value 1 if the company reported loss, 0 else;

*LEV* = total debt divided by lagged total assets;

*DCA* = the absolute value of discretionary accruals as computed by cross-sectional modified Jones model adding by return on assets;

*BlockShare* = percentage of shares held by block holders;

*INSTShare* = percentage of shares held by institutional holders;

*LogFee* = the natural logarithm of audit fee;

*Opinion* = a dummy variable given the value 1 if the auditor's opinion is qualified, 0 else; and

*EOM* = a dummy variable given the value 1 if the auditor issues a report with an emphasis of matters and/or other matters, 0 else.

## 4. Results

### 4.1 Descriptive Statistics and Correlations

Untabulated results of descriptive statistics report that a number of disclosing KAMs are 2, on average, 60.4 percent of them are industry-common KAMs, and 66 percent of the firm years were audited by a Big 4 audit firm. Further, the average proportion of female auditors in each audit firm is 58.6 percent. From the results of Pearson correlation matrix (untabulated), each pair of variables are not high correlated.

### 4.2 Tests of Hypotheses

Table 2 reports the regression results for Model 1 to 4.

The results reported in Model 1, support H1, with *Big4* significantly and positively associated with *NumKAMs* ( $\beta = 0.244$ ,  $t=2.85$ ,  $p=0.002$ , one-tailed). This results indicate that auditors from Big 4 firms tend to be more conservative by disclosing more KAMs in their auditor's reports.

Model 2 shows that *Big4* is significantly and positively associated with *IndComKAMs* ( $\beta = 0.105$ ,  $t=2.73$ ,  $p=0.004$ , one-tailed), which supports H2. This results, again, indicate that Big 4 auditors tend to be more conservative by disclosing more KAMs that are common to the industry (rather than being aggressive by disclosing types of KAMs that are more specific to the firm).

The results in Model 3 show that the interaction between *Big4* and *Gender* is positively significant ( $\beta = 1.227$ ,  $t=3.63$ ,  $p=0.000$ , one-tailed). The results suggest a moderation effect of auditor gender on the relationship between Big 4 auditors and the number of KAMs disclosed. More specifically, while Big 4 auditors tend to be more conservative by disclosing more KAMs than non-Big 4 auditors, the number of KAMs disclosed will be even higher when they are from firms that have more female than male engagement partners. Thus, provides support for H3.

Consistent with Model 3, the interaction between *Big4* and *Gender* reported in Model 4 is also positively significant ( $\beta = 0.326$ ,  $t=2.10$ ,  $p=0.018$ , one-tailed). H4 is thus supported, as the higher proportion of industry-common KAMs disclosed by Big 4 auditors (compared to non-Big 4 auditors) will be even higher when they are from firms that have more female than male engagement partners. In other words, Big 4 auditors tend to be more conservative in the type of KAMs disclosed when their firms are female-dominated.

Regarding the control, only five variables in Model 1 and 3 are significant. *NumKAMs* is positively associated with *Loss*, *LogFee*, and *EOM*. A negative association exists between *BlockShare* and *INSTShare*. The results suggest that auditors tend to be more conservative, in terms of the number of KAMs disclosed, when the companies report loss, have higher audit fees, the auditor issues a report with and emphasis of matters. However, they tend to be less conservative, when the percentage of shares held by block holders and institutional holders becomes higher. Most of the control variables in Model 2 and 4 are not significant, except for *LogFee* in Model 2 and *INSTShare* in Model 2 and 4. These results indicate that auditors tend to be more conservative, in terms of the type of KAMs disclosed, when audit fees becomes lower and the percentage of shares held by institutional holders becomes higher.

**Table 2:** Regression Results for Effect of Auditor Size and Auditor Gender on the Number and the Proportion of Industry-Common KAMs Disclosed

	<b>Model 1</b> Auditor size on the number of KAMs disclosed		<b>Model 2</b> Auditor size on the proportion of industry-common KAMs disclosed		<b>Model 3</b> The effect of auditor gender on auditor size and the number of KAMs disclosed		<b>Model 4</b> The effect of auditor gender on auditor size and the proportion of industry-common KAMs disclosed	
	Coefficient	t-statistic	Coefficient	t-statistic	Coefficient	t-statistic	Coefficient	t-statistic
Intercept	-3.429	-3.67***	1.545	3.68***	-4.571	-4.84***	1.521	3.51***
<b>Big4</b>	<b>0.244</b>	<b>2.85***</b>	<b>0.105</b>	<b>2.73***</b>	<b>-0.537</b>	<b>-2.44**</b>	<b>-0.092</b>	<b>-0.91</b>
<b>Gender</b>					<b>0.203</b>	<b>0.91</b>	<b>-0.137</b>	<b>-1.33</b>
<b>Big4*Gender</b>					<b>1.227</b>	<b>3.63***</b>	<b>0.326</b>	<b>2.10**</b>
<i>ACNum</i>	1.113	3.15***	0.082	0.52	1.119	3.25***	0.077	0.48
<i>ACAcct</i>	-0.058	-0.40	0.042	0.65	0.020	0.14	0.057	0.87
<i>ACMeet</i>	-0.016	-0.16	0.051	1.17	0.018	0.19	0.052	1.20
<i>LogAssets</i>	-0.005	-0.14	-0.028	-1.64	-1.500	0.00	-0.027	-1.59
<i>ROA</i>	-0.249	-0.50	0.098	0.44	-0.134	-0.28	0.098	0.44
<i>LOSS</i>	0.324	2.87***	-0.062	-1.24	0.351	3.19***	-0.059	-1.16
<i>LEV</i>	0.099	1.33	-0.020	-0.61	0.087	1.20	-0.017	-0.52
<i>DCA</i>	0.401	1.28	0.205	1.47	0.307	1.00	0.212	1.51
<i>BlockShare</i>	-0.475	-2.33**	0.068	0.75	-0.405	-2.03**	0.068	0.74
<i>INSTShare</i>	-0.393	2.10**	0.154	1.82*	-0.332	-1.81*	0.160	1.91*
<i>LogFee</i>	0.286	4.74***	-0.053	-1.97**	0.340	5.71***	-0.048	-1.75
<i>Opinion</i>	0.066	0.21	0.096	0.68	0.123	0.40	0.102	0.72
<i>EOM</i>	0.294	3.42***	-0.012	-0.31	0.278	3.32***	-0.016	-0.43
<i>TypeEx</i>	-0.125	-0.30	-0.128	-0.68	-0.244	-0.60	-0.145	-0.77
<i>Industry</i> <sup>a</sup>	YES		YES		YES		YES	
<i>Year</i> <sup>a</sup>	YES		YES		YES		YES	
Number of observations		593		593		593		593
Adjusted R <sup>2</sup> (%)		19.58		10.06		23.65		10.45

**Notes:** \*, \*\*, \*\*\* Significant at  $p < 0.1$ ,  $p < 0.05$ , and  $p < 0.01$ , respectively, one-tailed for variables of interest (directional hypothesis, highlighted in bold) and two-tailed for others.

<sup>a</sup> The industry and year fixed effects variables are included in all models.

## 5. Conclusions

Our findings suggest that Big 4 auditors are likely to be more conservative than non-Big 4 auditors by disclosing more KAMs in total, and more industry-common KAMs. We also found that Big 4 auditors are likely to be more conservative when engagement partners in their firms are female-dominated. Therefore, consistent with prior studies on auditor conservatism, our findings suggest that auditor size differences may affect the audit conservatism. Moreover, the results are consistent with prior studies on gender differences in auditor conservatism. In general, our results imply that gender diversity among engagement partners in the audit firms may improve the quality of audit reporting.

## 6. References

- Becker, C. L., Defond, M. L., Jiambalvo, J. and Subramanyam, K. R. (1998). The Effect of Audit Quality on Earnings Management. **Contemporary Accounting Research**, 15(1), 1-24.
- Berglund, N. R., Eshleman, J. D. and Guo, P. (2018). Auditor Size and Going Concern Reporting. **Auditing: A Journal of Practice and Theory**, 37(2), 1-25.
- Clarkson, P. M., Ferguson, C. and Hall, J. (2003). Auditor conservatism and voluntary disclosure: Evidence from the Year 2000 system issue. **Accounting and Finance**, 43 (2003), 21-40.
- Cao, Y., Myers, L. A. and Omer, T. C. (2012). Does company reputation matter for financial reporting quality? Evidence from restatements. **Contemporary Accounting Research**, 29(3), 956-990.
- Czerney, K., Schmidt, J. J. and Thompson, A. M. (2017). **Do investor respond to explanatory language included in unqualified audit reports?**. Unpublished manuscript.
- DeAngelo, L. E. (1981). Auditor size and audit quality. **Journal of Accounting and Economics**, 3(3), 183-199.
- EY. (2016). **The new auditor's report: How the biggest revolution in auditing will affect you**. Retrieved from: [https://www.ey.com/Publication/vwLUAssets/ey-eye-november-2016/\\$FILE/ey-eye-november-2016.pdf](https://www.ey.com/Publication/vwLUAssets/ey-eye-november-2016/$FILE/ey-eye-november-2016.pdf)
- Francis, J. and Krishnan, J. (1999). Accounting accruals and auditor reporting conservatism. **Contemporary Accounting Research**, 16(1), 135-65.
- Francis, J., Krishnan, J. and Wang, D. (2008). The joint effect of investor protection and Big 4 audits on earnings quality around the world. **Contemporary Accounting Research**, 25(1), 151-91.
- Goh, B. W., Krishnan, J. and Li, D. (2013). Auditor reporting under Section 404: The association between the internal control and going concern audit opinions. **Contemporary Accounting Research**, 30(3), 970-995.
- Han, W., Hellmann, A. and Lu, M. (2016). The impact of gender difference on the interpretation of uncertainty expressions. **Asian Review of Accounting**, 24(2), 185-201.
- Hardies, K., Breesch, D. and Branson, J. (2016). Do (fe)male auditors impair audit quality? Evidence from going-concern opinion. **European Accounting Review**, 25(1).
- International Auditing and Assurance Standards Board. (2015). **International Standard on Auditing (ISA) 701, Communicating Key Audit Matters in the Independent Auditor's Report**. New York: International Federation of Accountants.
- International Federation of Accountants. (2011). **Guide to practice management for small and medium-sized practices**. Retrieved from <http://www.ifac.org/publicationsresources/guidepractice-management-small-and-medium-sized-practices>
- Ittonen, K., Vähämaa, E. and Vähämaa, S. (2013). Female Auditors and Accruals Quality. **Accounting Horizons**, 27(2), 215-228.
- Ittonen, K., Vähämaa, E., Vähämaa, S. and Peni, E. (2011). Auditor's gender and audit fees. **International Journal of Auditing**, 1-18.
- KPMG. (2017). The Value of Enhanced Auditor's Reports: A Review of Expanded Disclosures. Retrieved from: <https://assets.kpmg.com/content/dam/kpmg/sg/pdf/2017/09/the-value-of-enhanced-auditor-reports.pdf>
- Lee, P. J., Taylor, S. J. and Taylor, S. L. (2006). Auditor conservatism and audit quality: Evidence from IPO earnings forecasts. **International Journal of Auditing**, 10, 182-199.
- Lennox, C. S. and Kausar, A. (2017). Estimation risk and auditor conservatism. **Review of Accounting Studies**, 22, 185-216.
- Myers, L. A., Schmidt, J., and Wilkins, M. (2014). An investigation of recent changes in going concern reporting decision among Big N and non-Big N auditors. **Review of Quantitative Finance and Accounting**, 43(1), 155-172.