1. The change in fiscial year end date for a client. For example, a client of an auditor switches its fiscal year end date from June 30th to December 31th and the fiscal year end dates of the client portfolio of the auditor concentrates on December 31th. The change in one client can have a negative impact on the work of other clients due to the increase in concentration in audit work. But the problem is then the switching client has only 6 month for new fisical year. So probably a better way is to skip one year. So that the swiching auditor has 12 months.
2. The Rule 3211 (*Auditor Reporting of Certain Audit Participants*) adopted by PCAOB requires disclosure of audit engagement partners in Form AP ( Cunningham&Li&Stein&Wright 2019 TAR initial evidence of US auditor partner ID) . Registered public accounting firms must file an AP form for all audit reports issued on or after January 31, 2017 (PCAOB 2015b) .

This extensive standard-setting process culminated in the PCAOB adopting the final rule (Rule 3211) on December 15, 2015, which was subsequently approved by the SEC on May 9, 2016. The final rule requires disclosure of the audit partner’s name in Form AP, which is filed directly with the PCAOB. Registered public accounting firms must complete Form AP within35 days of the date that the auditor’s report is first included in a document filed with the SEC. Accounting firms are required to comply with this rule for audit reports issued on or after January 31, 2017 (PCAOB 2015b). Upon filing, the PCAOB

disseminates Form AP data on its website.

From the paper Doxey&Lawson&Lopez&Swanquist 2021 JAR do investors care who did the audit AP Form, we can know the timeline of filling AP forms:

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So in the end of 2021 this year, we can have 2017, 2018, 2019, 2020, 2021 five year sample. It seems that we have enough data to test our question. But the problem is the frequency of Merge and acquisisions, change in fiscal years, and accelerating filing status. If it is less frequent, it may reduce our test power. So we may need to wait for another several years to increase the sample size.

1. A summary of sample selection from papers on US individual auditors:
2. Cunningham&Li&Stein&Wright 2019 TAR initial evidence of US auditor partner ID

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1. Doxey&Lawson&Lopez&Swanquist 2021 JAR do investors care who did the audit AP Form

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1. Pittman&Stein&Valentine 2021 WP the importance of audit partners risk tolerance to audit quality

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1. Prior studies suggest that the average number of clients an engagement partner has is quite low. Burke&Hoitash&Hoitash( 2019 AAJPT audit partner ID and characteristics Form AP) finds that audit partners are responsible for 1.62 public company engagements on average with sd of 0.85 and median of 1.618. Pittman&Stein&Valentine( 2021 WP the importance of audit partners risk tolerance to audit quality) finds that most audits in a given year are performed by partners with multiple clients (i.e., 57% in the first year according to Table 1 [1,501 / 2,633]); for engagement partners with more than two clients, the mean of number of clients is 2.266 and median is 2 and sd is 0.73. Hauser 2018 (JFE busy directors and firm performance -evidence from mergers) show that the average number of directorship for a director is 9.54 and median is 9 sd is 2.72. So this might be a problem for our study.

To examine the busyness effect of an engagement auditor, we have to focus on the sample of engagement auditors with at least two clients.

1. The measure of concentration of fiscal year end date distribution of client portfolio of a engagement auditor. For example, an engagement auditor has two client with fiscal year end dated June 30th (firm A) and April 30th (firm B). We calculate the dates since last year December. For firm A the number of days since last December is 6\*30=180, and the number of firm B is 4\*30=120. So the average one is (180+120)/2=150. For firm A the difference in days from fiscal year end to the mean days of 150 is 180-150=30. So if firm A shift its fiscal year end date to May 30th and the number of days since last December is 5\*30=150, and the difference is 0, a decrease from 30 last year to 0 this year. So this change in fiscal year end by firm A is a decrease in the variance in fiscal end distribution and should be coded Decrease. Otherwise should be coded Increase. So Decrease can be used as a exogenous variable.
2. The ratio of clients that are accelerated filers can proxy for the workload of an auditor. A client that is a non-accelerating filer but its capital market is close to the threshold. And this year the client’s stock price increase a little bit and make it a accelerating file. This event should be coded one and be used as an exogenous variable.
3. Auditor busyness level is affected or measure in two dimension: supply and demand. The number of clients and the distribution of year-end dates of all clients or accelerating status of all clients are demand forces, while the number of staff that work on the engagements are supply forces. So in the regression, audit quality =a+b1\*the number of clients+b2\*the distribution of year-end dates+b3\*the distribution of accelerating status+b4\* the number of staff that work on the client+other-control-variables+e. Then. Dyear\_end\_de=The dummy for the individual auditor in a year when one or more of the author’s client are acquired. Dyear\_end\_in =The dummy for the individual auditor in a year when one or more of the auditor’s clients acquire other firms. In the second case where the client acquires other firms, the number of clients don’t change but the average size of the client portfolio changes. So we may need to use the average size of the client portfolio as the independent variable. Dyear\_end\_de and Dyear\_end\_in should be the instrumental variables. In the first stage, the change in the average size of client portfolio =a1+b1\*Dyear\_end\_de+b2\*Dyear\_end\_in+e. for the distribution of year ends, similarly two dummies exit. One dummy for an individual auditor whose clients change fiscal year end and make the concentration more tight or loose.
4. More things to done: research design