Perspectives about audit review notes

Jared Kindy
Deloitte & Touché LLP

Ifeoma Udeh
Elon University

ABSTRACT

A critical aspect of an audit engagement is the review process; and review notes are a product of this process. Anecdotal evidence suggests auditors view review notes unfavorably. Therefore, this study formally explores auditors' perceptions about review notes, to determine the most commonly received review note type, and the review note type that provides the best learning opportunity. This survey study is an analysis of the responses of 56 auditors, and the responses indicates that while auditors mostly receive 'reviewer preferences and stylization' review note type, they are receptive to review notes that enhance learning and audit quality.

Audit firms will find this study useful because it shows auditors are receptive to valuable feedback, and it will help in training auditors in supervisory positions, on the importance of providing constructive feedback that enhances learning and audit quality. The paper further provides insight about the review note types that auditors perceive to increase their learning experiences; and it provides some indication about what auditors expect from review notes.

Keywords: Audit review process, review notes, audit quality, feedback, audit workpaper

INTRODUCTION

Performance feedback is a developmental mechanism (Andiola, 2014). It provides an opportunity to reassess an assigned task and improve the work quality, after receiving feedback. Hence, "feedback is information about how the … present state (of learning and performance) relates to goals and standards" (Nicol & Macfarlance-Dick, 2006, p. 200). It is customary for a superior to provide feedback following a subordinate's completion of a specified task; and the feedback may range from constructive to nonproductive (Fedor, Eder, & Buckley, 1989; Nicol & Macfarlance-Dick, 2006; Andiola, 2014). Therefore, performance feedback can aid in learning and improvement, or alternatively to performance decline, and frustration.

In the auditing context, experienced auditors with supervisory responsibilities provide feedback, referred to as review notes, and the objectives include enhancing audit quality and training. Despite the rationale for review notes, anecdotal evidence suggests auditors do not think favorably about review notes, since audit review notes often signal subpar performance (Fedor, Walter, Maslyn, & Mathieson, 2001). Considering the importance of review notes as an audit quality mechanism, and the limited research on auditors' perspectives about them, it is vital to examine formally auditors' views about review notes, and to address any observed concerns.

The purpose of this study is to explore auditors' perceptions about review notes. Through a survey[1] of fifty-six practicing external auditors in the United States, this study examines the most commonly received review note type, and the review note types that provide the best learning opportunity. The findings show that reviewer preferences and stylization is the most received review note type; and auditors ranked it highest as providing the best learning opportunity. The findings further show auditors are receptive to review notes they perceive to have implications for learning and audit quality. These findings support the importance of review notes as viable audit quality control mechanisms (Ballou, 2001; PCAOB, 2015).

This study addresses a gap in audit review literature relating to auditors' perceived performance effects of varying review note types, documented by Andiola (2014); and it has implications for audit practice and research. First, this study provides insight about review note types that auditors perceive as increasing their learning experiences. The study shows that while perceptions about the learning effect of review note types differ, the need for review notes to contribute to the learning experiences of auditors, and to enhance audit quality is eminent. This insight is of benefit to audit firms as they train auditors in supervisory positions on how to provide constructive feedback and optimize review notes, as learning tools. Second, this study points to a need for more research on the learning effects of different review note types, and on how to craft review notes to convey constructive feedback. While review notes are a norm in public accounting, the 'how-to' of review notes is rarely a focus in audit supervisor trainings, and likewise, research is scant on the topic. An assumption maybe that audit supervisors learn how to provide review notes from their experience as being audit staff, but while some knowledge maybe gained from experience, it is limited since it is context-specific. This study points to the need for more research on how to provide constructive review notes, and thus, a more formalized structure of doing so that focuses on learning and audit quality.

Following is the literature review and research questions. Thereafter, the research method is described, followed by results. The final section presents the conclusion.

---

[1] Approved by Institutional Review Board.

LITERATURE REVIEW AND RESEARCH QUESTIONS

Audit Review Process

Minimizing audit risk by improving audit quality is a key element to the viability and resilience of the auditing profession; and the Public Company Accounting Oversight Board (PCAOB) identified audit firms' internal quality review as one of the twenty-eight audit quality indicators (PCAOB, 2013, 2015). Audit firms' internal quality reviews are feedback processes geared towards ensuring the outcome of audit procedures support conclusions reached about financial statements, as a whole (Rich, Solomon, & Trotman, 1997; Ballou, 2001; PCAOB, 2010; Lambert & Agoglia, 2011). As a quality control mechanism, the review process enables auditors to evaluate procedures performed, results of the procedures, and improve performance (DeZoort & Lord, 1997; Rich et al., 1997; Ballou, 2001; Andiola, 2014).

The review process does not entail a reperformance of entire audit procedures or the duplication of auditors' efforts (Asare & McDaniel, 1996; Fargher, Mayorga, & Trotman, 2005). Rather, its core objectives are the evaluation of audit procedures, the adequacy of documentation, opinion formulation, and staff training (Solomon, 1987; Asare & McDaniel, 1996; Rich et al., 1997; Gibbins & Trotman, 2002; Fargher et al., 2005). The overall audit quality goal of the review process is to ensure that auditors will identify material misstatements in clients' financial statements (DeAngelo, 1981; PCAOB, 2010), and the training goal ensures auditors are able to learn from review notes, and become more effective as they perform audit procedures.

An audit engagement review occurs primarily at two levels (Solomon, 1987; Asare & McDaniel, 1996; Gibbins & Trotman, 2002; Andiola, 2014). The first level involves audit team members with supervisory roles including seniors, managers and partners (Ramsay, 1994; Asare & McDaniel, 1996; Lambert & Agoglia, 2011). A non-audit team member, with expertise in the audit client's industry, and usually referred to as the concurrent review partner, performs the second level review (Solomon, 1987; PCAOB, 2009). The second level review, often described as engagement quality review focuses on high risk or critical audit areas. Both reviews are of interest in this study since they address the audit quality and training objectives of the audit review process.

Review Note Types

Roebuck and Trotman (1992) analyzed over three thousand review notes from twenty-eight real audit engagements, and classified the issues addressed in the review notes into ten broad categories and twenty subcategories. Other studies have classified review notes differently, though these classifications are rooted in Roebuck and Trotman (1992). For instance, Ballou (2001) classified review notes as evidence-oriented or documentation-oriented; and Lambert and Agoglia (2011) classed review notes as conclusion-focused or documentation-focused. Based primarily on the classification of review notes by Roebuck and Trotman (1992), this study uses simpler and more suitable categorizations that practitioners can relate to better.

This study categorizes review note types as accounting standard related ("ACSR"), auditing standard related ("AUSR"), documentation and descriptive ("D&D"), error correction ("EC"), reviewer preferences and stylization ("RP&S"). While the categorization in this study follows a broader perspective, it addresses review note issues indicated in Roebuck and Trotman (1992). For instance, ACSR category relates to the 'adjusting entries or potential adjustments'

and 'financial statement/report disclosure item' classifications in Roebuck and Trotman (1992), and includes review notes addressing generally accepted accounting standard (GAAP) issues.

The AUSR category comprises review notes that address generally accepted auditing standard (GAAS) issues. This includes classifications in Roebuck and Trotman (1992) such as 'additional audit work or follow-up required,' 'advice to subordinate on approach to audit or preparation of workpaper,' 'management letter point disclosed,' 'compliance with firm policy and procedure,' and 'compliance with a program step.' The D&D category relates to Roebuck and Trotman (1992) classifications such as 'better documentation (update / amend workpaper)' and 'further explanation required.'

The EC category includes review notes that address issues such as formula mistakes on audit workpapers. Roebuck and Trotman (1992) did not explicitly identify a similar category, rather they have a subcategory called "delete/amend item on workpaper /including explanation." This subcategory is under the 'better documentation (update / amend workpaper)' category. This study has a separate category for EC because of the increased use of technology (e.g. electronic workpapers) in audits, and the heightened potential for such errors, since the 1990s when the Roebuck and Trotman (1992) study was published. This study also includes a distinct category for RP&S since research shows reviewer preferences and stylizations affect preparers' responses and behaviors (Rich et al., 1997; Gibbins & Trotman, 2002; Shankar & Tan, 2006; Tan & Shankar, 2010; Kim & Harding, 2017).

Review Process Dynamics

Auditors are often under pressure to conduct effective and efficient audits (Ballou, 2001; PCAOB, 2013, 2015). Achieving a balance between effectiveness and efficiency requires that audit team members understand the audit process, their audit team members, and optimal methods of communicating in diverse situations (Asare & McDaniel, 1996; Favere-Marchesi, 2006). Studies show that performance and audit effectiveness improve when review notes are discussed (Miller, Fedor & Ramsay, 2006), and when real time-interactive reviews are used (Payne, Ramsay & Bamber, 2010). Equally, Favere-Marchesi (2006) find post review discussions and reviewers' familiarity with preparers improves team performance. Additionally, studies show that preparers' perceptions of reviewers' power (referent, expert or coercive) influence their behavior and performance (e.g., Fedor et al., 2001; Fedor & Ramsay, 2007)

Although reviewers play a critical role in enhancing audit quality by ensuring workpaper conclusions are justifiable (Tan & Shankar, 2010), preparers also contribute to audit quality by improving the work level they perform prior to the review process (Asare & McDaniel, 1996). By providing higher performances in workpapers, preparers reduce the time reviewers spend on the review process (Turner, 2001); and preparers can enhance their performance when knowledge gained from past audits are transferable to subsequent audit engagements (Gibbins & Trotman, 2002; Fargher et al., 2005; Miller et al., 2006). However, preparers may become apprehensive of the review process when it is nonconstructive (Fedor et al., 1989), evaluative (DeZoort & Lord, 1997; Fedor & Ramsay, 2007), biased (Tan & Jamal, 2001), focused on trivial issues, and when it correlates review note quantity to effectiveness (Ballou, 2001). In addition, anxiety may arise about review notes resulting from non-alignment with reviewers' inclinations regardless of the work quality (Tan & Shankar, 2010; Kim & Harding, 2017).

In view of the importance of the review process as a feedback and quality control mechanism and the need to formally explore auditors' perceptions about review notes, this study examines the following research questions:

RQ1: Which review note type do auditors perceive to be the most commonly received?

RQ2: Which review note type do auditors perceive to provide the best learning opportunity?

METHODOLOGY

This study used a survey[2], adapted from Miller et al. (2006), and Fedor and Ramsay (2007), to explore auditors' perspectives about audit review notes. Three practicing auditors from a U.S. large regional public accounting firm reviewed the survey. Survey participants were from Qualtrics panels. The panels include auditors from different firms (Brandon, Long, Loraas, Mueller-Phillips, & Vansant, 2014; Landers & Behrend, 2015). To be included in the study, a participant has to be a U.S. external auditor (Paolacci, Chandler & Ipeirotis, 2010; Brandon et al., 2014; Landers & Behrend, 2015). Though audit staff are the usual workpaper preparers, and would expect to receive review notes (Solomon, 1987; Rich et al., 1997; Lambert & Agoglia, 2011), all levels of auditors were included since review notes could be sent to the entire audit team by a quality control reviewer.

 Participants were instructed to respond based on their career experiences; and to minimize inattentiveness, some questions required participants to type a word[3]. Participants responding incorrectly to the questions were terminated from the survey (Paolacci, Chandler & Ipeirotis, 2010). Qualtrics ran a pilot survey and the responses were reviewed to verify the data quality (Brandon et al., 2014); and subsequently, the full launch was initiated resulting in 80 responses. The study eliminated 24 responses that had very short completion time, suggesting low quality responses, or the respondents self-identified as not being external auditors, or the responses were vague. The 56 remaining surveys represent a 70 percent usable response rate, which aligns with prior studies (Brandon et al., 2014).

Respondents were compensated for completed surveys, through Qualtrics, according to their established standards (Brandon et al., 2014). We paid $23 for each completed survey, and the payment covered compensation for the participants and for Qualtrics' services (Brandon et al., 2014; Landers & Behrend, 2015). The fee for each completed survey was also to attract target participants possessing the career-related knowledge desired (Brandon et al., 2014).

RESULTS

Descriptive Statistics

Of the 56 survey respondents, ten are audit staff, six are experienced audit staff, six are audit in-charges, 24 are audit seniors, and ten are audit supervisors/managers. There were 24 females (43 percent) and 32 males (57 percent). Thirty-two respondents (57 percent) are certified public accountants. Regarding audit practice area, nine respondents (16 percent) audit

---

[2] See Appendix 3 for the survey
[3] The following was used for attentiveness check: if you are thoughtfully reading and answering each question, please type "surVey" into the box below.

government entities, four respondents (7 percent) audit not-for-profit organizations, 30 respondents (54 percent) audit private companies, and 13 respondents (23 percent) audit public companies. The number of years in auditing practice ranges from one to twenty-two years, and the average is nine years.

Research Question 1

The first research question asked which review note type auditors perceive to be the most commonly received. Respondents were asked to identify the types of review notes they have received[4] (survey item 1). Table 1 (Appendix 1) presents the results for this research question. The responses show that the most commonly received review note type is RP&S. Thirty-five respondents (62.5 percent) indicated receiving this type of review note. The chi-square statistic suggests that differences exist between auditors that received and those that did not receive certain review note types, with respect to the frequency of each review note type.

Research Question 2

The second research question asked about which review note type auditors perceive to provide the best learning opportunity. Respondents were asked to rank the review note types based on the type they learn a lot from (survey item 3). Table 2 (Appendix 2) presents the results. As shown in panel A, fourteen respondents (25 percent) indicated RP&S review note type provided the best learning opportunity. While the chi-square statistic is not significant, the frequency of the ranking of RP&S review note type is consistent with several studies that show auditors are inclined towards the specifics of a superior that they perceive to possess more expertise and capability (Turner, 2001; Fedor et al., 2001; Shankar & Tan, 2006; Kim & Harding, 2017). As shown in panel B, twenty-one respondents (37.5 percent) indicated EC review note type provides the least learning opportunity. This chi-square statistics is significant at the 0.01 level. EC review note types, as described in this study, are avoidable, and auditors may be exercising more care about them. Moreover, table 1 shows EC is the least received review note type.

In response to the open-ended question asking about the review note type they were receptive to and why (survey item 4), comments from nearly 60 percent of the respondents suggest that they are welcoming of review notes that they perceive to have value. One respondent stated review notes "help me produce better quality work and gives me feedback so I can improve." Two main themes (learning and audit quality) were observed from the respondents' comments, and the underlying message is that respondents were receptive to review notes that: (1) enhance learning, and/or (2) enhance audit quality. Nearly 49 percent of the comments signaled a learning opportunity and about 36 percent of the comments indicated a focus on audit quality.

---

[4] To verify that the review note types listed in the survey were comprehensive, respondents were asked to identify any other review note types not listed (survey item 2). Of the fifty-six respondents, thirty-two respondents (57.1 percent) stated the types listed were all-inclusive. Nine responses (16.1 percent) based on the descriptions would be categorized as ACSR. Some examples of the descriptions stated are "accounting principles and journal entries." Fifteen responses (26.8 percent) based on the descriptions would be categorized as AUSR. Some examples of the descriptions stated are "testing the internal controls to ensure proper operation, preparation of the report." The responses indicate the review note types used are comprehensive.

On the other hand, in response to the open-ended question asking about the review note type they were not receptive to and why (survey item 5), only 27 percent responded; and the overall theme was a dislike for review notes that are perceived not to add value. One respondent stated, "error [correction] is a waste of time," and another respondent stated with respect to RP&S review note type, "they may not remain consistent from year to year or from auditor to auditor." Taken together, the results and comments suggest that auditors may not be particular about the review note type they receive, as long as they perceive the review note to increase learning and/or increase audit quality.

CONCLUSION

Through a survey of fifty-six U.S. external auditors, this study examines auditors' perspectives about review notes. The findings of this study indicate that the most received review note type, reviewer preferences and stylization, is the review note type that auditors ranked the most as providing the best learning opportunity. The paper also show that though auditors receive varying types of review notes, and perceive differently, the learning opportunities offered by the review notes, they are receptive to review notes that they perceive to possess value, in terms of maximizing audit quality and enhancing learning. Therefore, minimizing any apprehension about review notes will entail crafting review notes that convey such value.

This paper recommends that review notes should identify the issue, explain why it is an issue and how it deviates from the goal, standard or expectation; and provide guidance on how to address the issue. Additionally, auditors can enhance their auditing effectiveness by actively seeking tailored feedback from their supervisors; and reviewers can seek feedback from subordinates on the effectiveness of the review notes, and use review notes as a way to assess subordinates' learning progresses.

This study has implications for audit practice and research. First, this study provides insight about the review note types that auditors perceive to help them increase their learning experiences; and it provides some indication about what auditors desire from review notes. This insight will benefit audit firms as they train auditors in supervisory positions, on the importance of providing feedback that enhances audit quality and learning. Second, this study points to a need for more research on the learning effects of different review note types, and on how to provide constructive feedback that will enhance learning and audit quality. One proposal is a study to examine real review notes and evaluate their potential learning effects. Another proposal is a study that examines review notes structured differently, to determine the structure that offers the most value to auditors.

The results of this study should be interpreted in light of its limitations. First, this study is based on respondents' recollection, which may introduce recall biases, and secondly, the study is based on auditors' self-reported information about their perceptions of audit review notes.

REFERENCES

Andiola, L. M. (2014). Performance feedback in the audit environment: A review and synthesis of research on the behavioral effects. *Journal of Accounting Literature, 33(1/2), 1-36.*

Asare, S. K., & McDaniel, L. S. (1996). The effects of familiarity with the preparer and task complexity on the effectiveness of the audit review process. *The Accounting Review, 71(2), 139-159.*

Ballou, B. (2001). The relationship between auditor characteristics and the nature of review notes for analytical procedure working papers. *Behavioral Research in Accounting, 13, 25-48.*

Brandon, D. M., Long, J. H., Loraas, T. M., Mueller-Phillips, J., & Vansant, B. (2014). Online instrument delivery and participant recruitment services: Emerging opportunities for behavioral accounting research. *Behavioral Research in Accounting, 26(1), 1-23.*

DeAngelo, L. E. (1981). Auditor Size and Audit Quality. *Journal of Accounting and Economics 3, 183-199.*

DeZoort, F. T., & Lord, A. T. (1997). A review and synthesis of pressure effects research in accounting. *Journal of Accounting Literature, 16, 28-85.*

Fargher, N. L., Mayorga, D., & Trotman, K. T. (2005). A field-based analysis of audit workpaper review. *Auditing: A Journal of Practice and Theory, 24(2), 85-110.*

Favere-Marchesi, M. (2006). Audit review: The impact of discussion timing and familiarity. *Behavioral Research in Accounting, 28, 53-64.*

Fedor, D. B., Eder, R. W., & Buckley, M. R. (1989). The contributory effects of supervisor intentions on subordinate feedback responses. *Organizational Behavior and Human Decision Process, 44, 396-414.*

Fedor, D. B., Walter, D. D., Maslyn, J. M., & Mathieson, K. (2001). Performance improvement efforts in response to negative feedback: the roles of source power and recipient self-esteem. *Journal of Management, 27, 79-97.*

Fedor, D. B., & Ramsay, R. J. (2007). Effects of supervisor power on preparers' responses to audit review: A field study. *Behavioral Research in Accounting, 19, 91-105.*

Gibbins, M., & Trotman, K. T. (2002). Audit review: Managers' interpersonal expectations and conduct of the review. *Contemporary Accounting Research, 19(3), 411-444.*

Kim, S., & Harding, N. (2017). The effect of a superior's perceived expertise on the predecisional distortion of evidence by auditors. *Auditing: A Journal of Practice and Theory, 36(1), 109-127.*

Lambert, T. A., & Agoglia, C. P. (2011). Closing the loop: Review process factors affecting audit staff follow-through. *Journal of Accounting Research, 49(5), 1275-1306.*

Landers, R. N., & Behrend, T. S. (2015). An inconvenient truth: Arbitrary distinctions between organizational, Mechanical Turk, and other convenience samples. *Industrial and Organizational Psychology, 8(2), 142-164.*

Miller, C. L., Fedor, D. B., & Ramsay, R. J. (2006). Effects of discussion of audit reviews on auditors' motivation and performance. *Behavioral Research in Accounting, 18,135-146.*

Nicol, D. J., & Macfarlane-Dick, D. (2006). Formative assessment and self-regulated learning: a model and seven principles of good feedback practice. *Studies in Higher Education, 31(2), 199-218.*

Paolacci, G., Chandler, J., & Ipeirotis, P. G. (2010). Running experiments on Amazon Mechanical Turk. *Judgment and Decision Making, 5(5), 411-419.*

Payne, E. A., Ramsay, R. J., & Bamber, E. M. (2010). The effect of alternative types of review on auditors' procedures and performance. *Auditing: A Journal of Practice and Theory, 29(1), 207-220.*

Public Company Accounting Oversight Board (PCAOB). (2004). Auditing Standard No. 3: Audit Documentation. PCAOB Release No. 2004-006. Retrieved from https://pcaobus.org/Standards/Auditing/Pages/Auditing_Standard_3.aspx [accessed March 31, 2016].

Public Company Accounting Oversight Board (PCAOB). (2009). Auditing Standard No. 7: Engagement Quality Review. PCAOB Release No. 2009-004. Retrieved from https://pcaobus.org/Standards/Auditing/Pages/Auditing_Standard_7.aspx [accessed July 18, 2017].

Public Company Accounting Oversight Board (PCAOB). (2010). AS 1201: Supervision of the Audit Engagement. PCAOB Release No. 2010-004. Retrieved from http://pcaobus.org/Standards/Auditing/Pages/AS1201.aspx [accessed March 31, 2016].

Public Company Accounting Oversight Board (PCAOB). (2013). Standing Advisory Group Meeting: Discussion – Audit Quality Indicators, May 15-16, 2013. Retrieved from https://pcaobus.org//news/events/documents/05152013_sagmeeting/audit_quality_indicat ors.pdf [accessed March 31, 2016].

Public Company Accounting Oversight Board (PCAOB). (2015). Statement on Concept Release on Audit Quality Indicators. PCAOB Open Board Meeting. June 30. 2015. Retrieved from https://pcaobus.org/News/Speech/Pages/06302015_Harris_AQI.aspx [accessed September 17, 2016].

Ramsay, R. J. (1994). Senior/Manager differences in audit workpaper review performance. *Journal of Accounting Research, 32(1), 127-135*.

Rich, J. S., Solomon, I., & Trotman, K. T. (1997). The audit review process: A characterization from the persuasion perspective. *Accounting, Organizations and Society, 22(5), 481-505*.

Roebuck, P., & Trotman, K. T. (1992). A field study of the review process: Research Note. *Abacus, 28(2), 200-210*.

Shankar, P. G., & Tan, H. (2006). Determinants of audit preparers' workpaper justifications. *The Accounting Review, 81(2), 473-495*.

Solomon, I. (1987). Multi-auditor judgment/decision making research. *Journal of Accounting Literature*, *6, 1-25*.

Tan, H., & Jamal, K. (2001). Do auditors objectively evaluate their subordinates' work? *The Accounting Review, 76(1), 99-110*.

Tan, H., & Shankar, P. G. (2010). Audit reviewers' evaluation of subordinates' work quality. *Auditing: A Journal of Practice and Theory, 29(1), 251-266*.

Turner, C. W. (2001). Accountability demands and the auditor's evidence search strategy: The influence of reviewer preferences and the nature of the response (belief vs. action). *Journal of Accounting Research*, *39(3), 683-706*.

APPENDIX 1

Table 1
Responses about Review Note Types Received (n= 56)

Review note types		Received		Not Received		
		Frequency	Percentage	Frequency	Percentage	Total
Accounting standard related	ACSR	27	19.1	29	20.9	56
Reviewer preferences and stylization	RP&S	35	24.8	21	15.1	56
Auditing standard related	AUSR	34	24.1	22	15.8	56
Documentation and descriptive	D&D	30	21.3	26	18.7	56
Error correction	EC	15	10.6	41	29.5	56
Total		141	100.0	139	100.0	280
Chi-Square = 18.487; [a]p-value = 0.001***						

[a] Statistically significant at the 0.01 level.

APPENDIX 2

Table 2
Review note type that provides the best learning opportunity

Panel A: Ranking of Most Learning

Review note types		Most learning		Not Most Learning		Total
		Frequency	Percentage	Frequency	Percentage	
Accounting standard related	ACSR	13	23.2	43	19.2	56
Reviewer preferences and stylization	RP&S	14	25.0	42	18.8	56
Auditing standard related	AUSR	11	19.6	45	20.1	56
Documentation and descriptive	D&D	10	17.9	46	20.5	56
Error correction	EC	8	14.3	48	21.4	56
Total		56	100.0	224	100.0	280
Chi-Square = 2.545; p-value = 0.637						

Panel B: Ranking of Least Learning

Review note types		Least learning		Not Least Learning		Total
		Frequency	Percentage	Frequency	Percentage	
Accounting standard related	ACSR	8	14.3	48	21.4	56
Reviewer preferences and stylization	RP&S	12	21.4	44	19.6	56
Auditing standard related	AUSR	7	12.5	49	21.9	56
Documentation and descriptive	D&D	8	14.3	48	21.4	56
Error correction	EC	21	37.5	35	15.6	56
Total		56	100.0	224	100.0	280
Chi-Square = 15.045; [a]p-value = 0.005						

[a] Statistically significant at the 0.01 level.

APPENDIX 3

Survey

1. Thinking about review notes you have received, please check the categories that apply.

❑ Accounting standard related (e.g. GAAP interpretation issue).
❑ Reviewer preferences and stylization.
❑ Auditing standard related (e.g. inadequate or inappropriate audit procedure).
❑ Documentation and descriptive (e.g. more content, more clarity, signing off).
❑ Error correction (e.g. formula errors).

2. Thinking about review notes you have received, please identify any other categories not stated in the previous question. How many additional categories did you derive?

3. Please rank the categories of review notes based on the following sentence.

Sentence: I learn a lot from review notes categorized as:

_____ Accounting standard related (e.g. GAAP interpretation issue).
_____ Reviewer preferences and stylization.
_____ Auditing standard related (e.g. inadequate or inappropriate audit procedure).
_____ Documentation and descriptive (e.g. more content, more clarity, signing off).
_____ Error correction (e.g. formula errors).
_____ "Other" as noted in Q2 above.

4. I am OK with receiving review notes categorized as_____, because_____.

5. I am not OK with receiving review notes categorized as_____, because_____.

6. Demographic information:
   • Gender: _____
   • Audit position _____
   • Number of years in audit practice:_____
   • Audit practice focus (e.g. public company, private, nonprofit, government):_____
   • CPA (Yes or No):_____
   • Please state any other professional certifications:_____