

When
Monday,
November 28, 2022 12h00-13h00 EST

Where
Zoom
(to get zoom information
parg@sprott.carleton.ca)

Opportunities or Challenges? The Association between Audit Fees and Blockchain Disclosures in 10-K Filings

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ABSTRACT

This study examines whether clients' blockchain activities, measured by blockchain-related disclosures in 10-K filings, are associated with higher audit fees. Using a sample of U.S. firms from 2013 to 2020, we empirically show that audit fees are higher for companies with blockchain-related disclosures in 10-K filings. We further categorize these disclosures based on whether they involve current implementations or future plans. We find that the positive association between blockchain-related disclosures and audit fees is more pronounced for companies with current blockchain implementation. Our results have implications for auditors, regulators, and management, as blockchain technology and its applications are emerging, and the business risk resulting from involvement with blockchain activities and how auditors should respond to the risk should not be ignored.

ABOUT THE PRESENTER

Tawei (David) Wang is currently an Associate Professor and Driehaus Fellow at DePaul University. He is also the Associate Dean of Operations and the Director of MS Audit and Advisory Services program. He received his Ph.D. from Krannert Graduate School of Management, Purdue University in 2009. His research interests are information security management and IT management. He is an Associate Editor of *Information and Management* and the incoming Co-Senior Editor of the *Journal of Information Systems*. He mainly teaches accounting information systems, audit data analytics and data mining. He was selected to be the KPMG James Marwick Professor in Residence in 2018. He was the President of the American Accounting Association Midwest Region and is currently the president of the American Accounting Association Accounting Information Systems section.

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