

Secure Transfer, Restricted-Use Data Lake Application

Version: Example 1

Date: 08/2024

Project Title: Auditor Characteristics, Inspection Outcomes and Employee Benefit Plan Auditor Improvements

Researcher(s)

List all U.S. Department of Labor (DOL) employees and all EXTERNAL RESEARCHERS, with their affiliation. This should be in two separate sections. Below the list of EXTERNAL RESEARCHERS, include their affiliations and a brief description of their role on the project.

[Additional project supporters may be added to this project after it commences as needs dictate.]

John Doe PhD, CPA, CFE (University of DOL) - principal researcher

Jane Doe PhD, CPA (University of DOL) - co-principal researcher

Duration - (in months)

24 months

Locations - (DOL HQ, online, and/or remote locations)

Remote

Background

Please outline the research questions, their value to the DOL and the methodology that will be used. This section provides a project proposal, explaining the research, how it will be conducted, and its importance.

Previous research shows many important determinants of improved auditing quality and important outcomes for users of financial information. Consensus from this growing literature is that auditor specialists and larger auditors from larger offices provide superior audit quality. However, this inference is limited to financial statement audit engagements for large publicly traded companies, and it is difficult to separate client financial reporting quality from auditor quality. Using the EBSA employee benefit plan audit workpaper review data, we hope to overcome this barrier. Our objectives are twofold: First, we plan to examine whether certain auditor characteristics contribute in improving employee benefit plan audit quality. Second, we plan to examine how these characteristics affect the credibility of information provided to users of benefit plan financial information.

Criteria

A specific discussion of how this project will further the mission of agencies at the DOL by producing useful statistics, public-use data, or enhanced DOL internal data. State why the project can't be completed with publicly available data. Please reference and tie your responses to specific parts of the agencies' publicly stated missions and objectives when possible. For example, see the Employment and Training Administration's statement found [here](#).

Our project helps DOL, and specifically the Employee Benefits Security Administration (EBSA), evaluate the effectiveness of its regulations by providing (1) evidence on impacts to auditor effectiveness of various auditor characteristics and (2) evidence of beneficial/detrimental practices which have the potential for policy implications.

End Uses of Statistical Output

What are the expected end uses of the statistical output(s)? For example, are the tables and coefficients to be used as part of an academic publication, as part of a larger research project, as part of a for-profit investigation, etc.?

After the project is completed, we will produce an article for publication in a peer-reviewed academic journal. We will also provide the DOL Chief Evaluation Office with a technical paper describing the data and the data cleaning process for future research avenues. Underlying data can remain confidential with only summary statistics reported for the population at large.

The proposed paper would consist of the following tables:

1. Table sample reconciliation
2. Table presenting the mean, median, standard deviation, as well as the 25th and 75th percentiles for all dependent and independent variables
3. Table with a 2x2 matrix of overall counts of auditors with certain characteristics and auditors with DOL major deficiencies
4. First Regression Model Output (Main Results), this table would show overall regression statistics and coefficient values and significance
5. It is likely we may have several additional robustness tables in an effort to support our identification

Researcher's or Research Group's Qualification

Please outline how the researcher(s) are qualified to complete the proposed project. These qualifications include (but not limited to) the researcher(s)' knowledge, skills, and resource access.

Dr. John Doe and Dr. Jane Doe are currently professors at the University of DOL teaching Accounting with research background in audit quality.

List Datasets with Confidential Information

List all confidential datasets (both DOL and non-DOL) and the private variables from them here.

We are interested in obtaining access to the “Audit Quality Work Paper Review” database. We became aware of the data in the study “An Analysis of Benefit Plan Auditors,” dated September 2018 (contract number DOLQ12633250). It appears that this study limited the data to only include the reviews of auditors who audit fewer than 100 plans annually. We would like to broaden the scope of the data (if possible) and include the complete dataset of all auditor reviews (even those auditing 100 or more plans annually).

List Other Department of Labor Datasets

List nonconfidential DOL datasets here. Variable listings are not needed.

The publicly available Form 5500 database, questionnaire to help researchers understand the data, and the Auditor Population Statistics dataset

List User Provided Datasets

List any researcher-provided datasets being used here, along with a brief description or link.

Other sources may include data from Compustat and/or Audit Analytics, if necessary (to which we already have subscription access through our institutions and constitute publicly available information).

Need and Use of Confidential Information

In this section, list each confidential variable and the datasets it is contained in, and describe how the variable will be used in the proposed project and why it is needed.

Example:

<u>Confidential Variable</u>	<u>Dataset Name</u>	<u>Use in Project</u>
Participant Name	America’s Promise	Linking Variable

Confidential Variable	Dataset Name	Use in Project
Auditor identifying information	Audit Quality Work Paper Review database	Linking variables
Plan and sponsor identifying info	Audit Quality Work Paper Review database	Linking variables
Review outcome details	Audit Quality Work Paper Review database	Outcome variables
Auditor descriptive details	Audit Quality Work Paper Review database	Control variables

We would also like to continue to maintain an open dialogue about what data is available and be able to request additional data items as necessary.

Project Expected Deliverables

List expected deliverables from the proposed project. For instance, DOL expects the researcher(s) to provide DOL with annual progress reports on multiyear projects. After the project is completed, the researcher(s) should produce at least one or more technical memos or working papers, including a version that can be posted on the CEO website, as well as related research papers for conference presentation and/or journal publication.

We will provide the Department of Labor with periodic progress reports given that this will likely be a multiyear project. After the project is completed, we will produce an article for publication in a peer-reviewed academic journal. We will also provide the CEO with a technical paper describing the data and the data cleaning process for future research avenues.

Disclosure Protections and Review

Public releases of all statistics by the DOL should conform to federal policy guidelines and will be checked for disclosure risk before release. Disclosure review will take several weeks at a minimum. It is the responsibility of the researcher(s) to ensure that all necessary information is provided to the disclosure avoidance team as needed. A sample package of disclosure screening materials is available on the Secure Transfer, Restricted-Use Data Lake website. Note that this is only a sample and may change by the time the project is completed.

We will only release summary statistics. For instance, we will suppress cells with a small number of observations and will not report outliers. For statistics that we may want to include in our final report that would normally be suppressed, such as small cell sizes containing demographic information, we will work with STRUDL staff to consider alternative statistical disclosure control approaches, such as noise infusion.

Project Funding Sources

Describe the funding sources supporting the project such as grants, university budgets, etc.

None

Project Timeline

The proposed duration of the project is [X] months. [Additional documentation if needed]. *Insert table with timeline. The timeline should include activities, such as cleaning data, merging data, conducting specific analyses, and estimated timeframe for outputs (e.g., publications, presentations, or any public-use products).*

Totaling 24 months:

1 year for sample construction and model development

6 months on analysis

6 months on publication outputs

Data Collection Instrument Disclosure with Record Retention Periods

OMB No.: 1290-0NEW

Expiration: TBD

CEO Form No.: ST-132

Public reporting burden for this form is estimated to average 2 hours per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting the form. This collection of information is required to obtain or retain benefits and will be retained for 60 days. You are not required to respond to this collection of information unless it displays a valid OMB control number. Please send comments regarding the burden estimate or any other aspect of this collection of information to the U.S. Department of Labor, OASP S-2218, 200 Constitution Ave NW, Washington, DC 20210 or STRUDL@dol.gov and reference OMB control number 1290-0NEW. **NOTE: Please do not send your completed form to this address.**