

Summary of Paper: [Audit Partner Engagement in Charities and Client Financial Reporting Quality](#)

What is this Study About?

This study investigates the relationship between audit partners' participation in charitable volunteer work and their professional performance in auditing. It focuses on whether engagement in significant volunteer roles, including board memberships in nonprofit organizations, affects the financial reporting quality of their corporate clients. Financial reporting quality is measured by the presence of accounting misstatements.

What are the major findings of the study?

Results indicate that audit partners who volunteer at charities tend to have higher professional performance, reflected in fewer accounting misstatements, and better overall financial reporting quality for their clients. This positive effect is stronger when the audit partner chairs the nonprofit's board or donates to the organization. Contrary to concerns, the study finds no evidence supporting the notion that volunteer work impairs audit quality due to time constraints. Instead, traits linked to volunteering, such as prosocial behavior and a commitment to high ethical standards, appear to contribute to better audit outcomes.

Why is the study important?

The findings highlight the broader benefits of volunteerism, showing that it not only fosters personal and social development but also enhances workplace performance in leadership roles. For public accounting firms, the results suggest that encouraging employees to volunteer can signal desirable personality traits that improve audit quality. This supports corporate policies offering time off for volunteer work and aligns with efforts to integrate social responsibility into professional environments. The study also underscores the value of personality traits in shaping audit quality, expanding understanding in accounting and organizational behavior research.