

OUR PROJECT IS ABOUT THE ERRORS THAT ARE DETECTED IN THE FINANCIAL STATEMENTS DURING AN AUDIT...

THE AUDITOR'S EVALUATION OF MISSTATEMENTS

PROF. DR. ANN VANSTRAELEN



DR. ULRIKE THÜRHEIMER



EXPLORATION, DRIVERS & CONSEQUENCES



WHY DO WE CARE?



IT ALLOWS US TO GET SOME

INSIGHTS



IN THE SO CALLED

BLACK BOX OF AUDITING

INVESTIGATE THE

EVALUATION & IDENTIFICATION

OF MISSTATEMENTS BY AUDITORS

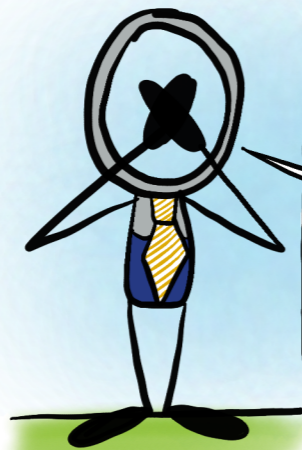
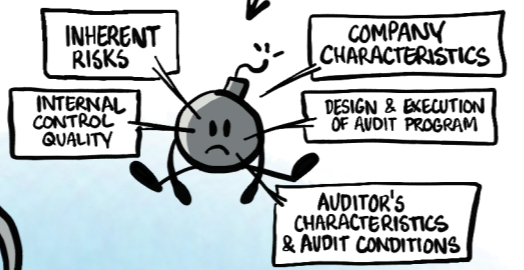


THIS REPRESENTS DIRECT EVIDENCE OF THE VALUE OF AUDITING

WHAT DO WE KNOW?



FROM PRIOR RESEARCH IN THE '80's & '90's WE KNOW SOME DETERMINANTS OF ERRORS

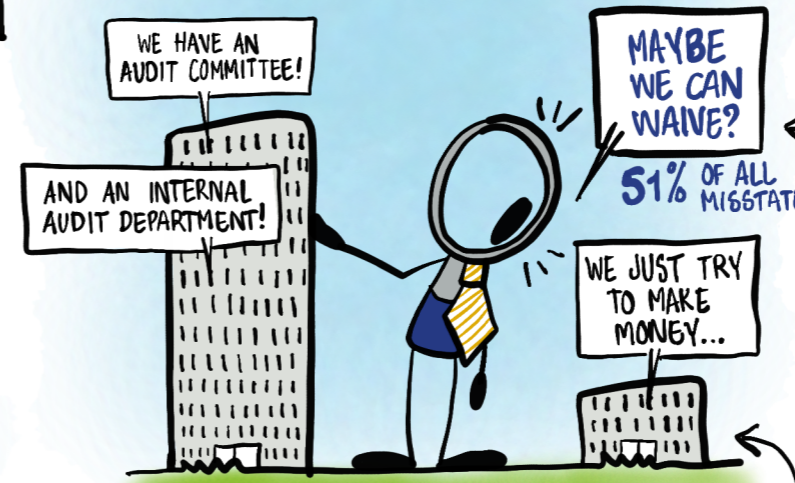


FROM PRIOR RESEARCH WE KNOW THAT I'M WILLING TO NEGOTIATE TO WAIVE MISSTATEMENTS, FOR EXAMPLE WHEN ECONOMIC INCENTIVES ARE INCREASING...

WHAT DID WE LEARN SO FAR?



OUR STUDY SHOWS THAT IN **74%** OF THE ENGAGEMENTS MISSTATEMENTS WERE IDENTIFIED



THE LIKELIHOOD FOR IDENTIFIED MISSTATEMENTS IS HIGHER FOR SMALLER COMPANIES

WHAT'S NEXT?



THIS WAS PART I!

PART II WILL BE TO INVESTIGATE THE EVALUATION OF DETECTED MISSTATEMENTS



PART III IS TO INVESTIGATE THE CONSEQUENCES OF ADJUSTING OR WAIVING MISSTATEMENTS

