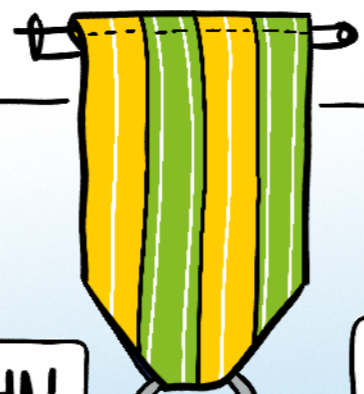


The effects of expert status on the audit of complex estimates



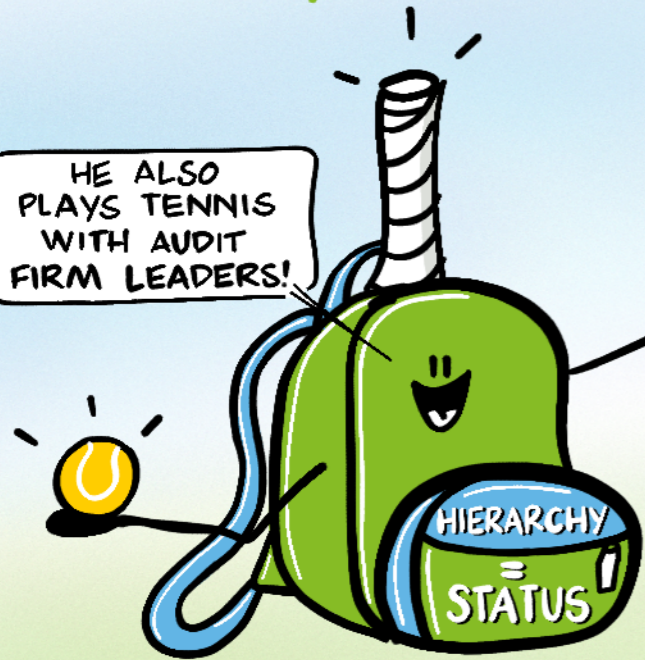
JUSTIN LEIBY

Is **Status** more important (at aggressive estimates) than competence?



influence

HE ALSO PLAYS TENNIS WITH AUDIT FIRM LEADERS!



HI!

I'M AN EXPERT!

MY SOCIAL STATUS SAYS SO!



I AGREE WITH YOUR CLIENTS' ESTIMATE

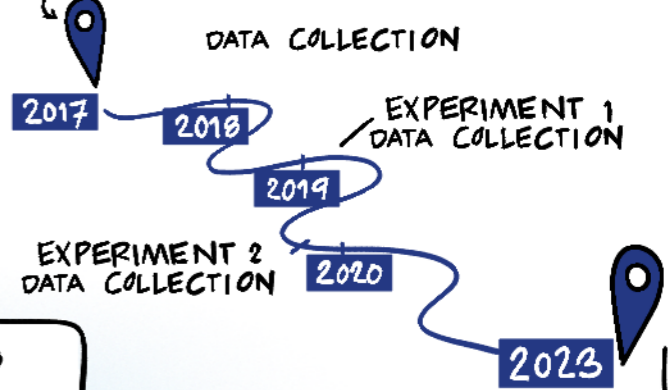
Competence

Embracing the importance of status may help constrain group thinking

GOOD RESEARCH TAKES TIME!



FAR AWARDS GRANT



OK, BUT I DO WANT TO DISCUSS THE CASE WITH YOU & I MIGHT ALSO NEED A SECOND OPINION

I'M IN THE LEAD & RESPONSIBLE FOR THIS AUDIT

I NEED YOU TO PROVIDE ME WITH SOME STRONGLY JUSTIFIED (DIS)AGREEMENT

DOES STATUS EQUAL SUBSTANCE?

IS THE AUDITOR ALLOWED TO CHOOSE THE EXPERT?



FRANK DUYM

IS THE EXPERT STATUS THE ONLY FACTOR TO TAKE INTO ACCOUNT, OR DO WE NEED TO LOOK AT THE CLIENT'S CFO-STATUS AS WELL?

HIGH EXPERT SOCIAL STATUS INFLATES PERCEPTIONS OF EXPERT COMPETENCE & EXPERT INFLUENCE

WHEN EXPERTS DISAGREE WITH A CLIENT'S ESTIMATE, AUDITORS RELY ON EXPERTS MORE WHEN EXPERTS' SOCIAL STATUS IS HIGH

HOWEVER, WHEN EXPERTS AGREE WITH THE CLIENT, BUT OFFER POOR JUSTIFICATION, AUDITORS DON'T RELY UPON THE EXPERT, NO MATTER THE SOCIAL STATUS