

## Seminario: Alex Barrachina (Universitat Jaume I)

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**Título:** Actual and perceived auditor independence and the functioning of the financial system: a game-theoretic analysis

**Sala:** E21

**Hora:** 12.30

**Resumen:** Perceptions of auditor independence play a key role in the degree of effectiveness in reducing the inherent information asymmetry suffered by who were not directly related to the elaboration of a company's financial statements. This is particularly important for the functioning of the financial system of an economy. Moreover, given that public regulations of accounting and auditing issues affect these perceptions, such role should be taken into account when defining them. Theoretically analyzing the interaction among auditors and merely users of financial statements can help shed light on this key role and serve as a guide for such regulations. The nature of such interaction allows to theoretically analyze it through a noncooperative game-theoretic model of imperfect and incomplete information. This is what the present study exploits in a context directly related to the functioning of the financial system of a market economy. Moreover, it focuses on the most interesting case in which, after performing the audit, an auditor considers to issue a qualified report reflecting that the company's financial statements contain some non pervasive misstatements. Nevertheless, the company suggests not to report such details and issue an unqualified report. Therefore, the auditor has to decide whether to maintain actual independence and issue the qualified report, or to yield to the suggestion of the company and issue an unqualified audit report.

