

CLARITY IN THE NUMBERS: THE IMPACT OF KEY AUDIT MATTERS ON BUCHAREST STOCK EXCHANGE AUDITOR REPORTS

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Abstract: *This study investigates the application of Key Audit Matters (KAMs) in auditor reports for companies listed on the Bucharest Stock Exchange (BSE) following the adoption of revised International Standards on Auditing. Using content analysis of auditor reports from 2018-2022, we analyze the trends in selected auditors and the KAMs that are being reported. Our findings indicate that auditors disclosed an average of 2-3 KAMs per report, with revenue recognition, asset valuation, and provisions being the most common topics. While KAM reporting increased transparency, the study reveals challenges in consistency and specificity of disclosures. The results provide insights on KAM implementation in an emerging market context and inform ongoing debates on enhancing audit report communicative value.*

Keywords: Key Audit Matters, audit reporting, Bucharest Stock Exchange, International Standards on Auditing

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