
Reporting of subsequent events in financial statements – between obligation and necessity

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Abstract

The article aims to highlight the importance of reporting of subsequent events in financial statements, the factors that influence their reporting and the implication in statutory audit. The purpose of the article is to research the theoretical and legal basis which regulates the accounting and audit of subsequent events, but also research practical cases on this subject. The case study was based on the study of the 62 companies, listed on the Bucharest Stock Exchange, from which were analyzed the financial statements and the independent auditor's reports, grouping the subsequent events which was found, depending on their type and the domain in which that company operates, and were compared the types of events that occurred in each domain of activity. From empirical research resulted that reporting of subsequent events can be influenced by various factors such as: the auditor's category, the audit opinion, the performance and the size of company. The main conclusion which resulted from the study case is that the subsequent events are more frequent presented in financial statements of an entity, influencing in some cases the auditor's opinion related to these financial statements.

Keywords: subsequent events, financial statements, audit opinion, audit evidence

JEL Classification: M40, M41

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