
Audit Risk Assessment and Influence on the Auditor's Opinion

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Abstract

Risk is one of the most controversial elements that auditors face in audit missions. This refers to the probability that significant misstatements will exist in the financial statements of companies, and the auditor will issue an unqualified opinion, therefore an erroneous opinion. For the auditor, the audit risk can be considered an economic risk, which requires the professional accountant to try to minimize this risk. Accurate identification and evaluation of the risk factors that characterize the three components of the Audit Risk - Inherent Risk, Control Risk and Detection Risk - contribute to a rigorous planning of the audit approach. In other words, the identified risks will be the basis for orienting the auditor's efforts towards those areas where distortions can lead to the alteration of the true image reported by the users' financial statements.

In this study are identified and prioritized, based on financial reports in general, and of the audit, in particular the risk factors that characterize Audit Risk on three components: Inherent Risk, Control Risk and Detection Risk.

The sample studied is represented by companies listed on the Bucharest Stock Exchange on the regulated market, and the cause-effect analysis, but also cross-sectional analysis takes into account the period 2019-2020, before the crisis caused by Covid-19 and year of installation of the crisis. By testing and validating research hypotheses using regression methods and multivariate data analysis, it is highlighted that a ranking of audit risk components can be made, the inherent risk having a greater influence on audit planning than control risks and detection risks. Also, at the level of the analyzed sample, a company profile is identified, depending on the object of activity, auditor, the size of the audit risk and the opinion formulated in the audit report for the financial year closed at the end of 2020.

Key words: audit risk; inherent risk; control risk; detection risk; audit opinion; financial reporting;

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