Auditing standards require group auditors to determine component materiality amounts that directly affect how much component auditing is performed and thus the quality and economics of group audits. The standards, however, do not say how component materiality should be determined; and methods used in practice vary widely, lack appropriate theoretical support, and may result in undue audit risk or excessive audit cost. This thesis proposes a solution to the component materiality problem within the framework of a Bayesian generalization and extension of the auditing profession’s familiar audit risk model.

Trevor Stewart is a retired Deloitte partner. He joined the firm after graduating in mathematics from the University of Cape Town. He lives in New York, where he has spent most of his career.

INVITATION

You are cordially invited to the defence of my thesis

A Bayesian Audit Assurance Model with Application to the Component Materiality Problem in Group Audits

Monday 25 February 2013 at 15.45h in the Aula of
VU University Amsterdam
De Boelelaan 1105, Amsterdam

A reception will be held immediately following the proceedings

RSVP via email by 31 December

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