The Effects of Communication Media and Client Familiarity on Auditors’ Confidence in Deception Detection

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ABSTRACT

Auditors collect audit evidence through client inquiry. When auditors incorporate audit evidence gathered via client inquiry, they must be able to detect deception to be effective. Detection of deception, in the information that is communicated, may be more difficult with the proliferation of web-based communication applications. These applications represent an efficient approach to facilitate the exchange of information between auditors and audit clients. However, the effectiveness of the information exchange between auditors and audit clients may be more challenging for audit clients that are unfamiliar (i.e. new clients). We collected data from 84 participants (upper level accounting students) to study the influence of communication mode and familiarity with the client on auditors’ perceived ability to detect deception. We find that, consistent with Media Richness Theory and Channel Expansion Theory, leaner forms of communication media and less familiarity with the audit client lead to a diminished confidence in ability to detect deception. Our study provides support for auditors’ consideration of the most appropriate form of communication before gathering information from a client.

Keywords: Auditing, deception, deception detection, familiarity, media richness.

Data Availability: The data are available from the first author upon request.

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