

Summary of Paper: [Increasing Client Fraud Risk Disclosure with Minimization Techniques](#)

What is this Study About?

This study explores how small changes to the wording of audit fraud inquiries can increase client willingness to disclose fraud risks. Specifically, it tests whether minimizing the seriousness of the inquiry — by avoiding the word "fraud" and using terms like "questionable behavior," or by suggesting that disclosing concerns is common — prompts more candid client responses.

What are the major findings of the study?

Using either a softer label ("questionable behavior") or a social comparison ("others have similar suspicions") significantly increased client intentions to report misconduct compared to standard audit language. However, combining both strategies simultaneously did not further improve disclosures, likely because it made the inquiry seem less direct.

Why is the study important?

Auditors often rely on standard inquiries based on regulatory phrasing, which might not be optimally effective. This research shows that small, inexpensive tweaks to questioning can enhance fraud risk identification, leading to more targeted and effective audit procedures.

What is the impact on professional practice and society at large?

Enhanced client disclosures improve audit quality, strengthen fraud detection, and ultimately protect investors and financial markets. Regulators and firms may need to revise fraud inquiry guidance to encourage practices that foster greater transparency without compromising audit rigor.