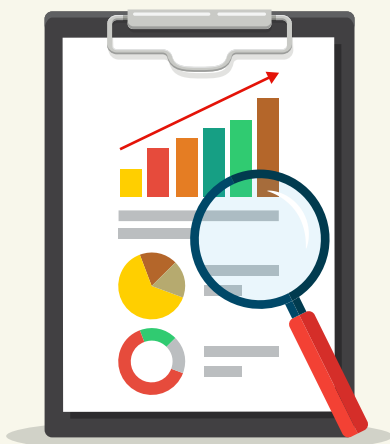


# Unveiling the Impact of the U.S. Critical Audit Matter Disclosure Requirement



The critical audit matter (CAM) disclosure requirement represents a substantial shift in audit reporting, addressing the need to improve transparency and facilitate investor evaluation



Difference-in-differences analysis to examine changes in financial statements for preparers and users of financial reports

- Changes in financial statement footnotes
- Market reactions to CAM disclosures

Significant changes observed in financial statement footnotes indicate potential management disclosure adjustments following auditor-provided disclosure



CAM disclosures did not offer additional information to the market



Limited initial evidence suggests negative market reactions to unexpected CAM disclosures

**CAM disclosure requirements have limited impact, despite their intention to shed light on significant issues identified during the audit process**