

Stavriana Hadjigavriel

RESEARCH INTERESTS	<i>Financial accounting, auditing, audit pricing, corruption, law enforcement.</i>
ACADEMIC POSITIONS:	Assistant Professor in Accounting, CUNEF, Madrid (since Sept. 2021)
EDUCATION	<p>Ph.D. Accounting, University Carlos III of Madrid, July 2021</p> <ul style="list-style-type: none">■ Dissertation Topic: “Assorted Papers on Auditing and Corruption” <p>Bocconi University, Milan, Italy Visiting PhD student, September - November, 2020 Sponsor: Peter Pope</p> <p>University Carlos III of Madrid Sept. 2015 - July 2017 M.S., Business and Finance (Research based)</p> <p>University of Cyprus Sept. 2013 - July 2015 M.S., Finance (Professional)</p> <p>University of Bristol Sept. 2010 - July 2013 B.S., Accounting and Finance</p>
PUBLICATIONS	<p>“Bribes and Audit Fees”, <i>with Maria Gutierrez Urtiaga and Susana Gago Rodriguez</i> Journal of Accounting and Public Policy, 2025</p> <p>We examine how the UK Bribery Act 2010 – a law aimed at discouraging corruption – has affected auditors’ fees and perceived risks associated with client firms engaging in bribery. Adopting a triple-difference design, we find that those client firms subject to the Act and operating in countries perceived as more corrupt, pay higher audit fees following the enactment of the Act. However, we observe no significant change in the audit fees for subject client firms which operate in low-corruption environments. Although the Act has no impact in the financial reporting quality across clients, the Big 4 are less likely to audit subject firms operating in high-corruption environments after the passage of the law. Therefore, we conclude that the increase in audit fees after the passage of the act for client firms operating in high-corruption environments is the response of auditors to the higher potential litigation and reputation costs they face when engaging with such clients. Overall, our results suggest that the UK Bribery Act caused a significant increase in the auditors’ perceived risk associated with clients considered as risky, resulting in higher fees.</p> <p>“Convergence in Audit Materiality: The Impact of Public Disclosure on Auditors’ Behavior and Quality”, <i>with Omar de Ines Anton, Beatriz Garcia Osmá, Encarna Guillamon Saorín</i> Forthcoming in Journal of Accounting and Public Policy, 2025</p>

Disclosure of audit materiality may facilitate the assessment of auditors’ assurance, thereby narrowing the expectation gap. However, disclosure may also induce industry-

convergence towards average materiality thresholds, or be exploited by low-quality auditors to justify higher materiality. Using a large sample of UK firms following the materiality disclosure requirement introduced by ISA 700, we predict and find evidence that disclosure triggers industry-convergence in materiality thresholds. This convergence is not accompanied by changes to audit fees, but we document audit quality effects. Industry-converging materiality changes are positively associated with restatements when the firm increases materiality to converge towards the average. In contrast, materiality convergence appears to worsen audit quality when auditors' initial positioning is below industry benchmarks.

**WORKING
PAPERS**

**“The Impact of Non-Accounting Class Action Suits against Audit-Clients on Audit Quality”,
*with James Hansen***

This study addresses a gap in the existing literature by examining a frequently overlooked factor: the impact of non-accounting class action lawsuits (NACs) against audit client firms on audit quality. We consider these lawsuits as exogenous shocks that divert auditors' attention toward the sued client, potentially creating spillover effects that affect other, non-sued clients sharing the same audit office. Our findings support this hypothesis, demonstrating that non-sued clients experience a decline in audit quality when their audit office is distracted. This decline is evidenced by an increased likelihood of financial restatements, missed internal control weaknesses, filing delays, and lower audit fees. Furthermore, non-sued clients facing these negative spillovers are more likely to switch auditors in the year following the distraction. Our results remain robust across multiple robustness checks. Overall, this study highlights that legal disputes unrelated to accounting can have significant, unintended consequences, extending beyond the firms directly involved in an NAC and affecting the broader audit environment.

**“Media Spotlight and Auditor Distraction: The Hidden Costs of Negative Exposure”,
*with Mert Erinc***

This study investigates whether negative media exposure faced by an audit client triggers adverse spillover effects on the audit quality of other clients sharing the same auditor. Using a sample of fraud-related events in the US from 2003 to 2023, we examine how audit quality fluctuates within exposed audit offices—those with a client under negative media scrutiny— at different levels of exposure. We find that when the accusation date of a focal client overlaps with the audit period of another client, the latter experiences a significant decline in audit quality, evidenced by increased restatements, missed material weaknesses, and filing delays. Employing a robust empirical identification strategy, we isolate the impact of media coverage, demonstrating that these spillover effects arise from media-driven scrutiny rather than the fraud itself. These findings hold across multiple robustness checks, underscoring the broader implications of media attention for audit resource allocation and overall audit quality.

**“Do FRC inspections affect audit materiality levels? Evidence from inspected engagements and spillover effects”
*with Omar de Ines Anton and Arpine Maghakyan***

We explore the impact of FRC inspections on overall audit materiality, an often-overlooked aspect of the audit process primarily due to data unavailability. Utilizing FRC inspections in the UK and a difference-in-difference design, our goal is to assess how materiality levels of inspected engagements change following a FRC inspection compared to a control group of non-inspected engagements within the same audit portfolio. We anticipate that audit firms will reduce materiality levels in response to

flagged inspections, aligning with the FRC's governance role over inspected firms. Additionally, we test for any spillover effects to non-inspected engagements, drawing on the contagion effect hypothesis for our expectations. Our study holds significance in the literature as it offers evidence on whether materiality thresholds are adjusted in response to regulatory scrutiny by the FRC.

OTHER WORKING PAPERS

“Audit Office’s Benefits of Auditing a Reputable Client” *with Omar de Inés Anton*

This study examines how an unexpected increase in client’s reputation alters the audit-client relationship. We use the inclusion to the America’s 100 Most Admired Companies’ List as a proxy that captures firm’s reputation and prestige. We believe that audit offices responsible for delivering the audits of these highly reputable firms should face a positive reputation shock. We find that these audit offices attract more clients and enjoy higher bargaining power evident by the higher audit fees to their other clientele. Further, clients of these audit offices experience positive spill over effects of better quality of audits. Results remain robust to a number of robustness checks.

Can auditors be overzealous? Impact of auditor over-conservatism on client’s investment efficiency *with Omar de Ines Anton, Beatriz Garcia Osmá, Encarna Guillamon Saorín*

We empirically examine the effect of auditor conservatism on the investment efficiency of its clients. We make two predictions. First, auditor conservatism can improve investment efficiency through an increase in audit quality and a decrease in information asymmetries. Second, over-conservative auditors can constrain financing, lowering investment efficiency for firms at risk of underinvestment. We exploit vagueness in auditor going-concern reporting guidelines to create a measure of conservatism and over-conservatism. The results confirm the predictions. We find that while auditor conservatism increases accounting quality and decreases cost of equity, these effects do not continue as the auditor crosses the threshold into over-conservatism. Overall, our findings show that higher auditor conservatism may not always lead to a positive outcome.

“Effects of the Dark Triad Personality on the Relation between Audit Rotation and Audit Fraud”, with Susana Gago Rodriguez

In a laboratory experiment, we examine whether the effects of rotation and reputation risks on auditor’s honesty depend on personality traits. According to the psychology theory, we hypothesize that the dark triad personality (i.e., psychopathy, Machiavellianism, and Narcissism) influences the perceived rotation and reputation risks and frames auditor’s honesty. We show that high dark triad participants report more honestly when they confront high rotation risk. However, there are no significant differences in personalities’ response to different reputation risks.

TEACHING EXPERIENCE

CUNEF Universidad, Madrid, Spain
Sept. 2021 - present

- Financial Reporting Standards, Postgraduate level, PricewaterhouseCoopers (in Spanish).
- Information Systems and Accounting, Undergraduate level, 1st Year (in English and Spanish)

University of Carlos III, Madrid, Spain
Jan. 2017 - June 2021

- Financial Statement Analysis, (English and Spanish)
- Financial Accounting I (in English)

GRANTS AND SCHOLARSHIPS

- Best Paper Award, 25th Annual Ethics Research Symposium, AAA. **Aug. 2021**
- Best Proposal Presentation, 1st Pricit Doctoral Workshop, Spain. **April. 2021**
- Outstanding Teaching Award(*1st Position Ph.D. Student*),University Carlos III of Madrid **2020-2021, 2019-2020, 2018-2019, 2017-2018**
- University Carlos III of Madrid Doctoral Scholarship

RESEARCH SERVICE

Referee: Journal of Banking, Finance and Accounting, Spanish Journal of Finance and Accounting, Journal of Accounting, Auditing, and Finance

CONFERENCE PRESENTATIONS (*DENOTES PRESENTATION BY CO-AUTHOR)

<i>III Barcelona Accounting Summer Workshop,</i>	Spain, Barcelona, June, 2025
<i>Annual Meeting, Accounting Association,</i>	Italy, Rome, May, 2025
<i>Annual Meeting, Workshop on Audit Quality,</i>	Italy, Sicily, October, 2024
<i>Seminar at the National Taiwan University,*</i>	May, 2024
<i>Accounting Summer Camp,</i>	Italy, Bolzano, June, 2024
<i>Annual Meeting, European Accounting Association,</i>	Romania, Bucharest May, 2024
<i>Hawaii Accounting Research Conference,</i>	January, 2024
<i>Journal of accounting and public policy -special issue conference,</i>	Italy, Naples, Nov. 2023
<i>AIDEA, Convegno nacional,</i>	Italy, Salerno, Oct, 2023
<i>Annual Meeting, European Accounting Association,</i>	Finland May, 2023
<i>EIASM workshop on fraud and accounting scandals,</i>	Genoa, April 2023
<i>9TH EIASM workshop on audit quality,</i>	Milan Italy, Sept. 2022
<i>Annual Meeting, Spanish Accounting Association,</i>	Burgos, Spain, July 2022
<i>Annual Meeting, American Accounting Association,</i>	Aug. 2022
<i>Annual Meeting, European Accounting Association,</i>	Norway
May, 2022	
<i>Annual Meeting, Ethics Research Symposium, USA (online)</i>	Aug. 2021
<i>Annual Meeting, American Accounting Association, USA (online)</i>	Aug. 2021
<i>Annual Meeting, Interdisciplinary Perspectives on Accounting, Austria (online)</i>	July. 2021
<i>Doctoral Workshop, Pricit Doctoral Workshop, Spain (online)</i>	April. 2021
<i>Annual Meeting, Journal of Law, Finance, and Accounting, Italy (online)</i>	Dec. 2020
<i>Annual Meeting, Workshop on Audit Quality, Italy (online)</i>	Nov. 2020
<i>Annual Meeting, American Economics and Law Association,USA(online)*</i>	Nov. 2020
<i>Doctoral Colloquium,European Accounting Association, Romania</i>	
<i>(Cancelled due to Covid-19)</i>	May 2020
<i>Annual Meeting,European Accounting Association Conference, Romania</i>	
<i>(Cancelled due to Covid-19)</i>	May 2020
<i>Annual Meeting, Spanish Economic Association, Spain</i>	Dec. 2019
<i>Annual Meeting, European Law and Economics, Israel</i>	Sept. 2019
<i>Annual Meeting,American Accounting Association, USA*</i>	Aug. 2019
<i>Annual Meeting, Accounting Symposium, Spain</i>	June 2019
<i>Annual Meeting, European Accounting Association, Cyprus</i>	May 2019
<i>Annual Meeting, Research Forum, Spain</i>	April 2019
<i>Annual Meeting, Raymond Konopka, Portugal*</i>	Jan. 2019
<i>Annual Meeting, IE PhD Consortium, Spain</i>	June 2018
<i>Annual Meeting, European Accounting Association, Italy</i>	May 2018
<i>Annual Meeting, Research Forum, Spain</i>	April 2018

LANGUAGES

Greek: Native
English: Fluent
Spanish: Fluent
Italian: Advanced
Turkish: Upper Intermediate

REFERENCES

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