

# A Comprehensive Bibliometric Review of Material Misstatement Studies in Accounting Literature

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## ABSTRACT

This study aims to explore the intellectual structure, research trends, and thematic evolution of material misstatement studies within accounting literature through a comprehensive bibliometric analysis. Using data collected from reputable databases over the period 2010–2025, this study applies bibliometric techniques, including co-occurrence analysis, network visualization, overlay visualization, and density mapping using VOSviewer. The findings reveal that early research predominantly focused on fraud detection and accounting misstatements, highlighting the role of auditing in identifying financial irregularities. Over time, the literature has shifted toward more systematic and process-oriented themes, particularly risk assessment, analytical procedures, and auditing practices. Recent trends indicate a growing emphasis on audit quality as a key outcome variable, reflecting the increasing importance of audit effectiveness, governance, and financial reporting reliability. The results also show that while core themes such as fraud and risk assessment remain highly dominant, emerging areas like audit quality are developing as distinct yet significant research streams. This study contributes to the literature by providing a comprehensive mapping of material misstatement research, offering insights into its development, current focus, and future directions. The findings suggest the need for further integration of traditional auditing approaches with emerging technologies and interdisciplinary perspectives to enhance the detection and prevention of material misstatements.

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## 1. INTRODUCTION

Financial reporting plays a fundamental role in supporting transparency, accountability, and informed decision-making within modern economic systems. Stakeholders such as investors, creditors, regulators, and other users rely heavily on financial statements to evaluate the financial

performance and position of organizations. Consequently, the reliability and accuracy of financial information are critical for maintaining trust in capital markets. One of the most important concepts that ensures the credibility of financial reporting is the absence of material misstatements in financial statements. In auditing and accounting

literature, a material misstatement refers to an error or omission in financial reporting that is significant enough to influence the economic decisions of users who rely on those financial statements [1].

Material misstatements can arise from a variety of sources, including unintentional errors, incorrect accounting estimates, inappropriate application of accounting policies, or intentional fraud. These misstatements may occur in the recognition, measurement, presentation, or disclosure of financial information within financial statements. When such inaccuracies are large enough to influence stakeholder decisions, they become material and require correction or disclosure. In the auditing context, identifying and evaluating the risk of material misstatement is a primary objective of auditors when assessing the fairness and reliability of financial statements [2]. The concept of materiality is closely related to material misstatement and serves as a key principle guiding both financial reporting and auditing practices. Materiality helps determine whether an error or omission is significant enough to impact the decisions of financial statement users. Because materiality depends on both quantitative and qualitative considerations, the determination of what constitutes a material misstatement often involves professional judgment. Auditors evaluate factors such as the size of the misstatement relative to financial statement totals, the nature of the transaction, and the potential effect on stakeholders' perceptions and decisions [3].

Over the past several decades, academic research in accounting and auditing has extensively explored issues related to material misstatements. Scholars have examined topics such as the determinants of financial reporting errors, fraud detection mechanisms, audit quality, internal control effectiveness, and the role of corporate governance in preventing misstatements. With the increasing availability of financial data and advancements in analytical techniques, recent studies have also incorporated machine learning and data analytics approaches to detect anomalies and

potential misstatements in financial reporting. These developments demonstrate the evolving nature of material misstatement research within the broader accounting literature [4].

Despite the growing body of research on material misstatements, the literature remains fragmented across different themes, methodologies, and disciplinary perspectives. Some studies focus on the role of auditors and audit procedures in detecting misstatements, while others examine managerial incentives, corporate governance mechanisms, or technological tools for anomaly detection. As the number of publications continues to expand, it becomes increasingly challenging for researchers to obtain a comprehensive understanding of the intellectual structure and development of this research field. Therefore, a systematic and bibliometric review is necessary to map the evolution of material misstatement research, identify influential publications, highlight key research trends, and provide insights into future research directions within the accounting literature [5].

Although numerous studies have addressed various aspects of material misstatements in financial reporting and auditing, the existing literature lacks a comprehensive bibliometric synthesis that systematically maps the development, research patterns, influential authors, and thematic trends within this field. Without such an overview, it becomes difficult for scholars and practitioners to understand how research on material misstatements has evolved over time, what topics dominate the literature, and which areas remain underexplored. Consequently, there is a need for a comprehensive bibliometric review that integrates existing studies and provides a structured overview of the intellectual landscape of material misstatement research in accounting literature [6].

The objective of this study is to conduct a comprehensive bibliometric review of material misstatement studies within the accounting literature. Specifically, this study aims to analyze the development and growth of publications related to material

misstatements, identify the most influential authors, journals, and articles in the field, examine collaboration networks among researchers, and map the major research themes and emerging trends. Through this bibliometric analysis, the study seeks to provide a systematic overview of the intellectual structure of material misstatement research and offer insights that may guide future research in accounting and auditing.

## 2. METHODS

This study adopts a bibliometric review approach to systematically analyze the development of research on material misstatements in accounting literature. Bibliometric analysis is a quantitative method used to evaluate academic publications by examining patterns in scientific literature, such as publication trends, citation structures, authorship networks, and thematic developments within a specific research field [7]. By applying this approach, the study aims to map the intellectual structure and evolution of material misstatement research in accounting. Bibliometric reviews are widely used in accounting and management

research because they provide an objective and reproducible method for synthesizing large volumes of academic literature and identifying influential studies, authors, and research themes [8].

The data used in this study were obtained from a major academic database that indexes peer-reviewed journals in the fields of accounting, finance, and business. Relevant publications were identified using keyword searches related to material misstatement, financial misstatement, financial reporting error, and audit risk. The search was limited to articles published in peer-reviewed journals to ensure the quality and reliability of the data. After the initial search, a screening process was conducted to remove duplicate records, irrelevant studies, and publications not directly related to accounting or auditing contexts. The final dataset consisted of selected articles that specifically address material misstatements in financial reporting, auditing practices, fraud detection, and related governance mechanisms.

## 3. RESULT AND DISCUSSION

### 3.1 Keyword Co-Occurrence



Figure 1. Network Visualization

Source: Data Analysis

Figure 1 reveals the intellectual structure of material misstatement research in accounting by highlighting several interconnected thematic clusters. The central node appears to revolve

around “risk assessment”, which functions as a bridging concept linking multiple research domains such as auditing, financial reporting, and audit quality. Its position indicates that risk



publication year (from earlier in blue to more recent in yellow). The keyword “fraud” appears in darker blue tones, suggesting that it represents one of the earlier focal points in the literature. This indicates that initial research on material misstatements was strongly rooted in fraud detection and forensic accounting, emphasizing the identification of intentional misreporting and irregularities in financial data. As the field developed, attention shifted toward methodological and analytical approaches, as reflected by the green-to-teal nodes such as “risk assessment,” “auditing,” and “analytical procedures.” These mid-period themes (around 2017–2019) highlight a transition from purely fraud-centric studies to more systematic audit-based frameworks. Researchers began to focus on improving audit processes, particularly through risk-

based auditing and analytical techniques, aiming to enhance the detection and prevention of material misstatements in a more structured and proactive manner. More recent research trends are represented by the yellowish nodes, particularly “audit quality” and its closely related terms. This indicates that contemporary studies are increasingly concerned with the outcomes and effectiveness of auditing practices rather than just the detection process itself. The evolution suggests a maturation of the field, where scholars now emphasize how audit quality, governance, and regulatory mechanisms contribute to reducing material misstatements, reflecting a broader shift toward accountability, transparency, and performance evaluation in financial reporting.

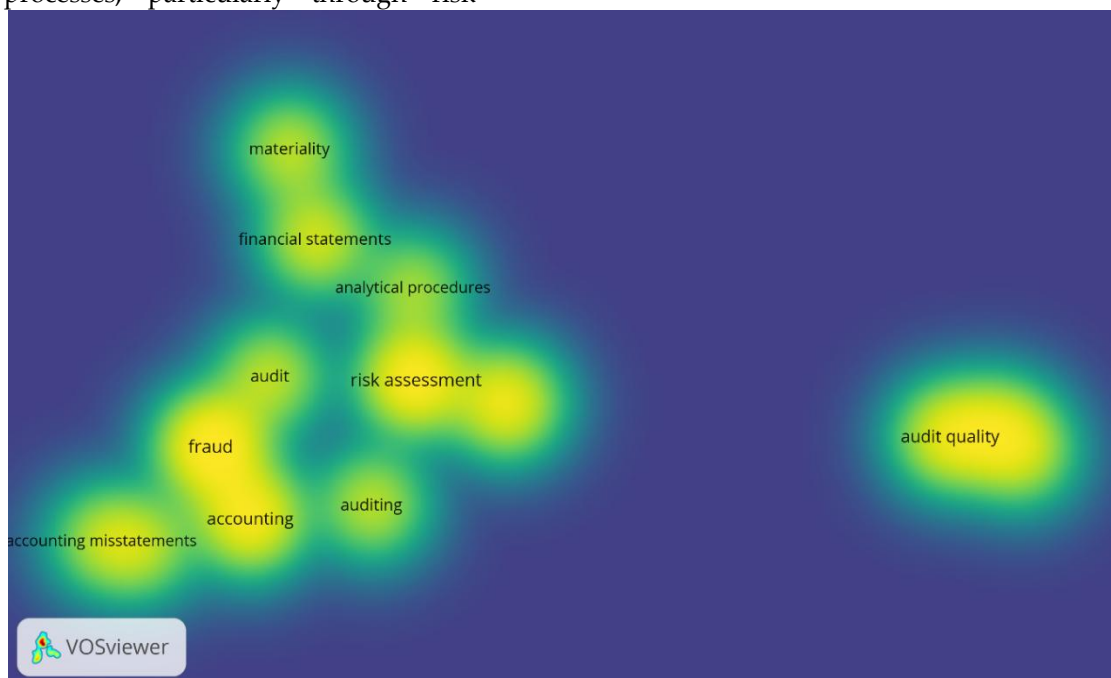


Figure 3. Density Visualization  
Source: Data Analysis

Figure 3 highlights the concentration of research attention in material misstatement studies, where brighter yellow areas indicate higher frequency and stronger co-occurrence of keywords. The most intense regions are clustered around “fraud,” “accounting,”

“risk assessment,” and “financial statements,” suggesting that these topics form the core of the literature. This implies that the dominant focus of prior research has been on understanding the causes, detection, and implications of misstatements within financial

reporting, particularly in relation to fraudulent activities and accounting practices. The strong density around risk assessment further reinforces its central role as a key mechanism used by auditors to identify and evaluate potential misstatements. In contrast, the keyword “audit quality” appears as a separate but highly concentrated hotspot on the right side of the map, indicating a distinct yet emerging research stream. Although it is

not as densely interconnected with the core cluster, its brightness suggests increasing scholarly attention in recent years. This separation implies that while traditional research has focused more on detection and underlying causes of misstatements, newer studies are shifting toward evaluating the effectiveness and outcomes of auditing processes.

3.2 Citation Analysis

Table 1. Most Cited Article

	Author and Year	Title
1121	[9]	Predicting Material Accounting Misstatements
397	[10]	The Circumstances and Legal Consequences of Non-GAAP Reporting: Evidence from Restatements
306	[11]	The evolution of fraud theory
255	[12]	How Effective Is Internal Control Reporting under SOX 404? Determinants of the (Non-)Disclosure of Existing Material Weaknesses
183	[13]	Measuring accounting reporting complexity with XBRL
171	[14]	Using machine learning to detect misstatements
135	[15]	Why are expanded audit reports not informative to investors? Evidence from the United Kingdom
114	[16]	Financial statement errors: evidence from the distributional properties of financial statement numbers
113	[17]	The role of auditing in the fight against corruption
107	[18]	The greenwashing triangle: adapting tools from fraud to improve CSR reporting

Source: Scopus, 2026

3.3 Discussion

The findings of this bibliometric analysis reveal that research on material misstatement in accounting has developed through a structured yet evolving intellectual trajectory. The network visualization indicates that fraud, accounting misstatements, and auditing form the foundational core of the literature, reflecting early scholarly concern with identifying and explaining the occurrence of inaccuracies in financial reporting. This aligns with the traditional role of auditing as a mechanism for detecting fraud and ensuring the reliability of financial statements. The prominence of fraud-related keywords suggests that much of the early discourse was reactive in nature, focusing on uncovering

irregularities rather than preventing them.

As the field matured, there is clear evidence of a shift toward more systematic and process-oriented approaches, particularly through the emergence of risk assessment, analytical procedures, and auditing techniques as central themes. The strong interconnections among these concepts highlight a transition toward risk-based auditing frameworks, where auditors increasingly rely on structured methodologies to evaluate the likelihood of material misstatements. This shift reflects broader developments in auditing standards and professional practices, where emphasis has been placed on proactive risk identification and the efficient allocation of audit

resources. Consequently, the literature demonstrates a movement from detection-focused studies to more preventive and strategic perspectives.

The overlay visualization further supports this evolution by showing a temporal progression in research focus. Earlier studies were predominantly centered on fraud detection, while more recent contributions emphasize audit quality as a key outcome variable. This indicates a growing recognition that the effectiveness of auditing should not only be measured by its ability to detect misstatements but also by its overall contribution to financial reporting quality and stakeholder trust. The increasing attention to audit quality suggests that researchers are now exploring broader institutional and governance dimensions, including auditor independence, regulatory frameworks, and accountability mechanisms.

The density visualization adds another layer of insight by highlighting the concentration of scholarly attention within specific thematic areas. The high-density clusters around fraud, accounting, and risk assessment confirm that these topics remain central to the field, while the relatively isolated yet intense cluster of audit quality suggests an emerging but still developing line of inquiry. This separation implies that future research could benefit from

integrating these domains more closely, particularly by examining how risk assessment practices and fraud detection mechanisms directly influence audit quality outcomes.

#### 4. CONCLUSION

In conclusion, this bibliometric study demonstrates that research on material misstatements in accounting has evolved from a primary focus on fraud detection and accounting irregularities toward a more comprehensive and systematic understanding centered on risk assessment, auditing processes, and audit quality. The findings reveal that while foundational themes such as fraud and financial reporting remain dominant, there is a clear shift toward evaluating the effectiveness and quality of auditing practices as key determinants of reliable financial information. The intellectual structure of the field reflects both continuity and transformation, where traditional concerns are increasingly integrated with modern perspectives on governance, accountability, and audit performance. This study not only maps the development and current state of the literature but also highlights the need for future research to bridge existing thematic gaps and incorporate emerging technologies and interdisciplinary approaches to enhance the detection, prevention, and management of material misstatements.

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