

Table 1: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 100) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 10 Percent

|             |       |       |       |       | Actual Nur | mber of Misstate | ements Found |       |        |        |      |
|-------------|-------|-------|-------|-------|------------|------------------|--------------|-------|--------|--------|------|
| Sample Size | 0     | 1     | 2     | 3     | 4          | 5                | 6            | 7     | 8      | 9      | 10   |
| 20          | 3.02  | 1.25  | -0.04 | -1.25 | -2.57      | -4.16            | -6.11        | -8.52 | -11.50 | -15.34 | -Inf |
| 25          | 3.73  | 1.85  | 0.53  | -0.63 | -1.82      | -3.21            | -4.92        | -7.05 | -9.74  | -13.27 | -Inf |
| 30          | 4.48  | 2.46  | 1.08  | -0.07 | -1.19      | -2.43            | -3.94        | -5.84 | -8.29  | -11.56 | -Inf |
| 35          | 5.29  | 3.11  | 1.63  | 0.46  | -0.63      | -1.77            | -3.13        | -4.83 | -7.06  | -10.10 | -Inf |
| 40          | 6.15  | 3.82  | 2.22  | 0.98  | -0.10      | -1.19            | -2.43        | -3.97 | -5.99  | -8.83  | -Inf |
| 45          | 7.10  | 4.59  | 2.85  | 1.52  | 0.41       | -0.65            | -1.81        | -3.21 | -5.06  | -7.70  | -Inf |
| 50          | 8.15  | 5.45  | 3.55  | 2.10  | 0.93       | -0.14            | -1.24        | -2.53 | -4.23  | -6.69  | -Inf |
| 55          | 9.32  | 6.42  | 4.33  | 2.74  | 1.47       | 0.37             | -0.71        | -1.92 | -3.48  | -5.77  | -Inf |
| 60          | 10.64 | 7.53  | 5.24  | 3.48  | 2.08       | 0.91             | -0.18        | -1.35 | -2.80  | -4.92  | -Inf |
| 65          | 12.17 | 8.82  | 6.31  | 4.34  | 2.77       | 1.49             | 0.35         | -0.80 | -2.16  | -4.14  | -Inf |
| 70          | 13.98 | 10.36 | 7.58  | 5.37  | 3.59       | 2.15             | 0.92         | -0.24 | -1.55  | -3.40  | -Inf |
| 75          | 16.20 | 12.25 | 9.16  | 6.66  | 4.61       | 2.95             | 1.57         | 0.34  | -0.96  | -2.70  | -Inf |
| 80          | 19.08 | 14.70 | 11.21 | 8.33  | 5.94       | 3.98             | 2.37         | 1.00  | -0.34  | -2.01  | -Inf |
| 85          | 23.19 | 18.16 | 14.09 | 10.67 | 7.80       | 5.41             | 3.44         | 1.81  | 0.35   | -1.31  | -Inf |
| 90          | 29.66 | 24.33 | 18.95 | 14.52 | 10.79      | 7.67             | 5.09         | 2.98  | 1.22   | -0.54  | -Inf |
| 95          | Inf   | Inf   | Inf   | Inf   | Inf        | 12.99            | 8.59         | 5.25  | 2.67   | 0.48   | -Inf |
| 100         |       |       |       |       |            |                  |              |       |        |        |      |
| 125         |       |       |       |       |            |                  |              |       |        |        |      |
| 150         |       |       |       |       |            |                  |              |       |        |        |      |
| 200         |       |       |       |       |            |                  |              |       |        |        |      |
| 300         |       |       |       |       |            |                  |              |       |        |        |      |
| 400         |       |       |       |       |            |                  |              |       |        |        |      |
| 500         |       |       |       |       |            |                  |              |       |        |        |      |



Table 2: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 500) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 10 Percent

|             |       |       |       |       | Actual N | umber of Missta | atements Found | i     |       |       |        |
|-------------|-------|-------|-------|-------|----------|-----------------|----------------|-------|-------|-------|--------|
| Sample Size | 0     | 1     | 2     | 3     | 4        | 5               | 6              | 7     | 8     | 9     | 10     |
| 20          | 2.79  | 1.17  | 0.01  | -1.03 | -2.08    | -3.24           | -4.55          | -6.03 | -7.70 | -9.54 | -11.55 |
| 25          | 3.37  | 1.68  | 0.51  | -0.48 | -1.44    | -2.45           | -3.57          | -4.84 | -6.27 | -7.85 | -9.60  |
| 30          | 3.94  | 2.18  | 0.98  | 0.00  | -0.90    | -1.81           | -2.80          | -3.91 | -5.15 | -6.53 | -8.06  |
| 35          | 4.51  | 2.67  | 1.42  | 0.44  | -0.43    | -1.28           | -2.17          | -3.15 | -4.24 | -5.46 | -6.82  |
| 40          | 5.09  | 3.16  | 1.86  | 0.86  | 0.00     | -0.81           | -1.63          | -2.52 | -3.49 | -4.58 | -5.79  |
| 45          | 5.67  | 3.65  | 2.29  | 1.26  | 0.40     | -0.39           | -1.17          | -1.98 | -2.86 | -3.83 | -4.92  |
| 50          | 6.26  | 4.16  | 2.73  | 1.66  | 0.77     | -0.01           | -0.75          | -1.51 | -2.31 | -3.20 | -4.18  |
| 55          | 6.85  | 4.67  | 3.18  | 2.05  | 1.14     | 0.36            | -0.37          | -1.09 | -1.84 | -2.65 | -3.54  |
| 60          | 7.45  | 5.19  | 3.63  | 2.45  | 1.51     | 0.71            | -0.01          | -0.71 | -1.41 | -2.16 | -2.98  |
| 65          | 8.06  | 5.72  | 4.09  | 2.86  | 1.88     | 1.06            | 0.33           | -0.35 | -1.03 | -1.73 | -2.49  |
| 70          | 8.67  | 6.27  | 4.57  | 3.28  | 2.25     | 1.40            | 0.67           | -0.01 | -0.67 | -1.34 | -2.05  |
| 75          | 9.29  | 6.82  | 5.06  | 3.71  | 2.63     | 1.75            | 0.99           | 0.31  | -0.34 | -0.98 | -1.65  |
| 80          | 9.92  | 7.38  | 5.55  | 4.14  | 3.02     | 2.10            | 1.32           | 0.63  | -0.02 | -0.64 | -1.28  |
| 85          | 10.56 | 7.95  | 6.06  | 4.60  | 3.42     | 2.46            | 1.65           | 0.94  | 0.29  | -0.33 | -0.94  |
| 90          | 11.20 | 8.54  | 6.59  | 5.06  | 3.83     | 2.83            | 1.98           | 1.25  | 0.59  | -0.02 | -0.62  |
| 95          | 11.86 | 9.13  | 7.12  | 5.54  | 4.26     | 3.20            | 2.32           | 1.57  | 0.89  | 0.28  | -0.32  |
| 100         | 12.52 | 9.73  | 7.67  | 6.03  | 4.69     | 3.59            | 2.67           | 1.88  | 1.19  | 0.57  | -0.02  |
| 125         | 15.97 | 12.92 | 10.58 | 8.68  | 7.09     | 5.74            | 4.60           | 3.62  | 2.78  | 2.04  | 1.39   |
| 150         | 19.68 | 16.38 | 13.80 | 11.66 | 9.83     | 8.24            | 6.87           | 5.67  | 4.63  | 3.72  | 2.92   |
| 200         | 27.79 | 24.31 | 21.27 | 18.68 | 16.41    | 14.39           | 12.58          | 10.94 | 9.48  | 8.15  | 6.96   |
| 300         | 29.11 |       |       | 28.30 | 32.17    |                 | 30.19          | 27.08 | 25.08 | 22.90 | 20.85  |
| 400         | 29.32 |       |       | 28.34 | 29.65    | 31.81           |                | 28.51 |       |       | 30.44  |
| 500         |       |       |       |       |          |                 |                |       |       |       |        |

Note:

This table presents Bayes factors based on equal prior probabilities and no expected errors



Table 3: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 1000) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 10 Percent

| .33 .89                       | 1.16<br>1.66<br>2.15<br>2.62<br>3.10                        | 0.01<br>0.51<br>0.97<br>1.40   | -1.00<br>-0.46<br>0.01   | -2.04<br>-1.40<br>-0.87  | 5<br>-3.16<br>-2.38<br>-1.76  | -4.42<br>-3.46<br>-2.71  | 7<br>-5.84<br>-4.67<br>-3.76   | -7.42  | -9.17<br>-7.53  | -11.08<br>-9.17  |
|-------------------------------|---|--|--|--|---|--|--|--|---|--|
| .33 .89 .24.44 .29.99 .55 .55 | 1.66<br>2.15<br>2.62<br>3.10<br>3.57                        | 0.51<br>0.97<br>1.40<br>1.83   | -0.46<br>0.01<br>0.44  | -1.40<br>-0.87   | -2.38   | -3.46  | -4.67  | -6.03  | -7.53   | -9.17  |
| .89 : .44 : .99 : .55 : .     | 2.15<br>2.62<br>3.10<br>3.57                                | 0.97<br>1.40<br>1.83   | 0.01   | -0.87  |   |  |  |  |   |  |
| .44 :<br>.99 :                | 2.62<br>3.10<br>3.57  | 1.40   | 0.44   |  | -1.76   | -2.71  | -3.76  | -4.94  | -6.25   | 7.00   |
| .99 :                         | 3.10<br>3.57  | 1.83   |  | -0.41  |   |  |  |  |   | -7.68  |
| .55                           | 3.57  |  | 0.85   |  | -1.23   | -2.09  | -3.03  | -4.06  | -5.21   | -6.48  |
|                               |   | 2 25   |  | 0.01   | -0.78   | -1.57  | -2.42  | -3.34  | -4.36   | -5.49  |
| .10                           |   |  | 1.24   | 0.39   | -0.37   | -1.12  | -1.90  | -2.73  | -3.65   | -4.66  |
|                               | 4.05  | 2.67   | 1.62   | 0.76   | 0.01  | -0.71  | -1.44  | -2.21  | -3.04   | -3.95  |
| .66                           | 4.54  | 3.09   | 2.00   | 1.12   | 0.36  | -0.34  | -1.04  | -1.75  | -2.51   | -3.34  |
| .22                           | 5.03  | 3.52   | 2.38   | 1.47   | 0.70  | 0.00   | -0.67  | -1.34  | -2.05   | -2.81  |
| .79                           | 5.52  | 3.95   | 2.77   | 1.82   | 1.03  | 0.33   | -0.32  | -0.97  | -1.63   | -2.34  |
| .35                           | 6.03  | 4.40   | 3.16   | 2.18   | 1.36  | 0.65   | 0.00   | -0.63  | -1.26   | -1.92  |
| .92                           | 6.54  | 4.85   | 3.56   | 2.53   | 1.69  | 0.96   | 0.31   | -0.31  | -0.92   | -1.54  |
| .50                           | 7.05  | 5.30   | 3.96   | 2.90   | 2.02  | 1.27   | 0.61   | 0.00   | -0.60   | -1.19  |
| 0.07                          | 7.57  | 5.77   | 4.38   | 3.27   | 2.35  | 1.58   | 0.91   | 0.29   | -0.29   | -0.87  |
| 0.65                          | 8.10  | 6.24   | 4.80   | 3.64   | 2.69  | 1.89   | 1.20   | 0.58   | 0.00  | -0.57  |
| 1.24                          | 8.63  | 6.72   | 5.23   | 4.03   | 3.04  | 2.21   | 1.50   | 0.86   | 0.28  | -0.28  |
| 1.82                          | 9.16  | 7.21   | 5.67   | 4.42   | 3.39  | 2.53   | 1.79   | 1.14   | 0.55  | 0.00   |
| 4.81                          | 11.92   | 9.74   | 7.98   | 6.52   | 5.28  | 4.24   | 3.35   | 2.58   | 1.91  | 1.31   |
| 7.89                          | 14.81   | 12.43  | 10.47  | 8.81   | 7.39  | 6.17   | 5.10   | 4.18   | 3.37  | 2.66   |
| 4.37                          | 20.93   | 18.22  | 15.93  | 13.94  | 12.19   | 10.64  | 9.25   | 8.01   | 6.90  | 5.90   |
|                               |   |  | 27.49  | 25.91  | 23.83   | 21.75  | 19.83  | 18.06  | 16.42   | 14.90  |
|                               |   |  | 28.04  | 27.78  | 30.26   | 27.52  | 28.36  | 27.85  | 29.07   | 26.90  |
|                               |   |  | 29.13  | 28.17  |   | 27.66  | 29.65  | 28.78  |   |  |
| 0 0 1 1 7                     | 222<br>779<br>335<br>92<br>50<br>0.07<br>0.65<br>.24<br>.82 | 5.03  79  5.52  35  6.03  92  6.54  50  7.05  0.07  7.57  0.65  8.10  .24  8.63  .82  9.16  11.92  7.89  14.81 | 22       5.03       3.52         79       5.52       3.95         35       6.03       4.40         92       6.54       4.85         50       7.05       5.30         0.07       7.57       5.77         0.65       8.10       6.24         .24       8.63       6.72         .82       9.16       7.21         3.81       11.92       9.74         7.89       14.81       12.43         3.37       20.93       18.22 | 22       5.03       3.52       2.38         79       5.52       3.95       2.77         35       6.03       4.40       3.16         92       6.54       4.85       3.56         50       7.05       5.30       3.96         0.07       7.57       5.77       4.38         0.65       8.10       6.24       4.80         0.24       8.63       6.72       5.23         0.82       9.16       7.21       5.67         0.81       11.92       9.74       7.98         0.89       14.81       12.43       10.47         0.37       20.93       18.22       15.93         27.49       28.04 | 22       5.03       3.52       2.38       1.47         79       5.52       3.95       2.77       1.82         35       6.03       4.40       3.16       2.18         92       6.54       4.85       3.56       2.53         50       7.05       5.30       3.96       2.90         0.07       7.57       5.77       4.38       3.27         0.65       8.10       6.24       4.80       3.64         0.24       8.63       6.72       5.23       4.03         0.82       9.16       7.21       5.67       4.42         0.81       11.92       9.74       7.98       6.52         0.89       14.81       12.43       10.47       8.81         0.37       20.93       18.22       15.93       13.94         27.49       25.91       28.04       27.78 | 22       5.03       3.52       2.38       1.47       0.70         79       5.52       3.95       2.77       1.82       1.03         35       6.03       4.40       3.16       2.18       1.36         92       6.54       4.85       3.56       2.53       1.69         50       7.05       5.30       3.96       2.90       2.02         0.07       7.57       5.77       4.38       3.27       2.35         0.65       8.10       6.24       4.80       3.64       2.69         0.24       8.63       6.72       5.23       4.03       3.04         0.82       9.16       7.21       5.67       4.42       3.39         0.81       11.92       9.74       7.98       6.52       5.28         0.89       14.81       12.43       10.47       8.81       7.39         0.37       20.93       18.22       15.93       13.94       12.19         27.49       25.91       23.83         28.04       27.78       30.26 | 22       5.03       3.52       2.38       1.47       0.70       0.00         79       5.52       3.95       2.77       1.82       1.03       0.33         35       6.03       4.40       3.16       2.18       1.36       0.65         92       6.54       4.85       3.56       2.53       1.69       0.96         50       7.05       5.30       3.96       2.90       2.02       1.27         0.07       7.57       5.77       4.38       3.27       2.35       1.58         0.65       8.10       6.24       4.80       3.64       2.69       1.89         0.24       8.63       6.72       5.23       4.03       3.04       2.21         0.82       9.16       7.21       5.67       4.42       3.39       2.53         0.81       11.92       9.74       7.98       6.52       5.28       4.24         0.89       14.81       12.43       10.47       8.81       7.39       6.17         0.37       20.93       18.22       15.93       13.94       12.19       10.64         0.40       27.49       25.91       23.83       21.75 | 22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20         1.24       8.63       6.72       5.23       4.03       3.04       2.21       1.50         1.82       9.16       7.21       5.67       4.42       3.39       2.53       1.79         1.81       11.92       9.74       7.98       6.52       5.28       4.24       3.35         1.89       14.81       12.43       10.47       8.81       7.39       6.17       5.10         1.37       20.93       18.22 <td>22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67       -1.34         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32       -0.97         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00       -0.63         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31       -0.31         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61       0.00         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91       0.29         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20       0.58         1.24       8.63       6.72       5.23       4.03       3.04       2.21       1.50       0.86         1.82       9.16       7.21       5.67       4.42       3.39       2.53       1.79       1.14         1.81       11.92       9.74       7.98       6.52       5.28       4.24       3.35       2.58         1.89       14.81<td>22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67       -1.34       -2.05         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32       -0.97       -1.63         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00       -0.63       -1.26         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31       -0.31       -0.92         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61       0.00       -0.60         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91       0.29       -0.29         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20       0.58       0.00         .24       8.63       6.72       5.23       4.03       3.04       2.21       1.50       0.86       0.28         .88       9.16       7.21       5.67       4.42       3.39       2.53       1.79       1.14       0.55         .89       14.81       12.4</td></td> | 22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67       -1.34         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32       -0.97         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00       -0.63         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31       -0.31         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61       0.00         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91       0.29         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20       0.58         1.24       8.63       6.72       5.23       4.03       3.04       2.21       1.50       0.86         1.82       9.16       7.21       5.67       4.42       3.39       2.53       1.79       1.14         1.81       11.92       9.74       7.98       6.52       5.28       4.24       3.35       2.58         1.89       14.81 <td>22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67       -1.34       -2.05         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32       -0.97       -1.63         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00       -0.63       -1.26         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31       -0.31       -0.92         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61       0.00       -0.60         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91       0.29       -0.29         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20       0.58       0.00         .24       8.63       6.72       5.23       4.03       3.04       2.21       1.50       0.86       0.28         .88       9.16       7.21       5.67       4.42       3.39       2.53       1.79       1.14       0.55         .89       14.81       12.4</td> | 22       5.03       3.52       2.38       1.47       0.70       0.00       -0.67       -1.34       -2.05         79       5.52       3.95       2.77       1.82       1.03       0.33       -0.32       -0.97       -1.63         35       6.03       4.40       3.16       2.18       1.36       0.65       0.00       -0.63       -1.26         92       6.54       4.85       3.56       2.53       1.69       0.96       0.31       -0.31       -0.92         50       7.05       5.30       3.96       2.90       2.02       1.27       0.61       0.00       -0.60         1.07       7.57       5.77       4.38       3.27       2.35       1.58       0.91       0.29       -0.29         1.65       8.10       6.24       4.80       3.64       2.69       1.89       1.20       0.58       0.00         .24       8.63       6.72       5.23       4.03       3.04       2.21       1.50       0.86       0.28         .88       9.16       7.21       5.67       4.42       3.39       2.53       1.79       1.14       0.55         .89       14.81       12.4 |

This table presents Bayes factors based on equal prior probabilities and no expected errors  $BF = e^{A}log(BF)$ 



Table 4: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 100) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 5 Percent

|       |  |  | A  | ctual Number of I  | Misstatements  | Found   |  |  |  |   |
|-------|--|--|--|--|--|---|--|--|--|---|
| 0     | 1  | 2  | 3  | 4  | 5  | 6   | 7  | 8  | 9  | 10  |
| 1.70  | -0.05  | -1.62  | -3.52  | -6.22  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 2.09  | 0.31   | -1.20  | -2.97  | -5.49  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 2.48  | 0.66   | -0.82  | -2.49  | -4.84  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 2.89  | 1.01   | -0.46  | -2.05  | -4.26  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 3.33  | 1.36   | -0.12  | -1.65  | -3.75  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 3.79  | 1.73   | 0.21   | -1.28  | -3.27  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 4.30  | 2.12   | 0.55   | -0.92  | -2.83  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 4.86  | 2.54   | 0.91   | -0.57  | -2.41  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 5.48  | 3.01   | 1.28   | -0.22  | -2.01  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 6.19  | 3.54   | 1.69   | 0.13   | -1.62  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 7.01  | 4.16   | 2.14   | 0.51   | -1.24  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 8.00  | 4.90   | 2.68   | 0.93   | -0.84  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 9.23  | 5.82   | 3.34   | 1.41   | -0.43  | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 10.87 | 7.05   | 4.20   | 2.01   | 0.04   | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 13.35 | 8.88   | 5.48   | 2.83   | 0.61   | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
| 18.88 | 12.58  | 7.90   | 4.29   | 1.45   | -Inf   | -Inf  | -Inf   | -Inf   | -Inf   | -Inf  |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       |  |  |  |  |  |   |  |  |  |   |
|       | 1.70 2.09 2.48 2.89 3.33 3.79 4.30 4.86 5.48 6.19 7.01 8.00 9.23 10.87 13.35 | 1.70     -0.05       2.09     0.31       2.48     0.66       2.89     1.01       3.33     1.36       3.79     1.73       4.30     2.12       4.86     2.54       5.48     3.01       6.19     3.54       7.01     4.16       8.00     4.90       9.23     5.82       10.87     7.05       13.35     8.88 | 1.70       -0.05       -1.62         2.09       0.31       -1.20         2.48       0.66       -0.82         2.89       1.01       -0.46         3.33       1.36       -0.12         3.79       1.73       0.21         4.30       2.12       0.55         4.86       2.54       0.91         5.48       3.01       1.28         6.19       3.54       1.69         7.01       4.16       2.14         8.00       4.90       2.68         9.23       5.82       3.34         10.87       7.05       4.20         13.35       8.88       5.48 | 0       1       2       3         1.70       -0.05       -1.62       -3.52         2.09       0.31       -1.20       -2.97         2.48       0.66       -0.82       -2.49         2.89       1.01       -0.46       -2.05         3.33       1.36       -0.12       -1.65         3.79       1.73       0.21       -1.28         4.30       2.12       0.55       -0.92         4.86       2.54       0.91       -0.57         5.48       3.01       1.28       -0.22         6.19       3.54       1.69       0.13         7.01       4.16       2.14       0.51         8.00       4.90       2.68       0.93         9.23       5.82       3.34       1.41         10.87       7.05       4.20       2.01         13.35       8.88       5.48       2.83 | 0       1       2       3       4         1.70       -0.05       -1.62       -3.52       -6.22         2.09       0.31       -1.20       -2.97       -5.49         2.48       0.66       -0.82       -2.49       -4.84         2.89       1.01       -0.46       -2.05       -4.26         3.33       1.36       -0.12       -1.65       -3.75         3.79       1.73       0.21       -1.28       -3.27         4.30       2.12       0.55       -0.92       -2.83         4.86       2.54       0.91       -0.57       -2.41         5.48       3.01       1.28       -0.22       -2.01         6.19       3.54       1.69       0.13       -1.62         7.01       4.16       2.14       0.51       -1.24         8.00       4.90       2.68       0.93       -0.84         9.23       5.82       3.34       1.41       -0.43         10.87       7.05       4.20       2.01       0.04         13.35       8.88       5.48       2.83       0.61 | 0         1         2         3         4         5           1.70         -0.05         -1.62         -3.52         -6.22         -Inf           2.09         0.31         -1.20         -2.97         -5.49         -Inf           2.48         0.66         -0.82         -2.49         -4.84         -Inf           2.89         1.01         -0.46         -2.05         -4.26         -Inf           3.33         1.36         -0.12         -1.65         -3.75         -Inf           3.79         1.73         0.21         -1.28         -3.27         -Inf           4.30         2.12         0.55         -0.92         -2.83         -Inf           4.86         2.54         0.91         -0.57         -2.41         -Inf           5.48         3.01         1.28         -0.22         -2.01         -Inf           6.19         3.54         1.69         0.13         -1.62         -Inf           7.01         4.16         2.14         0.51         -1.24         -Inf           8.00         4.90         2.68         0.93         -0.84         -Inf           9.23         5.82         3.34 <td>1.70       -0.05       -1.62       -3.52       -6.22       -lnf       -lnf         2.09       0.31       -1.20       -2.97       -5.49       -lnf       -lnf         2.48       0.66       -0.82       -2.49       -4.84       -lnf       -lnf         2.89       1.01       -0.46       -2.05       -4.26       -lnf       -lnf         3.33       1.36       -0.12       -1.65       -3.75       -lnf       -lnf         3.79       1.73       0.21       -1.28       -3.27       -lnf       -lnf         4.30       2.12       0.55       -0.92       -2.83       -lnf       -lnf         4.86       2.54       0.91       -0.57       -2.41       -lnf       -lnf         5.48       3.01       1.28       -0.22       -2.01       -lnf       -lnf         6.19       3.54       1.69       0.13       -1.62       -lnf       -lnf         7.01       4.16       2.14       0.51       -1.24       -lnf       -lnf         8.00       4.90       2.68       0.93       -0.84       -lnf       -lnf         9.23       5.82       3.34       1.41</td> <td>0         1         2         3         4         5         6         7           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -lnf         -lnf           2.09         0.31         -1.20         -2.97         -5.49         -lnf         -lnf         -lnf           2.48         0.66         -0.82         -2.49         -4.84         -lnf         -lnf         -lnf           2.89         1.01         -0.46         -2.05         -4.26         -lnf         -lnf         -lnf           3.33         1.36         -0.12         -1.65         -3.75         -lnf         -lnf         -lnf           3.79         1.73         0.21         -1.28         -3.27         -lnf         -lnf         -lnf           4.30         2.12         0.55         -0.92         -2.83         -lnf         -lnf         -lnf           4.86         2.54         0.91         -0.57         -2.41         -lnf         -lnf         -lnf           5.48         3.01         1.28         -0.22         -2.01         -lnf         -lnf         -lnf           6.19         3.54         1.69         0.13<td>0         1         2         3         4         5         6         7         8           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -ln</td><td>0         1         2         3         4         5         6         7         8         9           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -lnf<!--</td--></td></td> | 1.70       -0.05       -1.62       -3.52       -6.22       -lnf       -lnf         2.09       0.31       -1.20       -2.97       -5.49       -lnf       -lnf         2.48       0.66       -0.82       -2.49       -4.84       -lnf       -lnf         2.89       1.01       -0.46       -2.05       -4.26       -lnf       -lnf         3.33       1.36       -0.12       -1.65       -3.75       -lnf       -lnf         3.79       1.73       0.21       -1.28       -3.27       -lnf       -lnf         4.30       2.12       0.55       -0.92       -2.83       -lnf       -lnf         4.86       2.54       0.91       -0.57       -2.41       -lnf       -lnf         5.48       3.01       1.28       -0.22       -2.01       -lnf       -lnf         6.19       3.54       1.69       0.13       -1.62       -lnf       -lnf         7.01       4.16       2.14       0.51       -1.24       -lnf       -lnf         8.00       4.90       2.68       0.93       -0.84       -lnf       -lnf         9.23       5.82       3.34       1.41 | 0         1         2         3         4         5         6         7           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -lnf         -lnf           2.09         0.31         -1.20         -2.97         -5.49         -lnf         -lnf         -lnf           2.48         0.66         -0.82         -2.49         -4.84         -lnf         -lnf         -lnf           2.89         1.01         -0.46         -2.05         -4.26         -lnf         -lnf         -lnf           3.33         1.36         -0.12         -1.65         -3.75         -lnf         -lnf         -lnf           3.79         1.73         0.21         -1.28         -3.27         -lnf         -lnf         -lnf           4.30         2.12         0.55         -0.92         -2.83         -lnf         -lnf         -lnf           4.86         2.54         0.91         -0.57         -2.41         -lnf         -lnf         -lnf           5.48         3.01         1.28         -0.22         -2.01         -lnf         -lnf         -lnf           6.19         3.54         1.69         0.13 <td>0         1         2         3         4         5         6         7         8           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -ln</td> <td>0         1         2         3         4         5         6         7         8         9           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -lnf<!--</td--></td> | 0         1         2         3         4         5         6         7         8           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -ln | 0         1         2         3         4         5         6         7         8         9           1.70         -0.05         -1.62         -3.52         -6.22         -lnf         -lnf </td |



Table 5: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 500) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 5 Percent

|             |       |       |       |       | Actual I | Number of Miss | tatements Fou | nd    |        |        |        |
|-------------|-------|-------|-------|-------|----------|----------------|---------------|-------|--------|--------|--------|
| Sample Size | 0     | 1     | 2     | 3     | 4        | 5              | 6             | 7     | 8      | 9      | 10     |
| 20          | 1.55  | 0.01  | -1.25 | -2.54 | -3.98    | -5.62          | -7.48         | -9.56 | -11.84 | -14.33 | -17.02 |
| 25          | 1.87  | 0.32  | -0.89 | -2.09 | -3.40    | -4.89          | -6.58         | -8.48 | -10.58 | -12.87 | -15.36 |
| 30          | 2.18  | 0.62  | -0.57 | -1.70 | -2.90    | -4.27          | -5.82         | -7.56 | -9.51  | -11.64 | -13.96 |
| 35          | 2.48  | 0.89  | -0.27 | -1.35 | -2.48    | -3.74          | -5.16         | -6.78 | -8.58  | -10.57 | -12.74 |
| 40          | 2.78  | 1.16  | 0.00  | -1.04 | -2.10    | -3.27          | -4.59         | -6.09 | -7.77  | -9.64  | -11.68 |
| 45          | 3.08  | 1.42  | 0.26  | -0.76 | -1.77    | -2.86          | -4.09         | -5.49 | -7.06  | -8.81  | -10.73 |
| 50          | 3.37  | 1.68  | 0.50  | -0.49 | -1.46    | -2.50          | -3.65         | -4.95 | -6.43  | -8.07  | -9.89  |
| 55          | 3.67  | 1.93  | 0.74  | -0.25 | -1.18    | -2.17          | -3.25         | -4.47 | -5.86  | -7.41  | -9.13  |
| 60          | 3.96  | 2.19  | 0.97  | -0.01 | -0.93    | -1.86          | -2.89         | -4.04 | -5.34  | -6.80  | -8.43  |
| 65          | 4.26  | 2.44  | 1.20  | 0.22  | -0.68    | -1.58          | -2.56         | -3.64 | -4.87  | -6.26  | -7.80  |
| 70          | 4.56  | 2.69  | 1.43  | 0.44  | -0.45    | -1.33          | -2.25         | -3.28 | -4.44  | -5.75  | -7.22  |
| 75          | 4.87  | 2.95  | 1.66  | 0.65  | -0.23    | -1.08          | -1.97         | -2.95 | -4.05  | -5.29  | -6.69  |
| 80          | 5.18  | 3.21  | 1.88  | 0.86  | -0.02    | -0.85          | -1.71         | -2.64 | -3.69  | -4.87  | -6.20  |
| 85          | 5.48  | 3.47  | 2.11  | 1.07  | 0.19     | -0.64          | -1.47         | -2.36 | -3.35  | -4.47  | -5.74  |
| 90          | 5.80  | 3.74  | 2.34  | 1.28  | 0.39     | -0.43          | -1.24         | -2.10 | -3.04  | -4.11  | -5.32  |
| 95          | 6.12  | 4.00  | 2.57  | 1.49  | 0.59     | -0.22          | -1.02         | -1.85 | -2.75  | -3.77  | -4.92  |
| 100         | 6.44  | 4.28  | 2.81  | 1.69  | 0.78     | -0.03          | -0.81         | -1.61 | -2.48  | -3.45  | -4.55  |
| 125         | 8.10  | 5.71  | 4.04  | 2.77  | 1.76     | 0.91           | 0.15          | -0.59 | -1.33  | -2.13  | -3.02  |
| 150         | 9.89  | 7.28  | 5.40  | 3.95  | 2.80     | 1.85           | 1.04          | 0.31  | -0.40  | -1.10  | -1.86  |
| 200         | 13.89 | 10.88 | 8.60  | 6.77  | 5.27     | 4.02           | 2.97          | 2.08  | 1.30   | 0.60   | -0.07  |
| 300         | 24.58 | 20.75 | 17.67 | 15.04 | 12.76    | 10.74          | 8.96          | 7.39  | 6.01   | 4.79   | 3.73   |
| 400         |       |       |       |       | 27.43    | 24.38          | 21.53         | 18.91 | 16.50  | 14.26  | 12.21  |
| 500         |       |       |       |       |          |                |               |       |        |        |        |

Note:

This table presents Bayes factors based on equal prior probabilities and no expected errors



Table 6: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 1000) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 5 Percent

|             |       |       |       |       | Actual I | Number of Miss | tatements Four | nd    |        |        |        |
|-------------|-------|-------|-------|-------|----------|----------------|----------------|-------|--------|--------|--------|
| Sample Size | 0     | 1     | 2     | 3     | 4        | 5              | 6              | 7     | 8      | 9      | 10     |
| 20          | 1.54  | 0.01  | -1.22 | -2.46 | -3.83    | -5.37          | -7.10          | -9.01 | -11.10 | -13.35 | -15.76 |
| 25          | 1.85  | 0.32  | -0.86 | -2.01 | -3.26    | -4.65          | -6.22          | -7.96 | -9.87  | -11.93 | -14.15 |
| 30          | 2.15  | 0.61  | -0.55 | -1.63 | -2.78    | -4.06          | -5.49          | -7.08 | -8.83  | -10.74 | -12.79 |
| 35          | 2.44  | 0.88  | -0.26 | -1.30 | -2.37    | -3.54          | -4.86          | -6.33 | -7.95  | -9.72  | -11.63 |
| 40          | 2.73  | 1.14  | 0.01  | -0.99 | -2.00    | -3.10          | -4.31          | -5.67 | -7.18  | -8.83  | -10.61 |
| 45          | 3.01  | 1.39  | 0.26  | -0.72 | -1.68    | -2.70          | -3.84          | -5.10 | -6.50  | -8.04  | -9.72  |
| 50          | 3.29  | 1.64  | 0.50  | -0.46 | -1.39    | -2.35          | -3.41          | -4.59 | -5.90  | -7.34  | -8.92  |
| 55          | 3.57  | 1.88  | 0.73  | -0.22 | -1.12    | -2.04          | -3.03          | -4.13 | -5.36  | -6.72  | -8.20  |
| 60          | 3.85  | 2.12  | 0.95  | 0.00  | -0.87    | -1.75          | -2.69          | -3.73 | -4.88  | -6.15  | -7.55  |
| 65          | 4.13  | 2.36  | 1.17  | 0.22  | -0.63    | -1.48          | -2.38          | -3.35 | -4.44  | -5.64  | -6.97  |
| 70          | 4.41  | 2.60  | 1.39  | 0.43  | -0.41    | -1.24          | -2.09          | -3.02 | -4.04  | -5.18  | -6.43  |
| 75          | 4.69  | 2.84  | 1.60  | 0.64  | -0.20    | -1.00          | -1.83          | -2.71 | -3.68  | -4.75  | -5.94  |
| 80          | 4.97  | 3.08  | 1.81  | 0.84  | 0.00     | -0.79          | -1.58          | -2.42 | -3.34  | -4.36  | -5.49  |
| 85          | 5.25  | 3.32  | 2.03  | 1.03  | 0.20     | -0.58          | -1.35          | -2.16 | -3.03  | -4.00  | -5.07  |
| 90          | 5.54  | 3.56  | 2.24  | 1.23  | 0.39     | -0.38          | -1.13          | -1.91 | -2.75  | -3.67  | -4.68  |
| 95          | 5.82  | 3.81  | 2.45  | 1.42  | 0.57     | -0.19          | -0.92          | -1.68 | -2.48  | -3.36  | -4.33  |
| 100         | 6.11  | 4.05  | 2.66  | 1.62  | 0.76     | 0.00           | -0.73          | -1.46 | -2.23  | -3.07  | -3.99  |
| 125         | 7.56  | 5.31  | 3.76  | 2.59  | 1.65     | 0.87           | 0.16           | -0.51 | -1.18  | -1.88  | -2.63  |
| 150         | 9.05  | 6.63  | 4.92  | 3.61  | 2.56     | 1.71           | 0.97           | 0.30  | -0.33  | -0.95  | -1.59  |
| 200         | 12.17 | 9.45  | 7.44  | 5.85  | 4.56     | 3.49           | 2.60           | 1.84  | 1.17   | 0.55   | -0.02  |
| 300         | 19.08 | 15.86 | 13.35 | 11.27 | 9.50     | 7.97           | 6.64           | 5.49  | 4.48   | 3.61   | 2.84   |
| 400         | 26.90 | 23.43 | 20.51 | 18.00 | 15.80    | 13.85          | 12.11          | 10.54 | 9.13   | 7.86   | 6.72   |
| 500         | 28.82 | 28.20 | 27.94 | 26.47 | 23.72    | 21.37          | 19.22          | 17.25 | 15.44  | 13.78  | 12.24  |

This table presents Bayes factors based on equal prior probabilities and no expected errors



Table 7: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 100) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 2 Percent

| 5 6    | 7      |      |      |      |      |
|--------|--------|------|------|------|------|
| -Inf - |        |      | 8    | 9    | 10   |
|        | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | -Inf - | -Inf | -Inf | -Inf | -Inf |
| -Inf - | Inf -  | -Inf | -Inf | -Inf | -Inf |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |
|        |        |      |      |      |      |



Table 8: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 500) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 2 Percent

|             |       |       |       |       | Actual N | lumber of Miss | statements Foun | d      |        |        |      |
|-------------|-------|-------|-------|-------|----------|----------------|-----------------|--------|--------|--------|------|
| Sample Size | 0     | 1     | 2     | 3     | 4        | 5              | 6               | 7      | 8      | 9      | 10   |
| 20          | 0.72  | -0.95 | -2.52 | -4.31 | -6.43    | -8.91          | -11.78          | -15.09 | -18.94 | -23.61 | -Inf |
| 25          | 0.87  | -0.77 | -2.28 | -3.99 | -6.01    | -8.39          | -11.15          | -14.35 | -18.09 | -22.65 | -Inf |
| 30          | 1.02  | -0.60 | -2.07 | -3.70 | -5.63    | -7.92          | -10.58          | -13.68 | -17.32 | -21.78 | -Inf |
| 35          | 1.17  | -0.44 | -1.87 | -3.44 | -5.29    | -7.49          | -10.06          | -13.07 | -16.61 | -20.97 | -Inf |
| 40          | 1.31  | -0.29 | -1.68 | -3.19 | -4.97    | -7.09          | -9.58           | -12.50 | -15.96 | -20.23 | -Inf |
| 45          | 1.45  | -0.15 | -1.51 | -2.97 | -4.68    | -6.72          | -9.13           | -11.98 | -15.35 | -19.54 | -Inf |
| 50          | 1.59  | -0.01 | -1.35 | -2.76 | -4.41    | -6.38          | -8.72           | -11.48 | -14.78 | -18.89 | -Inf |
| 55          | 1.72  | 0.12  | -1.19 | -2.56 | -4.15    | -6.06          | -8.33           | -11.02 | -14.25 | -18.28 | -Inf |
| 60          | 1.86  | 0.25  | -1.04 | -2.38 | -3.92    | -5.76          | -7.96           | -10.59 | -13.74 | -17.71 | -Inf |
| 65          | 1.99  | 0.38  | -0.90 | -2.20 | -3.69    | -5.48          | -7.62           | -10.18 | -13.27 | -17.16 | -Inf |
| 70          | 2.12  | 0.50  | -0.77 | -2.04 | -3.48    | -5.21          | -7.29           | -9.79  | -12.82 | -16.65 | -Inf |
| 75          | 2.25  | 0.62  | -0.64 | -1.88 | -3.28    | -4.96          | -6.99           | -9.42  | -12.39 | -16.16 | -Inf |
| 80          | 2.39  | 0.74  | -0.51 | -1.73 | -3.10    | -4.72          | -6.69           | -9.08  | -11.98 | -15.69 | -Inf |
| 85          | 2.52  | 0.86  | -0.39 | -1.58 | -2.92    | -4.50          | -6.42           | -8.74  | -11.59 | -15.25 | -Inf |
| 90          | 2.65  | 0.98  | -0.27 | -1.45 | -2.74    | -4.28          | -6.15           | -8.43  | -11.22 | -14.82 | -Inf |
| 95          | 2.78  | 1.09  | -0.15 | -1.31 | -2.58    | -4.08          | -5.90           | -8.12  | -10.87 | -14.41 | -Inf |
| 100         | 2.92  | 1.21  | -0.04 | -1.18 | -2.42    | -3.88          | -5.66           | -7.83  | -10.52 | -14.02 | -Inf |
| 125         | 3.60  | 1.78  | 0.51  | -0.59 | -1.73    | -3.02          | -4.59           | -6.54  | -9.00  | -12.26 | -Inf |
| 150         | 4.31  | 2.37  | 1.04  | -0.06 | -1.13    | -2.30          | -3.71           | -5.46  | -7.72  | -10.76 | -Inf |
| 200         | 5.88  | 3.66  | 2.13  | 0.95  | -0.09    | -1.13          | -2.30           | -3.75  | -5.64  | -8.31  | -Inf |
| 300         | 10.02 | 7.10  | 4.97  | 3.32  | 2.00     | 0.88           | -0.16           | -1.28  | -2.66  | -4.68  | -Inf |
| 400         | 17.19 | 13.30 | 10.22 | 7.67  | 5.54     | 3.76           | 2.27            | 0.98   | -0.30  | -1.91  | -Inf |
| 500         |       |       |       |       |          |                |                 |        |        |        |      |

Note

This table presents Bayes factors based on equal prior probabilities and no expected errors



Table 9: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 1000) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 2 Percent

|             |       |       |       |       | Actua | l Number of M | lisstatements Fo | und    |        |        |        |
|-------------|-------|-------|-------|-------|-------|---------------|------------------|--------|--------|--------|--------|
| Sample Size | 0     | 1     | 2     | 3     | 4     | 5             | 6                | 7      | 8      | 9      | 10     |
| 20          | 0.70  | -0.90 | -2.38 | -4.00 | -5.85 | -7.94         | -10.26           | -12.81 | -15.58 | -18.56 | -21.75 |
| 25          | 0.85  | -0.73 | -2.15 | -3.69 | -5.45 | -7.44         | -9.67            | -12.11 | -14.77 | -17.64 | -20.72 |
| 30          | 1.00  | -0.57 | -1.94 | -3.42 | -5.09 | -7.00         | -9.13            | -11.48 | -14.04 | -16.82 | -19.79 |
| 35          | 1.14  | -0.41 | -1.75 | -3.17 | -4.77 | -6.59         | -8.64            | -10.90 | -13.38 | -16.06 | -18.94 |
| 40          | 1.28  | -0.27 | -1.57 | -2.93 | -4.47 | -6.22         | -8.19            | -10.37 | -12.76 | -15.36 | -18.16 |
| 45          | 1.41  | -0.13 | -1.40 | -2.72 | -4.19 | -5.87         | -7.77            | -9.88  | -12.19 | -14.71 | -17.44 |
| 50          | 1.54  | 0.00  | -1.25 | -2.52 | -3.94 | -5.56         | -7.38            | -9.42  | -11.67 | -14.11 | -16.76 |
| 55          | 1.67  | 0.13  | -1.10 | -2.34 | -3.70 | -5.26         | -7.03            | -9.00  | -11.17 | -13.55 | -16.13 |
| 60          | 1.80  | 0.26  | -0.96 | -2.16 | -3.48 | -4.98         | -6.69            | -8.60  | -10.71 | -13.03 | -15.54 |
| 65          | 1.92  | 0.38  | -0.82 | -2.00 | -3.28 | -4.73         | -6.37            | -8.23  | -10.28 | -12.53 | -14.98 |
| 70          | 2.05  | 0.50  | -0.69 | -1.84 | -3.08 | -4.48         | -6.08            | -7.88  | -9.87  | -12.07 | -14.46 |
| 75          | 2.17  | 0.61  | -0.57 | -1.69 | -2.90 | -4.26         | -5.80            | -7.54  | -9.49  | -11.63 | -13.96 |
| 80          | 2.29  | 0.72  | -0.45 | -1.55 | -2.72 | -4.04         | -5.54            | -7.23  | -9.12  | -11.21 | -13.49 |
| 85          | 2.41  | 0.83  | -0.33 | -1.42 | -2.56 | -3.84         | -5.29            | -6.93  | -8.77  | -10.81 | -13.04 |
| 90          | 2.53  | 0.94  | -0.22 | -1.29 | -2.40 | -3.64         | -5.05            | -6.65  | -8.45  | -10.43 | -12.62 |
| 95          | 2.65  | 1.05  | -0.11 | -1.16 | -2.25 | -3.46         | -4.83            | -6.38  | -8.13  | -10.07 | -12.21 |
| 100         | 2.77  | 1.16  | -0.01 | -1.05 | -2.11 | -3.28         | -4.62            | -6.13  | -7.83  | -9.73  | -11.82 |
| 125         | 3.37  | 1.68  | 0.50  | -0.50 | -1.48 | -2.52         | -3.69            | -5.02  | -6.52  | -8.22  | -10.10 |
| 150         | 3.97  | 2.19  | 0.97  | -0.02 | -0.94 | -1.89         | -2.93            | -4.11  | -5.45  | -6.98  | -8.68  |
| 200         | 5.21  | 3.23  | 1.89  | 0.86  | -0.03 | -0.88         | -1.75            | -2.72  | -3.80  | -5.05  | -6.46  |
| 300         | 7.92  | 5.54  | 3.87  | 2.60  | 1.59  | 0.74          | -0.05            | -0.81  | -1.62  | -2.50  | -3.49  |
| 400         | 11.05 | 8.28  | 6.25  | 4.66  | 3.38  | 2.34          | 1.45             | 0.67   | -0.07  | -0.80  | -1.58  |
| 500         | 14.76 | 11.62 | 9.21  | 7.27  | 5.65  | 4.31          | 3.18             | 2.22   | 1.39   | 0.63   | -0.09  |
| Vote:       |       |       |       |       |       |               |                  |        |        |        |        |

This table presents Bayes factors based on equal prior probabilities and no expected errors  $BF = e^{A}log(BF)$ 



Table 10: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 100) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 1 Percent

|             |      |      |      |      | Actual Nu | mber of Missta | tements Found | d    |      |      |      |
|-------------|------|------|------|------|-----------|----------------|---------------|------|------|------|------|
| Sample Size | 0    | 1    | 2    | 3    | 4         | 5              | 6             | 7    | 8    | 9    | 10   |
| 20          | 0.48 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 25          | 0.60 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 30          | 0.72 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 35          | 0.84 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 40          | 0.97 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 45          | 1.10 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 50          | 1.24 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 55          | 1.38 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 60          | 1.54 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 65          | 1.71 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 70          | 1.90 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 75          | 2.12 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 80          | 2.38 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 85          | 2.70 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 90          | 3.14 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 95          | 3.86 | -Inf | -Inf | -Inf | -Inf      | -Inf           | -Inf          | -Inf | -Inf | -Inf | -Inf |
| 100         |      |      |      |      |           |                |               |      |      |      |      |
| 125         |      |      |      |      |           |                |               |      |      |      |      |
| 150         |      |      |      |      |           |                |               |      |      |      |      |
| 200         |      |      |      |      |           |                |               |      |      |      |      |
| 300         |      |      |      |      |           |                |               |      |      |      |      |
| 400         |      |      |      |      |           |                |               |      |      |      |      |
| 500         |      |      |      |      |           |                |               |      |      |      |      |



Table 11: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 500) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 1 Percent

|             |      |       |       |       | Actual Number o | f Misstatement | s Found |      |      |      |      |
|-------------|------|-------|-------|-------|-----------------|----------------|---------|------|------|------|------|
| Sample Size | 0    | 1     | 2     | 3     | 4               | 5              | 6       | 7    | 8    | 9    | 10   |
| 20          | 0.39 | -1.45 | -3.41 | -5.90 | -9.28           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 25          | 0.48 | -1.34 | -3.26 | -5.69 | -9.00           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 30          | 0.57 | -1.23 | -3.11 | -5.49 | -8.74           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 35          | 0.65 | -1.13 | -2.97 | -5.29 | -8.49           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 40          | 0.74 | -1.03 | -2.84 | -5.11 | -8.25           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 45          | 0.82 | -0.94 | -2.71 | -4.94 | -8.02           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 50          | 0.90 | -0.85 | -2.59 | -4.77 | -7.80           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 55          | 0.98 | -0.76 | -2.47 | -4.61 | -7.59           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 60          | 1.06 | -0.67 | -2.36 | -4.46 | -7.39           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 65          | 1.14 | -0.59 | -2.25 | -4.31 | -7.20           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 70          | 1.22 | -0.51 | -2.14 | -4.17 | -7.01           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 75          | 1.29 | -0.43 | -2.04 | -4.03 | -6.83           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 80          | 1.37 | -0.35 | -1.95 | -3.90 | -6.66           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 85          | 1.45 | -0.27 | -1.85 | -3.77 | -6.49           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 90          | 1.52 | -0.19 | -1.76 | -3.65 | -6.33           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 95          | 1.60 | -0.12 | -1.67 | -3.53 | -6.17           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 100         | 1.67 | -0.05 | -1.58 | -3.42 | -6.02           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 125         | 2.05 | 0.31  | -1.17 | -2.89 | -5.32           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 150         | 2.44 | 0.65  | -0.80 | -2.42 | -4.70           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 200         | 3.27 | 1.34  | -0.11 | -1.61 | -3.65           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 300         | 5.35 | 2.95  | 1.26  | -0.21 | -1.96           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 400         | 8.87 | 5.63  | 3.26  | 1.40  | -0.40           | -Inf           | -Inf    | -Inf | -Inf | -Inf | -Inf |
| 500         |      |       |       |       |                 |                |         |      |      |      |      |

Note:

This table presents Bayes factors based on equal prior probabilities and no expected errors



Table 12: Statistical Sampling Results based on the Beta-Binomial Distribution (N = 1000) — Logarithmic Impartial Bayes Factors in favor of Tolerable Misstatement for a Performance Materiality of 1 Percent

|             |      |       |       |       | Actua | Number of Mi | sstatements Fou | nd     |        |        |      |
|-------------|------|-------|-------|-------|-------|--------------|-----------------|--------|--------|--------|------|
| Sample Size | 0    | 1     | 2     | 3     | 4     | 5            | 6               | 7      | 8      | 9      | 10   |
| 20          | 0.38 | -1.34 | -3.04 | -5.00 | -7.30 | -9.96        | -13.00          | -16.47 | -20.48 | -25.30 | -Inf |
| 25          | 0.47 | -1.24 | -2.90 | -4.80 | -7.04 | -9.64        | -12.62          | -16.03 | -19.97 | -24.72 | -Inf |
| 30          | 0.55 | -1.13 | -2.76 | -4.61 | -6.79 | -9.34        | -12.26          | -15.61 | -19.49 | -24.18 | -Inf |
| 35          | 0.63 | -1.04 | -2.62 | -4.43 | -6.56 | -9.05        | -11.91          | -15.21 | -19.03 | -23.66 | -Inf |
| 40          | 0.71 | -0.94 | -2.50 | -4.27 | -6.35 | -8.78        | -11.59          | -14.83 | -18.60 | -23.17 | -Inf |
| 45          | 0.79 | -0.85 | -2.38 | -4.10 | -6.14 | -8.52        | -11.28          | -14.47 | -18.18 | -22.70 | -Inf |
| 50          | 0.87 | -0.76 | -2.27 | -3.95 | -5.94 | -8.27        | -10.98          | -14.12 | -17.78 | -22.26 | -Inf |
| 55          | 0.94 | -0.68 | -2.16 | -3.81 | -5.75 | -8.04        | -10.70          | -13.79 | -17.41 | -21.83 | -Inf |
| 60          | 1.02 | -0.60 | -2.05 | -3.67 | -5.57 | -7.82        | -10.43          | -13.47 | -17.04 | -21.42 | -Inf |
| 65          | 1.09 | -0.52 | -1.95 | -3.54 | -5.40 | -7.60        | -10.17          | -13.17 | -16.69 | -21.02 | -Inf |
| 70          | 1.16 | -0.44 | -1.85 | -3.41 | -5.23 | -7.39        | -9.93           | -12.88 | -16.36 | -20.64 | -Inf |
| 75          | 1.23 | -0.36 | -1.76 | -3.29 | -5.08 | -7.20        | -9.69           | -12.60 | -16.04 | -20.28 | -Inf |
| 80          | 1.30 | -0.29 | -1.67 | -3.17 | -4.92 | -7.01        | -9.46           | -12.33 | -15.73 | -19.93 | -Inf |
| 85          | 1.37 | -0.22 | -1.58 | -3.05 | -4.78 | -6.82        | -9.23           | -12.07 | -15.43 | -19.59 | -Inf |
| 90          | 1.44 | -0.15 | -1.50 | -2.94 | -4.64 | -6.65        | -9.02           | -11.82 | -15.14 | -19.26 | -Inf |
| 95          | 1.51 | -0.08 | -1.42 | -2.84 | -4.50 | -6.47        | -8.81           | -11.57 | -14.85 | -18.94 | -Inf |
| 100         | 1.58 | -0.01 | -1.34 | -2.74 | -4.37 | -6.31        | -8.61           | -11.34 | -14.58 | -18.63 | -Inf |
| 125         | 1.92 | 0.32  | -0.97 | -2.27 | -3.77 | -5.56        | -7.70           | -10.26 | -13.34 | -17.21 | -Inf |
| 150         | 2.24 | 0.62  | -0.63 | -1.87 | -3.26 | -4.92        | -6.91           | -9.32  | -12.25 | -15.97 | -Inf |
| 200         | 2.90 | 1.20  | -0.03 | -1.18 | -2.41 | -3.85        | -5.61           | -7.76  | -10.42 | -13.88 | -Inf |
| 300         | 4.29 | 2.36  | 1.04  | -0.06 | -1.12 | -2.29        | -3.68           | -5.42  | -7.65  | -10.67 | -Inf |
| 400         | 5.85 | 3.64  | 2.12  | 0.94  | -0.09 | -1.12        | -2.29           | -3.72  | -5.60  | -8.25  | -Inf |
| 500         | 7.69 | 5.16  | 3.37  | 2.01  | 0.90  | -0.12        | -1.17           | -2.39  | -3.98  | -6.29  | -Inf |

This table presents Bayes factors based on equal prior probabilities and no expected errors  $BF = e^{\Lambda} \log(BF)$