

**Litigation Risk, Auditor Conservatism and An Overview of Turkey Characteristic**Fatih Şentürk<sup>a</sup>Özgür Özkan<sup>b</sup>

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**Abstract**

In case of the occurrence of uncertain situations regarding the future, the investor is expected to assume that he is in a risky situation and act in a rational way. In this way, the investor will have been prudent and protected his capital. Auditor Conservatism is an approach that aims to make a more conservative audit by foreseeing a high audit risk for the financial statement disclosures of the company audited and thus protect the capital, creditors and investors. It is a likely outcome for the investor to encounter with the litigation case due to the possible presence of revenue losses that may be experienced and negatively affect the investment decisions of the third parties who will use the tables on which the auditor will express an opinion. Therefore, auditors will want to set a high degree of audit for possible inconsistencies and choose the secure option against the case risk in order to protect the reputation of himself and the audit company against the possibility of audit failure by displaying a conservative approach. In this study, the relationship between the litigation risk and the auditor's conservative approach will be examined and these concepts will be comparatively assessed in terms of the accounting audit procedures.