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## Research Article

# The effect of the characteristics of audit offices on audit quality: an exploratory study on a sample of auditing offices and companies in Iraq

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## ABSTRACT

This research aims to measure the impact of the characteristics of the audit offices represented by (the size of the audit office, the length of the engagement period, the professional experience, the reputation of the office) on the quality of the audit process. This aim is achieved by addressing the issue of the characteristics of audit offices in all their details and identifying the impact that these characteristics achieve on the quality of the audit process. The researchers have adopted a questionnaire form to obtain the necessary data, whereby (155) questionnaires are distributed to auditing offices and companies licensed to practice the profession according to the bulletin issued by the Board of Audit and Monitoring Profession in Iraq for the year (2021), and (120) valid questionnaires are retrieved for analysis. The researchers have concluded that there is a significant correlation between the characteristics of audit offices and the quality of auditing, as well as the existence of a significant effect of the characteristics of audit offices on audit quality. The most important thing recommended by the research is the need for audit offices to pay attention to all the characteristics that enable it to improve its professional performance at a time when competition between these offices is increasing.

**Keywords:** Characteristics of audit offices, audit quality, audit

## INTRODUCTION

The developments that have taken place in all social, political and economic fields have prompted the establishments to expand their commercial operations as well as expand their dealings with all the beneficiary parties. This has had a great impact on the role of the regulatory bodies, has led to the use of a tight control body as well as obligating the parties with direct interests to assign the control mission to a third party independent of the establishment to verify the correctness of the accounting and financial information and data that are disclosed, to save their money from exploitation, and to identify the extent of the administration's commitment to the policies, procedures and plans established to avoid cases of errors and fraud. Therefore, interest in the audit profession has increased.

## RESEARCH METHODOLOGY

The main research problem is that the increase in the number of auditing offices and companies operating in the Iraqi environment has led to an increase in competition. This has prompted many of these offices to pay attention to all means represented by the characteristics of the research sample that enable it to perform the audit process with a high level of quality and obtain the largest market share, and lack of interest in these characteristics affects its performance of the audit process. The researchers have identified the research problem with several questions, including:

Q1: Is there a significant correlation between the characteristics of audit offices and the quality of auditing in auditing offices and companies in Iraq?

Q2: Is there a significant effect of the characteristics of the auditing offices on the quality of auditing regarding the auditing offices and companies in Iraq?

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## RESEARCH HYPOTHESES

To answer the questions contained in the research problem, the following hypotheses are formulated:

The first hypothesis: There is a significant correlation between the characteristics of audit offices and the quality of auditing in auditing offices and companies in Iraq.

The second hypothesis: There is a significant effect of the characteristics of the audit offices on the audit quality of the auditing firms and companies in Iraq.

## THE SIGNIFICANCE OF THE RESEARCH

The significance of the research is reflected in the following:

Scientific importance: The significance of the research lies in the fact that it deals with a new study topic in the Iraqi environment. It is considered one of the most important scientifically tangible topics, which is the impact of the characteristics of audit offices on the quality of auditing, and the lack of this environment for such topics. It has become a controversial topic in the recent period, in addition to the fact that it is a broad field that requires scientific research.

Practical importance: It can be highlighted by assisting researchers, auditors, stakeholders and regulators inside and outside the Iraqi business environment in obtaining sufficient information. with high professionalism to make their appropriate decisions. Its practical importance is also highlighted through determining the extent to which audit offices and companies operating in the Iraqi environment are interested in the characteristics that enable them to meet all the requirements of the beneficiary parties with high professionalism to make their appropriate decisions.

The research aims to achieve the following:

Shedding light on the basic concepts of the characteristics of audit offices (the size of the audit office, the length of the engagement period, professional experience, and the office's reputation).

Determining and measuring the impact that the characteristics of audit offices have on audit quality.

Addressing the issue of audit quality in terms of concept, significance and objectives.

## PREVIOUS STUDIES

A study by [1] This study aims to develop a broad concept of audit quality, and to verify the extent to which quality affects some of the factors associated with audit offices, represented by (the size and reputation of audit offices, audit process fees, audit quality control guidelines, and competitive relationships among audit offices operating in the southern regions) and its impact on audit quality. This study concludes that there is an awareness by auditors of the importance of audit quality control guidelines, and that there is a direct relationship between the size and reputation of auditing offices, experience, and academic and practical qualifications with audit quality. In addition, the independence of the auditor positively affects the quality of the audit. The study has also found that reducing the auditor's fees in order to obtain clients negatively affects the quality of the audit, and has also confirmed the lack of a comprehensive and clear concept of the quality of the audit process.

A study by [2] This study aims to measure the impact of the characteristics of audit offices on the level of sectoral specialization of the external auditor to judge the continuity of the economic facility. In addition, it clarifies the importance of the sectoral specialization of the external auditor and its impact on judging the continuity of economic facilities, and identifies the extent of interest of the concerned authorities by activating the sectoral specialization of the auditor in the Sudanese business environment through the characteristics of the audit offices. This study concludes that there is a positive, statistically significant effect of the characteristics of the audit offices at the level achieved by the sectoral specialization of the external auditor, and that there is a positive, statistically significant effect of the characteristics of the audit offices in judgments. This confirms the continuity of the facility, in addition to the existence of a positive and statistically significant impact of the sectoral specialization function of the external auditor in judging the continuity of the facility.

A study by [3] This study aims to identify the most important factors that affect the quality of auditing in Jordanian commercial banks from the perspective of internal and external auditors. The study has dealt with the most important of these factors represented by (the internal control system, the independence of the auditor, the efficiency of the auditor, the size of the audit office, the reputation of the office, audit fees, specialization and efficiency of the auditor) and their impact on the quality of the audit. The study concludes that the quality of auditing in Jordanian banks ranges from good to very good, and that there is a positive relationship between the quality of the audit and the efficiency of the auditor, the reputation of the audit office, the audit process fees, the size of the auditing office, and the specialization and efficiency of the auditor.

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A study by [4] This study aims to verify whether the quality of the audit and the fees for the audit process differ according to the size of the audit office or the audit firm. The study deals with the concept of audit office size, audit quality, audit fees, and how fees and quality are affected by the different size of the office. The study concludes that the quality of the audit and the fees of the audit process differ according to the size of the audit office, i.e. that there is a positive correlation between the size of the audit office and the quality and fees for the audit process for major auditing offices and companies. The study also indicates that the collective competence and internal experience in the office are of particular importance for providing high quality services. The study also confirms that the quality of audit provided by small-sized audit firms is heterogeneous with their work, unlike the quality provided by large-sized firms.

## THEORETICAL SURVEY OF THE RESEARCH

Audit offices are characterized by many characteristics that have a direct impact on the efforts of the auditors during their implementation of the audit process. Therefore, this impact is positively reflected on the quality of the audit process, i.e. the characteristics that characterize audit offices have a positive correlation with the quality of auditing and also considered as a competitive advantage in light of the increasing number of offices. The characteristics that the researchers address through this research include (the size of the audit office, the length of the relationship between the auditor and the client, professional experience, the reputation of the office). The following is a presentation in some detail for each of these characteristics:

The size of the office is one of the important characteristics of the auditing offices, in addition to being a basic indicator for evaluating the quality of the audit process. It is also considered one of the easily measurable indicators based on quantitative and objective criteria. Many indicators are adopted to measure and determine the size of the audit as represented in the following [5] :

- A. Number of clients in the audit office: the higher the number of clients; the greater the activity of the audit office.
- B. The number of branches of the audit office abroad or at home.
- C. The number of individuals working in the audit office: the higher the number of employees in the office; the greater the volume of office activity.
- D. Office revenues.

The engagement period means the number of years in which the client stays with the auditing office, i.e. the extent to which the auditor undertakes the audit process for the same client. This means that the length of the link period between the audit office and the client has a positive impact on the efficiency of the audit process, and, therefore, the long period achieves for the auditor an accurate and deep knowledge of the nature of the client's activity and variables affecting it. This leads to an increase in the efficiency of the audit process [2].

The concept of experience is the time spent by the office or the auditor in performing a specific task or a specific job. It is considered as one of the most important factors that positively affect the efficiency of the audit process. As audit offices with high professional experience have the ability to face the intense competition in the profession market, in addition to enjoying a good reputation, which leads to attracting more clients and improving the financial capacity of these offices. Thus, professional experience is one of the most important features of auditors and audit offices, as it is positively related to the quality of the audit process, meaning that the outputs of the high-quality audit process depend mainly on the professional experience of the auditor [6].

The reputation of the audit office is one of the important factors that can increase the dependency of the auditors. The reputation of the office depends on giving confidence to the beneficiaries of the audit services. It means the continuous circulation of the name of the office in the profession market, i.e. the audit office is characterized by high performance quality through the credibility of the audited financial reports. The auditor's behavior must be consistent with the reputation of the office in which s/he works in, and s/he must refrain from any method that offends it. The office's reputation is also measured by the large size of the office and the large number of clients, meaning that reputable auditing offices have a high ability to identify and confront the problems encountered during the implementation of the audit process, which results in a high-quality audit process [7].

## AUDIT QUALITY

### THE CONCEPT OF AUDIT QUALITY

The quality of the audit is considered a performance that is characterized by quality by following the auditor's basic quality controls in addition to his/her commitment to the local and international auditing standards. This is conducted in order to achieve the desired goals of quality represented by helping the internal and external beneficiaries to take appropriate decisions, as well as emphasizing that the financial statements are free from fundamental errors, i.e. ensuring that the client follows international accounting standards in his/her accounting operations. This means that quality is the effective achievement of the objectives of the

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audit process, by ensuring that all financial and accounting operations have been documented in accordance with generally accepted accounting principles and rules [8].

## THE IMPORTANCE OF AUDIT QUALITY

The importance of audit quality is as follows:

- A. The good reputation and popularity that the auditor acquires during the implementation of the audit process, which is characterized by high quality. This means that the audit process which is of high quality has a positive association with the good reputation of the auditor [9].
- B. Audit quality confirms that the primary objective of the audit profession has been achieved, which is to provide reasonable assurance that financial reports are free from material misstatement [10].
- C. The management's interest in the audit process and its provision of high quality services leads to an increase in its market value and competitive position [11].
- D. The contribution of the quality of the audit process in reducing the expectations gap, i.e. what the auditor does in providing audit services and what society expects from the results of this process [12].

### 1.1 Audit quality objectives

The quality of the audit process aims to achieve the following:

- A. Developing the level of auditor performance by keeping pace with technological developments.[9]
- B. Reducing audit risk to the lowest possible level.
- C. Increasing understanding and communication between auditor and client [13].
- D. Providing reasonable assurance that the financial statements are free from material misstatement, which leads to increased confidence among all the beneficiary parties [14].
- E. Encouraging auditors to learn continuously through their participation in training courses and attendance at external conferences and seminars, which enhances their experience and efficiency [15].

## THE IMPACT OF THE CHARACTERISTICS OF AUDIT OFFICES ON THE QUALITY OF THE AUDIT PROCESS

The audit profession in Iraq is considered a social profession whose objective is to provide the best services to all the beneficiary parties. Therefore, the person in charge must have all professional qualifications. The audit process is carried out through the mutual relationship between the auditor, the financial reporter (the client) and the beneficiary parties, where the relationship between them must enjoy mutual trust in order to produce high quality results. Accordingly, the impact achieved by the characteristics of audit offices on audit quality can be clarified through the following:

The impact of the size of the audit office on the quality of the audit: Several studies indicate that the size of the audit office is one of the most important factors affecting the quality of the audit. It is shown that there is a direct relationship between the size of the audit office and the quality of the audit. The more the audit office is among the major international offices (Big 4), the higher the quality of the audit, and this is confirmed in the study by [16]. This study has found that the global audit firms (Big 4) provide audit services of high quality compared to other audit offices, in addition to the fact that large size audit offices provide high quality services because they enjoy a great reputation.

The impact of the engagement period on the quality of the audit: The engagement period means the number of years that the auditor spends in the audit process for the same facility. There is a conflict of opinions among many researchers about the impact of this factor on the quality of the audit. Some believe that the length of the period increases the auditor's experience in the audited facility and s/he has the ability to address all the problems facing the client subject of the audit. That is, there is a direct relationship between the length of the engagement period and the increase in the quality of the audit, i.e. the longer the engagement period, the higher the professional competence of the auditor, which leads to the outputs of the audit process being of high quality. Also, the client being audited does not have the desire to change the current auditor in order to avoid the additional costs s/he would incur if s/he decided to change this auditor, which is confirmed by [17] and [18].

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The impact of professional experience on audit quality: The auditor's professional experience plays a key role in achieving the efficiency and effectiveness of the audit process through its direct impact on the quality of the auditor's professional judgments related to all stages of the audit process, starting from preparing the plan and ending with submitting reports to the beneficiary parties. That is, the qualification of the external auditor when achieving quality in the audit process is coupled with his/her professional experience. Therefore, experience has an effective and vital role in the process of discovering errors and fraud that occur in financial reports, i.e. experience is considered a main motive for auditors to achieve professional competence in the audit process to the fullest extent [19].

The impact of the reputation of the audit office on the quality of the audit: Reputation is one of the most important characteristics of audit offices due to its positive impact on the efficiency of the audit process. This means that reputation reflects the credibility of audit offices in the work they perform, and, therefore, these offices must realize the importance of reputation as a key factor to their success and gaining a reputation through high quality audit services [20].

## THE PRACTICAL SIDE

### THE RESEARCH COMMUNITY AND SAMPLE

For the purpose of achieving the objective of the research, which includes detecting the impact of the characteristics of auditing offices on the quality of auditing, the research community is chosen which consists of a group of auditing offices and companies in Iraq. As for the research sample, it is represented by auditors working in these offices, according to the prospectus of those licensed to practice auditing for the year (2021). A number of 155 questionnaires are distributed to the research sample, (130) questionnaires are retrieved, and the percentage of the recovered forms is (84%). After unpacking the data, it is found that there are (10) incomplete questionnaires with data that are excluded, while the forms valid for analysis have amounted to (120) questionnaires, representing (92%) of the total forms retrieved. The researcher chose a five-point Likert scale to measure the respondents' approval of the questionnaire items.

### THE CONSISTENCY OF THE SEARCH TOOL (THE QUESTIONNAIRE)

The two researchers measured the consistency of the items of the questionnaire by using the (Cronbach's alpha) test in order to know the consistency of the search tool.

**Table (1): Cronbach's alpha test to measure the consistency of the search tool**

No.	Variables	No. of items	alpha-Cronbach value
1	Characteristics of audit offices	23	0.979
1-1	Audit office size	6	0.983
2-1	Length of engagement	6	0.986
3-1	Professional Experience	6	0.983
4-1	Office reputation	5	0.985
2	Audit quality	10	0.981

Source: The table is prepared by the researchers, based on the outputs of the (SPSS) program.

It is clear from the results of Table (1) that the consistency coefficient of the research variables ranges between (0.981-0.986), which indicates a high degree of reliability and consistency of the research tool.

Personal and functional information (demographic variables) related to respondents to the questionnaire questions are analyzed through the following Table (2):

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**Table (2): The description and diagnosis of demographic variables for the research sample**

Variable	Description	Recurrence	Percentage
Gender	Male	115	%95.8
	Female	5	%4.2
	Total	120	%100
Job Title	Office owner and partner	60	%50
	chief auditor	40	%33.3
	Assistant auditor	20	%16.7
Years of Experience	Total	120	%100
	Less than 5 years	30	%25
	5-10 years	54	%45
	10-15 years	16	%13.3
	15-20 years	5	%4.2
Scientific Major	20 years and more	15	%12.5
	Total	120	%100
	Accounting	120	%100
	N/A	12	%10
No. of Training Courses	1-3 courses	36	%30
	3 courses and more	72	%60
Total		120	%100

Source: The table prepared by the researchers, based on the outputs of (SPSS)

**Gender:** The researchers note from the results of the table that the number of respondents who are selected from among the sample members according to gender, with the highest percentage of males at (95.8%), while the percentage of females is (4.2%). This confirms that workers and owners of auditing offices and companies are of the male category.

**Job title:** The two researchers note from the results of the table that the highest percentage of job titles is for (the office owner and partner), where their percentage has reached (50%), followed by the percentage (33.3%) of the total sample. The lowest percentage is for the position of (assistant auditor), whose percentage is (16.7%). This explains that the majority in offices are owners, partners and auditors working in those offices, and this proves that auditing offices and companies are considered as private properties.

**The scientific specialization of the office staff:** It is noted from the results of the table that all the categories of the sample studied are within the scientific specialization of accounting.

**Number of years of experience:** The researchers note from the results of the above table that the highest percentage is of those who have job experience (5-10 years), amounting to (45%), followed by the percentage (25%) of those who have experience (less than 5 years) and those who have experience from (10-15; 20 years and over) where their percentage has reached (13.3%; 12.5%) respectively. Finally, comes those who have experience (15-20 years) with a percentage of (4.2%).

**Number of training courses:** The researchers note from the results of the above table that the highest percentage of participants in training courses is (3 courses or more), where their percentage has reached (60%), while the participants in training courses from (1-3 courses) have reached (30%). Finally, the percentage of those who have not participated in any training course reached (10%). This confirms that a large percentage of auditors working in auditing offices and companies have sufficient knowledge in auditing accounts for their participation in many training courses that qualify them to carry out the work efficiently and professionally.

**Description and diagnosis of research variables (characteristics of audit offices with their dimensions, quality of audit):** The researchers have extracted the arithmetic mean, standard deviation, and the relative importance of the research variables. The following table (3) is an illustration:

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**Table (3): The results of the answers of the research sample members for the questionnaire items**

No.	Items	Arithmetic mean	Standard deviation	Relative importance	Order of importance	Rating level
XX	Characteristics of audit offices	4.248	0.634	%85	-	Very high
X1	Audit office size	4.245	0.689	%84.9	3	Very high
q1	Large-sized audit offices are highly experienced and able to provide the best services compared to small-sized offices.	4.408	0.883	%88.1	2	Very high
q2	Large audit firms are keen to hire highly qualified and professional auditors.	4.108	0.683	%82.1	5	High
q3	Large-sized audit offices enjoy an increase in their fees, which reflects positively on the efficiency and effectiveness of the audit process.	4.316	0.869	%86.3	3	Very high
q4	The large size of the audit office leads to an increase in the number of activities as well as an increase in the number of auditors working in it.	4.233	1.066	%84.6	4	Very high
q5	The size of the audit office through its affiliation with one of the international offices, the multiplicity of its local branches, and the increase in the number of its clients.	4.458	0.787	%89.1	1	Very high
q6	The large-sized audit office has credibility and reliability in disseminating audited accounting information.	3.950	0.968	%79	6	High
X2	Length of engagement	3.948	0.852	%78.9	4	High
q7	The long period of engagement between the auditor and the client subject of the audit achieves for the office an accurate and deep knowledge of the nature of the client's activity.	4.233	0.604	%84.6	1	Very high
q8	The length of the engagement period does not affect the independence, impartiality and professionalism of the audit office.	3.875	1.111	%77.5	4	High
q9	The long engagement period is considered one of the basic ingredients to improve the level of professional performance of the audit office.	3.675	1.116	%73.5	6	High
q10	Audit offices provide services distinct from their competitors whenever the period of contact with clients is long.	3.725	1.107	%74.5	5	High
q11	The long engagement period helps to detect errors and material misstatements committed in the financial statements with high professionalism.	4.008	1.103	%80.1	3	High
q12	The length of the engagement period leads to the issuance of audit reports in a timely manner	4.175	0.922	%83.5	2	High
X3	Professional Experience	4.330	0.590	%86.6	2	Very high
q13	Increasing the professional experience in the audit office leads to an increase in its professional ability to solve problems and face unexpected circumstances.	4.350	0.717	%87	3	Very high
q14	Experience and professional knowledge are evidence that the office possesses all the qualifications that enable it to carry out the work entrusted to it to the fullest.	3.916	0.975	%78.3	6	High
q15	Professional experience is one of the basic ingredients that audit offices must have in order to improve their professional	4.641	0.719	%92.8	1	Very high

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	performance.					
q16	Professional experience is one of the main motives that work to attract more clients, which is reflected positively on the fees it receives.	4.175	0.774	%83.5	5	high
q17	Enhancing the experience and professional knowledge of auditors is achieved through their participation in training courses, conferences and seminars related to the audit profession.	4.308	0.707	%86.1	4	Very high
q18	The professional experience of the auditor enables him/her, with great ease, to know the places of recurrence and presence of accounting errors and work to address them.	4.591	0.667	%91.8	2	Very high
X4	office reputation	4.470	0.520	%89.4	1	Very high
q19	Verifying complete independence when preparing audit programs, implementation and supervision, earns the good reputation of the audit office.	4.300	0.681	%86	5	Very high
q20	The decline in lawsuits filed against the audit office is a positive indication of the strengthening of its professional reputation.	4.525	0.593	%90.5	2	Very high
q21	The high reputation of the audit office makes the management of the office more keen to complete the work in accordance with professional standards through careful supervision towards work to maintain this reputation.	4.541	0.776	%90.8	1	Very high
q22	The office's high reputation obliges the auditor to act in a manner consistent with this reputation and to refrain from any method that harms it.	4.516	0.594	%90.3	3	Very high
q23	The good reputation of the audit office helps in increasing confidence in the financial statements of the client under audit with all the beneficiary parties.	4.466	0.593	%89.3	4	Very high
YY	Audit quality	4.417	0.594	%88.3	-	Very high
q24	The extent to which audit offices and companies adhere to professional standards.	4.508	0.579	%90.1	3	Very high
q25	Maintaining professional skepticism and performing audit work in accordance with the principles and ethics of the profession.	4.416	0.642	%88.3	5	Very high
q26	The effectiveness of the policies, procedures, and plans established by the audit office designed to assist in the completion of audits.	4.366	0.634	%87.3	7	Very high
q27	Accurate and in-depth professional knowledge of the various activities of clients enhances the level of professional performance of the audit office.	4.600	0.491	%92	2	Very high
q28	Reducing the expectations gap or reducing the discrepancy between the expectations of the beneficiaries and the auditors.	4.416	0.642	%88.3	6	Very high
q29	The quality of the audit is positively affected by the independence of the auditor.	4.366	0.634	%87.3	8	Very high
q30	Ensuring the extent to which financial reports subject to audit are prepared in accordance with generally accepted	4.608	0.569	%92.1	1	Very high

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	accounting principles.					
q31	The commitment of audit offices to train their auditors leads to improving their professional performance.	4.508	0.579	%90.1	4	Very high
q32	Establishing good professional relationships with other audit offices that contribute to increasing the effectiveness of the audit process.	4.133	0.732	%82.6	10	High
q33	The office works on setting planning, implementation and supervision procedures in accordance with the required quality standards.	4.250	0.881	%85	9	Very high

Source: The table is prepared by the researchers, based on the outputs of the program (SPSS v. 23).

From the results shown in Table (3), the researchers note the following:

The independent variable for this research (the characteristics of the auditing offices) has achieved a very high arithmetic mean of (4.248) and a standard deviation (0.634). This indicates a decrease in the dispersion in the answers of the members of the researched sample, i.e. there is a convergence in their views and they agree very much by a percentage of (85%) regarding the items related to this variable. As for the sub-dimensions, the following becomes apparent:

**The size of the audit office:** The researchers note from the results shown in the above table that item (q5) comes in the first rank with an arithmetic mean (4.458) and a standard deviation (0.787). This indicates that there is a very large agreement with a relative importance of (89.1%) by the members of the research sample regarding this item. The item (6q) comes in the last rank with its arithmetic mean (3.950) and standard deviation (0.968), and the level of relative importance amounting to (79%). Normative (0.689) and with a very high evaluation level, which indicates the importance of the items of this dimension. In total, this dimension has achieved an arithmetic mean of (4.245) and a standard deviation of (0.689) with a very high evaluation level, which indicates the importance of the items of this dimension.

**The length of the correlation period:** the researchers note from the results shown in the above table that item (7q) comes in the first rank with an arithmetic mean (4.233) and a standard deviation (0.604). This indicates that there is an agreement of (84.6%) by the research sample regarding this item. As for the item (9q), it comes in the last rank with an arithmetic mean (3.675), standard deviation (1.116), and a level of relative importance amounting to (73.5%). In total, this dimension has achieved an arithmetic mean of (3.948) and a standard deviation (0.852) with a high evaluation level.

**Professional experience:** The researchers note from the results shown in the above table that item (15q) comes in the first rank with an arithmetic mean (4.641) and a standard deviation (0.719). This indicates that there is a very large agreement with a percentage of (92.8%) by the research sample regarding this item, while item (14q) comes in the last rank with an arithmetic mean (3.916), standard deviation (0.975), and a level of relative importance amounting to (78.3%) with a very high evaluation, which confirms the importance of the items of this dimension.

**Office reputation:** The researchers note from the results shown in the table above that item (21q) comes in the first rank with an arithmetic mean (4.541) and a standard deviation (0.776). This indicates that there is a very large agreement at a percentage of (90.8%) by the research sample regarding this item. As for (19q), it comes in the last rank with an arithmetic mean (4,300), standard deviation (0.681), and the level of relative importance amounting to (86%). This confirms the great importance of the items of this dimension.

As for the dependent variable (audit quality), the researchers also note from the results shown in Table (3) that item (30q) comes in the first rank with an arithmetic mean (4.608) and a standard deviation (0.569). This indicates that there is a very large agreement with a percentage of (92.1%) by the research sample regarding this item, while item (32q) comes in the last rank with its arithmetic mean (4.133), standard deviation (0.732) and a level of relative importance amounting to (82.6%) for this item. In total, this variable has achieved an arithmetic mean of (4.417), standard deviation (0.594), relative importance (88.3%), and a very high evaluation level, i.e. there is convergence in the answers. This confirms the great importance of the items of this variable and its great position, as it is the primary goal of auditing offices and companies that is sought to be achieved.

## TESTING THE RESEARCH HYPOTHESES

**The first hypothesis:** There is a significant correlation between the characteristics of audit offices in their dimensions and the quality of auditing in auditing offices and companies in Iraq: To test this hypothesis, the Correlation Coefficient Pearson test is used to measure the correlation between the characteristics of audit offices, represented by their dimensions (the size of the audit office, the length of the engagement period, professional experience, the reputation of the office) and the quality of the audit, as shown in the following Table (4):

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**Table (4): (Pearson) test to measure the correlation between the characteristics of audit offices with its dimensions and audit quality**

Mediating variable	Correlation and signification	Characteristics of audit offices	Audit office size	Length of engagement	Professional Experience	Office reputation
Audit quality	( R) Correlation	**0.972	**0.948	0.912	**0.917	**0.946
	Sig Statistical significance	0.000	0.000	0.000	0.000	0.000
	N	120	120	120	120	120

Source: Table prepared by the two researchers based on the outputs of SPSS v. 23

The researchers note, through the results shown in Table (4), that all the correlations are significant, reaching (0.000) at a level of significance less than (0.01). The strength of the correlation between the characteristics of audit offices and audit quality is (0.972), which is at a significant level (0.000). This indicates that there is a positive correlation between the two variables, and the highest correlation coefficient is between (office size and audit quality) with a strength of (0.948), while the lowest correlation coefficient is between (length of correlation and audit quality) and its strength is (0.922). The positive value in the correlation coefficients indicates the direction of the positive relationship between the variables, and this result confirms the validity of the first hypothesis in the form of proof, which states: There is a significant correlation relationship between the characteristics of audit offices in their dimensions and the quality of auditing in auditing offices and companies in Iraq.

The second hypothesis: There is a significant effect of the characteristics of the auditing offices in their dimensions on the quality of auditing at the auditing offices in Iraq: Table No. (5) shows the measurement of the impact of the characteristics of audit firms on audit quality:

**Table (5): Multiple linear regression test to measure the impact of the characteristics of audit offices with its two dimensions on audit quality**

Dimensions	regression coefficients $\eta\beta$	Calculated (T) values	P value Sig*	Explanation
Audit office size	0.390	8.335	0.000	significant
Length of engagement	0.030	0.563	0.574	insignificant
Professional Experience	0.232	4.706	0.000	significant
Office reputation	0.371	7.624	0.000	significant
regression coefficient (B)	0.934		Significance model	
The coefficient of determination ( $R^2$ )	0.960			
Calculated (F) values	686.015			
Statistical significance	0.000			

Source: The table is prepared by the researchers, based on the outputs of the program (SPSS v. 23).

The researchers note, through the results shown in Table (5), that the independent variables affect the quality of auditing at the level of significance (0.05). The value of (F) has reached (686.015) at the level of statistical significance (0.000) less than the level of the moral significance, and the coefficient of determination ( $R^2$ ) reached (0.960), where it represents the explanatory power that indicates that its percentage is (96%), which is the percentage of very high variation in the quality of auditing at the audit offices in question. The value of the regression coefficient (B) is (0.934), which means that there is a positive impact of the characteristics of audit offices on the quality of the audit process. Regarding the individual influence of independent variables on the dependent variable, we find that (auditing office size, professional experience, office reputation) each of has a significant effect on the quality of the audit process at the level of significance (0.05), while there is not enough evidence for the existence of a significant effect of the length of the correlation period on the quality of the audit process. The probability value has reached (0.574), which is greater than the level of significance (0.05), so there is no effect. From here, the second hypothesis is validated in the form of proof, which states: There is a significant effect of the characteristics of the auditing offices (size of the audit office, professional experience, reputation of the office) on the quality of auditing at auditing offices and companies in Iraq.

## CONCLUSIONS AND RECOMMENDATIONS

### CONCLUSIONS

1. The interest of audit offices and companies in Iraq in the characteristics of (the size of the auditing office, the length of the engagement period, professional experience, the reputation of the audit office) leads to upgrading the skill and professionalism of these offices and this is reflected positively on the services provided by them.
2. After the recent events witnessed by the global economy from financial crises and collapse operations of major international companies, attention to the audit profession, especially quality, has become a necessity and a basic requirement for all the beneficiary parties.

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- The practical results of the research have shown that there is a correlation and a significant effect of the characteristics of the audit offices on the quality of audit, which confirms the validity of the research aim.

## RECOMMENDATIONS

The researcher recommends auditing offices and companies to increase their interest in the characteristics in question in order to improve their professional performance and then face the increasing competition in the profession market.

Urging small-sized audit offices to merge with each other and exchange professional experiences as this has great importance and a positive impact on the efficiency of professional performance and thus improving its competitive position in the profession market.

The researcher recommends auditing offices and companies in Iraq to increase training courses for their auditors in order to develop their professional expertise and raise the level of their practical performance.

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