Cumhuriyet Üniversitesi Fen Fakültesi
Fen Bilimleri Dergisi (CFD), Cilt:36, No: 3 Özel Sayı (2015)
ISSN: 1300-1949

Cumhuriyet University Faculty of Science
Science Journal (CSJ), Vol. 36, No: 3 Special Issue (2015)
ISSN: 1300-1949

Identification and Ranking of the Factors Affecting Audit Quality Based on the Views of Independent Auditors and Users of Audit Services

Mohammad Hosein SANGANİ[1,*], Sanaz HADJİ[2], Ali Akbar NONAHAL-NAHR[3]

[1]*Master of Accounting, Department of Accounting, Faculty of management and Accounting, Science and Research Branch, Islamic Azad University (I.A.U), Marand, Iran*

[2]*Ph.D Student of Accounting, Faculty of Management and Accounting, Semnan branch, Islamic Azad University (I.A.U), Semnan, Iran*

[3]*Assistant Professor and Full time faculty member of Department of Accounting, Faculty of Management and Accounting, Bostan Abad Branch, Islamic Azad University (I.A.U), Bostan Abad, Iran*

Received: 01.02.2015; Accepted: 05.05.2015

Abstract. This study aimed to investigate the perceptions of audit quality among different beneficiary groups. It seems that each beneficiary group has a different perception of the factors affecting audit quality depending on the type and amount of its direct involvement in the audit process and the impact it would take from the results. Therefore, to identify the factors affecting audit quality based on the views of independent auditors and users of audit services, a 23-item questionnaire was distributed among a sample of 94 subjects (47 members of the auditors' representatives and 47 members of the employers' representatives). The items were classified into the two main dimensions of the auditing firm features and the employer's characteristics. The results showed both groups consider both major dimensions to influence on audit quality. Then, applying Analytic Hierarchy Process (AHP) method, it was attempted to calculate the weights of indices from the perspective of both groups. The results showed each of the two groups of auditors and employers perceive the other group's features to be more important based on audit quality. The auditors' group attributed more weight to the employers' features, while the employers knew audit quality to be more dependent on the auditors' characteristics rather than on their own.

Keywords: audit quality, audit performance, conflict of interests, Analytic Hierarchy Process

1. INTRODUCTION

Perceptions of audit quality among beneficiary groups are different since each of their levels is influenced by their degrees of direct involvement on audit process, by which audit quality could be assessed. The differences in the beneficiaries' views about audit quality concept show no single element alone can be assumed as an influential and governing factor on audit quality it is inferred in a way that a broader and deeper understanding of the existing complexities and identifying the subtle differences in the beneficiaries' attitudes and of stakeholders' interests require development of concepts through the study of a comprehensive audit quality. An important point in the definition of audit quality is focused on the beneficiary groups' perspectives so that the possible attitudes of the two groups towards audit quality represent the following issues: 1. The concept of quality from investors' perspectives; (2) The concept of quality from audit committee's viewpoint. Focusing on the beneficiaries' perspectives (at first glance) suggests that an individual should be more careful in relation to shareholders to determine if the series of measures implemented in a company have been approved since it reveals the major adverse effects on others' views based on audit quality (Moeenoddin et al., 2012)

*Corresponding author. *Email address: mhsangani @yahoo.com*

Special Issue: The Second National Conference on Applied Research in Science and Technology

Size, age, reputation, and brand names of audit firms could account for the distinguishing criteria of audit quality. In their study to measure audit quality, Joel, Job, and Hagton (2005) used auditing firm proficiency in the employer's industry in addition to the size of audit firms. They believed that the audit institutions with an expertise in the employer's industry perform higher audit qualities. In their research, Ferguson & Astaks (2002), Zhao & Ailder (2002), and Balsem (2003) used auditor expertise for measuring audit quality in the employer's industry.

Audit quality can be conceptually observed in 3 distinct frameworks, the fundamental aspects of which incorporate inputs (data), outputs, and background factors. In this issue, many standard inputs exist apart from the audit process. Auditor is an agent of a set of inputs consisting of skills, experience, ethics and values, and the way of thinking. Other important inputs include update and online audit performance with a good and accurate audit process relating to such issues as accuracy of audit procedures resulted from the application of accounting tools besides the availability of adequate technical support, all of which are targeted towards advocacy and achievement of audit quality objectives. The outputs provided by the audit process play a significant role in the audit quality. Most of the outputs as quality assessment criteria are measured by shareholders and other beneficiaries. From auditors' perspectives, the efficient factors on the quality of an auditor's performance are those affecting the auditor's ability to detect a material misstatement in financial statements or economic motivation of material misstatement reports discovered. Some of the researches have tested the quality of auditor's decision and its impact on audit effectiveness and efficiency. Many of these studies have not directly investigated audit quality, but the factors that lead to improvement of the quality of auditor's decision and thus audit quality. Therefore, the main research question is what factors influence on audit quality based on the viewpoints of independent auditors and users of audit services and which of them are of highest priorities in order.

2. RESEARCH BACKGROUND:

One of the first studies in this area was provided by Di Angelo in 1981. In his investigation, he found a positive relationship between audit quality and auditor size.

Ferdinand (1991) examined the effect of audit fees, non-audit services, audit competition, and sizes of audit institutions on the bank managers' attitudes regarding auditor independence. The results showed that from managers' perspectives, an increase in levels of auditor fees, audit competition, and non-audit services reduce auditors and audit firms' independence, unlike the fact that larger audit institutions promote their independence. The ratio of audit fees to auditors' total income is the most significant factor affecting auditors' independence regardless of other indices and in case that this ratio is considered to be more important than less important, it would be more probable for the conflicts between auditors and employers to be settled in favor of the employers.

Walker et al. (2001) examined the empirical relationship between audit duration and financial scandals. For this purpose, 110 US companies financially corrupted between 1980 and 1991 were studied. The results showed the greatest financial scandal has occurred in the long-term relationship, but the highest rates relate to the short-term financial scandals. Due to the fact that corruption rate has been low in the long run, the researchers concluded that audit firm rotation is not required to reduce financial failure rates.

Nagy (2005) addressed the effect of audit firm rotation on audit quality. His research was conducted based on the environmental constraints caused by Arthur Andersen's failure, who had forced a number of companies to change the audit. The companies used in the sample, which were under the law of audit firm rotation, were divided into the two groups of large and small firms. The results showed the percentage of audit quality improvement is larger in small firms than in large firms. In other words, audit quality improves when smaller units are audited.

In their research entitled "How different types of auditor rotation can impact on audit quality?", Mitchell et al. (2012) showed legislators and professional firms worldwide recommend mandatory of auditor's rotation on the firms and partners' levels, acting as a means of reducing the degrees of the client and the auditor's familiarities and creating new perspectives, while increasing auditor independence and audit quality.

3. RESEARCH HYPOTHESES:

The present study sought to examine the relationship between audit quality and auditor size (audit firm) in Iran. For this purpose, the audit firm members of Formal Chartered Accountants were regarded as small audit firms and those of National Audit Organization were considered as large auditors due to having great staffs and older ages. In the review of audit quality and audit firm size, it is concluded that the quality of audit services has a direct relation with the size of audit firm, i.e. sizes of audit institutions put a positive influence on their competence and independence. Therefore, the following assumptions are presented:

Hypothesis 1: There is a significant difference between the attitudes of auditors and users of services in terms of the impact of auditor's characteristics on audit quality.

Hypothesis 2: There is a significant difference between the views of auditors and users of audit services based on the impact of entity (employer's) characteristics on audit quality.

4. METHODOLOGY AND DATA ANALYSIS:

The current research is based on a descriptive method of survey type. To test the hypotheses, the required information was collected from the selected samples using a questionnaire and then they were rejected or approved by analyzing the obtained data. This study was done during the fall of 1392. The test subjects in the present study included the auditors working in the Iranian Audit Organization and Association of Certified Public Accountants and executives of company consisted of board members and financing executives. Participants must have had basic financing and accounting knowledge and what they were assumed to know about the present study test so that the responses were of proper and logical validity and reliability. The 94 samples of the study consisted of 47 representative members including audit managers and supervisors and the audit firm members of Iranian Audit Organization and Association of Certified Public Accountants and 47 representatives of employers including managing directors, board members, and financial managers. A proportional method of stratified sampling was used in this study. In order to prioritize the factors affecting audit quality, AHP technique was utilized. The initial questionnaires used in this study included a total of 23 separate questions with respect to each of the research hypotheses. The second questionnaire was based on AHP to compare the indices of auditors and employers' views. The participants were asked to attempt to answer the specific questions on the questionnaire using the Likert scale (1. too low; 2. low; 3. average; 4. high; 5. too high). To determine the test reliability, Cronbach's alpha was employed. The mentioned method was used to calculate the internal consistency of the measuring instruments to measure various traits. To compute Cronbach's alpha coefficient, the variances of scores for each sub-question and the total variance should have been firstly calculated. Then, the alphacoefficient value was calculated using the following formula:

$$r_{\alpha} = \frac{J}{J-1}\left(1 - \frac{\sum_{j=1}^{n} s_j^2}{S^2}\right)$$

where J is the number of subsets of the test questions; S_2 is the total variance of the test or questionnaire; and S_{j2} is is Jth sub-test variance. To measure the reliability, the Cronbach's alpha method was performed using SPSS 18 Software. To this end, an initial sample of 30 pre-test questionnaires was applied to the target community and then using the data obtained and SPSS

software, the reliability coefficient was calculated by Cronbach's alpha. As shown in the table below, the number is higher than 70%, which indicates that the questionnaires are of the necessary reliability.

As it is evident in Table 4, after calculating the mean and standard deviation of the answers and holding a single sample t-test of the 23 study indices from the employers' perspectives, only 10 parameters were considered to be affective on audit quality based on the views of users of services. Table 5 represents the factors affecting audit quality according to the views of users of services.

As shown in Table 5, after calculating the mean and standard deviation of the responses and holding a single sample t-test of the 23 study indices from the employers' perspectives, only 14 parameters were considered affective on audit quality based on the perspectives of the audit firms' representatives. After reviewing the results of the first questionnaire and determining the parameters, these indices must have appeared in a hierarchical structure. Completion of paired comparisons of the questionnaires in this study was performed by the two groups of 6 qualified employers and auditors. Calculation of each parameter weight was necessary based on the following steps: In each section of the tables relevant to the paired comparisons of the questionnaires, numbers of the present questions were considered proportional to the elements to be compared according to the rule. Using the responses given to the comparisons of the components, a matrix of paired comparisons was created. For this purpose, all the set of elements were both vertically and horizontally inserted on the left side and on top of the matrix, respectively, and then the numbers obtained by the comparisons were written in the related places. The results indicated that both groups emphasize on the impacts of the auditor's role and characteristics on audit quality although they had no agreement on the number of these factors, while employers considered higher roles and weights for the auditors' characteristics

5. CONCLUSION

Table 7 represents rating of the effective factors on audit quality from the views of the two groups of auditors and employers. As it is clear, the two indices, which are of paramount importance from the auditors' perspectives, are not regarded as the effective factors on audit quality from the employers' perspectives. The two indices based on economic structure and different views in both public and private sectors in terms of needs and demands have been identified in many previous studies. Also, the employer's quality of financial information, which was ranked on the 3rd place from the auditors' perspectives, was unimportant from the employer's views. Therefore, it seems that the views of the auditors' group are more consistent with the previous research, while the employer's opinions based on the rejection of such important factors as accountants' rotation indicate a partial look at the issue. On the contrary, it demonstrates that reputations, commercial brand names, and ages of audit firms are prioritized as the first and third rates from the employer's perspectives, while they are ranked as the very low fifteenth and sixteenth rates from the auditors' views. In general, it can be said that from both groups' perspectives, both aspects of auditor and employer's characteristics are effective on audit quality, however, associated with various opinions.

REFERENCES

[1] Abbott, L.J., and S. panker. 1999. "Auditor quality and the activity and independence of the audit committee". Working paper, University of Memphis and Santa Clara University..
[2] Ahmed, A. S., Rasmussen, S. J. and Tse, S. Y. 2008, "Audit Quality, Alternative Monitoring Mechanisms, and Cost of Capital: An Empirical Analysis", (August) Available at SSRN: http://ssrn.com/abstract=1124082
[3] Azizkhani, M., G. S. Monroe and G. Shailer, 2009a, "Auditor Tenure and Cost of Equity Capital", June, unpublished working paper, University of N.S.W.

[4] Balsam, S. J., kishnan, and J.S. Young. 2000," Auditor industry Specialization and the Eaminga Response oefficient". Working Paper.
[5] Benito Amunada 2000 , "Audio Qualigy Attribute, prinate sageguards and the Role of Regulation", Journal of Accoruntancy, 131
[6] Blackwell, D, T. Noland and D. Winters, 1998, "The value of auditor assurance: evidence from loan pricing", Journal of Accounting Research, 36, pp.57-70
[7] Deangelo, L.E. 1981. "Auditor Size and Audit Quality", Journal of Accounting And Economics. Vo. 3, No 3: 183 – 199
[8] Hong, C .E (1997), "Costs and Benefits of Audit Quality in the IPO market: a self selection Analysis", The Accounting Review, Vol.72,No.1,pp.67-86.
[9] Gap".Acoounting, Auditing and Accountability Journal. Vol. 7, No, 2: 30-49

Table 1. The reliability coefficient of the questionnaire.

Variables	Number of questions	Question No.	Cronbach's alpha coefficient
Auditor's characteristics	12	1-12	0.785
Entity (employer's) Characteristics	11	13-23	0.789

Table 2. The composition of the target community

Gender			Work experience			Level of education			Field of study		
Title	Number	Percentage	Title	Number	Percentage	Title	Number	Percentage	Title	Number	Percentage
Female	21	22.34	Less than 5 years	31	32.98	B. A.	54	57.45	Accounting	63	67.02
Male	73	77.66	more than 5 years	63	67.02	M. A.	36	38.30	Management	24	25.53
						Graduate student & PhD.	4	4.26	Economics	7	7.45
Total	94	100	Total	94	100	Total	94	100	Total	94	100

Table 3. The composition of the statistical community according to status and field of activity

status and field of activity	Audit Manager	Audit supervisor	Senior Auditor	Managing Director	Board Member	Financial manager	Total
Number	26	17	4	24	11	12	94
Percentage	27.7	18.1	4.3	25.5	11.7	12.8	100

*Corresponding author. *Email address: mhsangani @yahoo.com*

Special Issue: The Second National Conference on Applied Research in Science and Technology

http://dergi.cumhuriyet.edu.tr/cumuscij

Table 4. Summary of the questionnaire results determining the employers' parameters

No.	Indices	Rating							Inferential statistics			
		1	2	3	4	5	Number of	Mean	Standard deviation	Test statistics	Critical limit	Status of index
The 1st hypothesis: audit firm characteristics												
1	Audit firm size and auditor's tenure period are effective on audit quality	1	6	11	15	14	47	3.745	1.093	4.672	1.645	Yes
2	Audit firm expertise is effective on audit quality in the employer's industry.	2	5	12	14	14	47	3.702	1.14	4.211	1.645	Yes
3	Audit firm age is effective on audit quality.	0	3	11	17	16	47	3.979	921.	7.289	1.645	Yes
4	Audit firm brand name and reputation are effective on audit quality.	1	7	8	14	17	47	3.83	1.148	4.955	1.645	Yes
5	Auditor's professional performance (independence, objectivity, professional care, etc.) are effective on audit quality.	0	2	5	18	22	47	4.277	0.826	10.592	1.645	Yes
6	Audit firm structure is effective on audit quality.	14	12	11	7	3	47	2.426	1.247	-3.159	1.645	No
7	The structure of a private institution as a member of Iranian Association of Certified Public Accountants is effective on audit quality.	15	13	9	9	1	47	2.319	1.181	-3.951	1.645	No
8	Auditor's capabilities (professional competencies) are effective on audit quality.	1	4	19	9	14	47	3.66	1.069	4.231	1.645	Yes
9	Audit firm rating based on quality control is effective on audit quality.	11	9	10	12	5	47	2.809	1.345	-0.976	4.645	No
10	Auditor's emotional states are effective on audit quality.	6	18	11	8	4	47	2.702	1.159	-1.761	1.645	No
11	Auditor's loyalty to the Code of Professional Conduct	0	3	8	17	19	47	4.106	0.914	8.294	1.645	Yes
12	Non-audit services are effective on audit quality.	13	16	10	7	1	47	2.298	1.102	-4.369	1.645	No
The 2nd hypothesis: employer's characteristics												
13	The roles of an entity leadership and executive organs in the appointment of auditors are effective on audit quality.	14	12	11	8	2	47	2.404	1.210	-3.376	1.645	No
14	Unchanging board members in the current year compared to the previous year is effective on audit quality.	14	13	10	8	2	47	2.383	1.208	-3.502	1.645	No
15	The number of board members is effective on audit quality.	13	12	11	9	2	47	2.468	1.213	-3.006	1.645	No
16	Accuracy and clarity of the information provided is effective on audit quality.	0	3	13	15	16	47	3.936	0.942	6.814	1.645	Yes
17	Existence of the employer's audit committee is effective on audit quality.	3	6	9	12	17	47	3.723	1.263	3.926	1.645	Yes
18	Employer's financial information quality is effective on audit quality.	12	11	14	5	5	47	2.574	1.281	-2.277	1.645	No
19	The information credit provided is effective on audit quality.	14	13	9	7	4	47	2.447	1.299	-2.920	1.645	No
20	Employer's ownership structure is effective on audit quality.	21	18	5	2	1	47	1.809	0.947	-8.623	1.645	No
21	Agent contrast (agency theory) is effective on audit quality.	13	14	12	7	1	47	2.340	1.109	-4.078	1.645	No
22	Employer's risk considerations are effective on audit quality.	20	18	4	2	3	47	1.936	1.131	-6.450	1.645	No
23	Economic structure and the different views of the public and private sectors in terms of their demands and needs from specific aspects are effective on audit quality.	3	4	7	14	19	47	3.894	1.220	5.022	1.645	Yes

Table 5. Summary of the results of the questionnaire for determining the effective factors on audit quality from the audit institutions' perspectives

No	Indices	Rating							Inferential statistics			
		1	2	3	4	5	Number of answers	Mean	Standard deviation	Test statistics	Critical limit	Status of index
The 1st hypothesis: audit firm characteristics												
1	Audit firm size and auditor's tenure period are effective on audit quality	3	4	12	15	13	47	3.66	1.166	3.878	1.645	Yes
2	Audit firm expertise is effective on audit quality in the employer's industry.	0	2	12	15	18	47	4.043	0.908	7.876	1.645	Yes
3	Audit firm age is effective on audit quality.	0	5	9	14	17	45	3.956	1.021	6.275	1.645	Yes
4	Audit firm brand name and reputation are effective on audit quality.	2	6	9	11	19	47	3.830	1.222	4.657	1.645	Yes
5	Auditor's professional performance (independence, objectivity, professional care, etc.) are effective on audit quality.	0	0	4	19	24	47	4.426	0.651	15.014	1.645	Yes
6	Audit firm structure is effective on audit quality.	17	12	10	5	3	47	2.255	1.242	-4.111	1.645	No
7	The structure of a private institution as a member of Iranian Association of Certified Public Accountants is effective on audit quality.	18	11	11	4	3	47	2.213	1.232	-4.379	1.645	No
8	Auditor's capabilities (professional competencies) are effective on audit quality.	0	3	14	19	11	47	3.809	0.876	6.333	1.645	Yes
9	Audit firm rating based on quality control is effective on audit quality.	1	4	11	12	19	47	3.936	1.092	5.880	1.645	Yes
10	Auditor's emotional states are effective on audit quality.	14	15	12	5	1	47	2.234	1.068	-4.919	1.645	No
11	Auditor's loyalty to the Code of Professional Conduct	0	1	8	14	24	47	4.298	0.823	10.697	1.645	Yes
12	Non-audit services are effective on audit quality.	3	8	9	12	15	47	3.596	1.280	3.192	1.645	Yes
The 2nd hypothesis: employer's characteristics												
13	The roles of an entity leadership and executive organs in the appointment of auditors are effective on audit quality.	12	14	11	8	2	47	2.447	1.176	-3.225	1.645	No
14	Unchanging board members in the current year compared to the previous year is effective on audit quality.	12	13	10	10	2	47	2.511	1.214	-2.765	1.645	No
15	The number of board members is effective on audit quality.	14	14	12	6	1	47	2.277	1.097	-4.519	1.645	No
16	Accuracy and clarity of the information provided is effective on audit quality.	0	4	11	13	19	47	4.000	1.000	6.856	1.645	Yes
17	Existence of the employer's audit committee is effective on audit quality.	2	7	10	11	17	47	3.723	1.228	4.038	1.645	Yes
18	Employer's financial information quality is effective on audit quality.	3	5	11	15	13	47	3.638	1.187	3.685	1.645	Yes
19	The information credit provided is effective on audit quality.	4	7	9	11	16	47	3.596	1.330	3.072	1.645	Yes
20	Employer's ownership structure is effective on audit quality.	5	8	12	14	8	47	3.255	1.242	1.410	1.645	No
21	Agent contrast (agency theory) is effective on audit quality.	12	15	12	7	1	47	2.362	1.092	-4.007	1.645	No
22	Employer's risk considerations are effective on audit quality.	15	14	6	8	4	47	2.404	1.33	-3.072	1.645	No
23	Economic structure and the different views of the public and private sectors in terms of their demands and needs from specific aspects are effective on audit quality.	2	3	8	16	18	47	3.957	1.103	5.954	1.645	Yes

Table 6. The effective indices on audit quality based on the representatives' views of the audit firms, paired comparison, and the 9 normalized matrix of auditor's characteristics from the auditor's attitudes and the final weight of the influential sub-indices on audit quality

Indices	Audit firm size and auditor's tenure period	Audit firm expertise in the employer's industry	Audit firm age	Audit firm brand name and reputation	Auditor's professional performance (independence, objectivity, professional care, etc)	Auditor's capabilities (professional competencies)	Audit firm rating based on quality control	Auditor's loyalty to the Code of Professional Conduct	Non-audit services	Normalized matrix									Total column
Audit firm size and auditor's tenure period	1.00	0.41	1.20	1.78	1.41	2.08	3.77	042.	3.63	0.11	0.06	0.06	0.11	0.11	0.23	0.22	0.09	0.14	0.03
Audit firm expertise in the employer's industry	2.45	1.00	5.22	4.02	3.89	1.74	3.96	2.25	5.46	0.27	0.14	0.26	0.24	0.31	0.20	0.23	0.05	0.19	0.04
Audit firm age	0.83	0.19	1.00	2.70	0.66	0.14	0.56	0.66	2.40	0.09	0.03	0.05	0.16	0.05	0.02	0.03	0.14	0.08	0.02
Audit firm brand name and reputation	0.56	0.25	0.37	1.00	0.72	0.83	2.40	0.25	1.78	0.06	0.35	0.19	0.06	0.06	0.09	0.14	0.05	0.61	0.01
Auditor's professional performance (independence, objectivity, professional care, etc)	0.71	0.26	1.51	1.35	1.00	0.38	1.76	0.83	2.08	0.08	0.4	0.08	0.08	0.08	0.04	0.10	0.18	0.07	0.02
Auditor's capabilities (professional competencies)	0.48	0.57	6.99	1.2	2.64	1.00	1.62	0.59	2.64	0.05	0.08	0.35	0.07	0.2	0.11	0.19	0.12	0.19	0.03
Audit firm rating based on quality control	0.27	0.25	1.78	0.42	0.57	0.61	1.00	0.5	4.02	0.05	0.04	0.09	0.02	0.05	0.07	0.06	0.11	0.14	0.01 5
Auditor's loyalty to the Code of Professional Conduct	2.40	4.02	1.51	4.02	1.2	1.70	2.00	1.00	6.27	0.29	0.56	0.08	0.24	0.09	0.91	0.12	0.22	0.21	0.05
Non-audit services	0.28	0.18	0.42	0.56	0.48	0.38	0.25	0.16	1.00										

Table 7. The rates of the factors affecting audit quality from the two groups of auditors and employers' perspectives.

The problem indices	Index rate from employer's perspective		The problem indices	Index rate from employer's perspective	
Validity of the information provided	1	No impact	Audit firm size and auditor tenure	11	8
Economic structure and different views of the public and private sectors in terms of needs and demands	2	2	Employer's risk considerations	12	No impact
Employer's quality of financial information	3	No impact	Agency contrast	13	14
Accuracy and clarity of the information provided	4	4	Auditor's professional performance	14	12
Existence of employer's audit Committee	5	5	Audit firm age	15	3
Auditor's emotional states	6	11	audit firm brand name and reputation	16	1
Auditor's loyalty to the Code of Professional Conduct	7	10	audit firm rank in terms of quality control	17	No impact
Audit firm expertise in the employer's industry	8	9	Non-audit services	18	No impact
The roles of leadership pillars and executive managers	9	13	Number of board members	No impact	7
Auditor's capabilities (professional competencies)	10	6	Audit firm size and auditor's tenure period	11	8