



## Factors Affecting the Quality of the Auditing Work in Public Sector

### KEYWORDS

quality auditing, quality control, the measuring inputs, peer review

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**ABSTRACT** *The problem of identifying the factors affecting the quality of the auditing profession performance is a matter of particular importance at the present time, specifically after the existence of the financial problems in a number of major business establishments in the world, which is linked to the credibility and quality of the work of independent accounts observer. This recalled the big controversy emerged after economic crisis in the years 1997-2002 with the collapse of Enron company, and after the announcement of inflation in the company's profits and, therefore, to the declaration of bankruptcy. In addition the biggest fraud and manipulation has been revealed in WordCom company in 2002 accompanied with accusations against the auditing profession that increased the negative impact of the crisis. Thus, the focus includes aspects associated with the factors affecting the quality of the performance of controlling work, the parties or the relevant actors, and the recommendations from the professional organizations.*

### INTRODUCTION

The process of auditing profession is a purposeful and organized operation that seeks to get confirmation about a reasonable fairness of the financial lists and the credibility of financial reporting so they are serving many of the relevant parties, especially management of establishments and investors, therefore, it was necessary to define the methods of controlling the auditing quality work by concerned bodies and organizations for the purpose of ensuring to obtain financial information acceptable to the relevant parties. On this basis, the research into the factors affecting the auditing quality work is considered one of the necessary basics in order to strengthen elements of auditing work and the management of comprehensive quality.

### THE RESEARCH PROBLEM

Despite the importance and seriousness of auditing work in economic and social life, and its impact on the decisions of many parties that collaborating with economic units, whether they were owned to the state or private sectors, yet, this activity did not receive any continuous and comprehensive review and evaluation of its quality level in the recent years, according to the international standards and international professional organizations recommendations, which in turn affects the level of the required accuracy credibility, and assurances in a way or another.

### THE SIGNIFICANCE OF THE STUDY

Controlling the quality of the auditing work is considered a keystone to improve the level of the auditing work. The previous studies headed toward this subject after raising an important question (who monitors the work of the external auditor, and who evaluates the performance of his work?). The international professional organizations have identified the controlling methods of the auditing work quality. First the counterpart control, means any of the external auditing Offices or any of the highest financial controlling body can do the evaluation of the performance of another auditing office or financial control body. Second the Quality Control should be internal through a specialized section has its own programs and efficient components that can assume this task in order to improve the level continuously.

### THE OBJECTIVES OF THE STUDY

**This research aims to:**

A- Highlighting the role of the relevant professional organizations in the issuance of guidance or professional standards relating to the process of checking the quality of the auditing process.

- B - Studying the various factors affecting the quality of the auditing process in order to supplement the efforts being made in previous studies.
- C - Reaching a comprehensive framework to determine the factors affecting the quality of the auditor work and its evaluation.

### THE NATURE OF THE AUDITING PROFESSION AND ITS ROLE IN THE COMMUNITY

Accounting is considered social science serves different groups of the society, perhaps the most important of which is (investors, management, lenders, various government agencies, workers in accounting unit and clients and suppliers). Those groups depend in their various resolutions on accounting data in the financial lists issued by the various projects.

For example, the management of the project depends on the accounting data in the development of plans, monitors and evaluates the performance and here it is very keen that data be audited by a neutral technical body. We also find that the investors rely on the audited financial lists in making any decision in directing investments, so as to make the largest benefit as possible with the possible element of protection, as we assume that the financial lists show the extent of the efficiency in the exploitation of economic resources. Also the case for commercial and industrial banks, which depend on the audited financial lists by a neutral technical body when it checks the financial centers of the projects that apply for loans, and credit facilities. While the governmental bodies and departments of the State, they depend on the audited financial lists in many purposes, including planning, controlling, and taxation, pricing and the report of subsidies for some industries.

The role of the auditor can be determined in the light of the extent of the need for this role, its nature, and its objectives. [1] views that this role is determined in the light of the auditor relationship with the society in which he lived, and this relationship to be interpreted by four theories: the market theory, mandate theory, the public interest, the social questioning theory and the legal theory. In the first theory, there is an underlying assumption is that the organizations operating under maximizing profits and autonomy of the work by the market and the product or service not displayed before being demanded. If the service followed by the auditor was desirable, the market makes this service necessary and essential for the success of the work of the Organization. In the light of the mandate theory, the assumption is that the mandate (the administration) intended to maximize personal interests, and as long as the owners mean maximizing their person-

al interests also, a contradiction of interests arise between these parties, which requires the presence of an independent person i.e., the auditor who aims to verify the information provided by mandate to the original clients (contributors) which fairly and faithfully reflects the financial situation and the business nature. The theory of general interest and social questionability is seen as a part of the largest which is here the society, and the need of reliable information is the core and that the presence of the auditor is necessary to verify the social role of the Organization. While in the light of legal theory, the role of the auditor focuses only on verifying the availability of legal requirements in the work of companies and this role may not reach far beyond what is legally defined.

such a justification of the role of auditor was and is still the dominant among academics, and the recommendations of various professional institutes and organizations on the role of auditor and of the International Federation of Accountants (1980) is "that the goal of the process of auditing financial lists prepared within the framework of the accounting policies, is to enable the auditor to express his opinion on those financial lists and helps to establish the credibility of those lists".

On the other hand, there were studies turned to examine the role of auditor and the extent of the need for his services through practical field evidence. The role of the auditor is not confined to mutual benefit between the president and subordinate as is the case when using the mandate theory, but may exceed to include the relation of auditor with the community and the extent of his contribution to the protection of the interests of other parties benefiting from the financial lists of the institution other than the owners such as lenders, investors or the bodies of the State and others.

#### THE CONCEPT OF QUALITY OF THE AUDITING PROFESSION PERFORMANCE AND ITS MEASURING INPUTS

The major challenges facing the world today in the light of the economic, political and social developments and increased global competition, led to increase the countries' attention to the subject of quality and putting it within the list of its priorities through the development of its institutions and upgrading its general performance and improve the use of its resources. The productive and marketing thought was ahead in writing about the quality as quality concepts and philosophy has developed and turned from a mere concept of the final product quality to the concept of the company's quality as a whole, which calls for adopting latest systems in the management of the activities, organization, thoroughness of the work of all the operations. The subject of quality assurance and control became as a common denominator of all economic and administrative literature through the last decade of the twentieth century, throughout the world. We no longer find a scientific or applied reference in these areas does not address the analysis of the subject of the quality systems including the accounting and auditing also. Because of the importance of quality, this paper will tackle the dimensions of the quality concept, its content, and the measurement inputs and discussing the concept of quality auditing work.

#### 1- THE DIMENSIONS OF THE QUALITY CONCEPT AND ITS CONTENT:

Linguistically, the concept of quality came from the Latin word *Qualis* which means the nature of a person or a thing and the degree of validity [1]. The attention to quality did not come from a vacuum, but had deep and solid roots, and those needs accompanied human beings in their daily life since ancient times. It does not also mean better quality or the best all the time but it is a relative concept varies according to the beneficent, or the designer or the client, or the organization or the community and others [2].

Quality also known as a dynamic status associated with material products, services and personnel, processes and sur-

rounding environment as this situation matches the expectations.

#### THE QUALITY AUDITING

The quality auditing be known as a means by which the calculations auditing offices be sure to a reasonable extent that the management which the auditing operations evince always reflects its observance for the acceptable auditing criteria or any of the legalism or contractual conditions or any professional criteria those offices prepare in self [3]. This definition focuses on the satisfaction of financial lists users' needs, and so, the satisfaction of these needs is considered the quality target and guides the basis for the development of vocational opinion of the auditor and improving it. Making the satisfaction of the financial lists users' needs as a measure of the degree quality auditing makes the profession groping their needs, and continuously amending the professional standards or to meeting these needs. This contributes to the bridging the gap between what that profession can give to anybody and what financial lists users expect and thereby society satisfaction can be achieved about this profession[4]. Quality auditing is linked with the expectations of financial lists users in a special relationship and from different sides[5].

- A. Perhaps the most important components of expectation gap (which implies the difference in expectations and perceptions of the community and auditing profession on the extent of matching the auditing performance with those expectations), and this is represented by the performance gap arising due to shortcomings in the performance or do not adhere to the auditing and quality standards through policies and procedures to ensure compliance with auditing standards.
- B. In accordance with the policies and elements of quality, the commitment to lead to the upgrading of quality effectiveness and improve the reputation of the offices of auditing in general, and reduce the risk of being sued, all are goals would lead to narrowing the expectation gap of auditing.

#### QUALITY CONTROL

The profession provides services to many parties, including parties with conflicting interests, therefore, shows the need to acquire the confidence of these parties, and this comes through the commitment of members of the profession, individually or collectively to provide high-quality services, which proves to these parties, in particular, the public that the profession members are eligible, abiding to be committed to standards set by professional organizations, which regulate the actions of the profession, this, in turn, gives credibility to the profession, which enhances the output of its position and justifies its existence. Quality control can be defined as special organization within the scope of the office of the external auditor, as this office generally faces, when exercises auditing, the responsibility of fulfilling the auditing criteria, partnering and competition within the profession, in order to maintain this responsibility[6].

The quality control represents the technical techniques and activities used during auditing, planning and execution, and that quality control is the process that the supreme controlling body looking for during its fulfillment to achieve the quality requirements [7].

#### PEER REVIEW

Means the tests performed by other accounts controllers to control the quality of the office[8], and it is in the form of a comprehensive study of the quality control document in the office, including interviews with individual auditors and selected auditing contracts. This for the purpose of illustrative study of the quality of work and commitment to generally accepted auditing standards and quality control criteria. The peer review to an office can be done by another office of auditing control and is used from the office which does the auditing work for it. In the United States, the office of con-

trolling the accounts can ask the American Institute to send auditing team (members from several different accounts control offices) to perform peer review, then they issue a report showing the office's commitment to quality control standards, and recommendations on the methodologies that can lead to improve practice auditing, these reports will be kept in file within the department of accounts controlling offices at the US Institute .

The American Institute of Certified Accountants AICPA issued (AICPA, 1997,17701,Vol.2) with regard to checking the work of the auditing companies, a review peer program in the quality of the performance of accounting and auditing operations by AICPA members. The program sought to achieve its goal through the education and implementation of correct procedures. This serves the objective public interest and promotes the importance of affiliation to the AICPA. As paragraph 2 referred to the peer review program of the AICPA, but the institutions have to do:

- A. Establishing and maintaining the appropriate policies and procedures of quality control and abide by to make sure of the quality of professional practice.
- B. Getting independent auditors who practice accounting and auditing at least once every three years.
- C. Implementing corrective actions if necessary

The auditing programs was including peer review program, which was amended in 2001 to three types of checking to verify the quality of auditing operations: [4].

#### A -Review of the System

It aims at auditing the system to make sure that the systems of quality control over the accounting and auditing operations in the auditing office has been designed in accordance with the standards of quality control issued by the American Institute of Certified Accountants, and that these policies and procedures of the quality control have been applied as planned during the professional practices of the office.

#### B – Engagement Review

aimed at auditing the engagement to provide the basis for the person who will check the process to reach a limited assurance on the Account's commitment, when he is dealing with the customer, to the professional standards issued in this regard, and the authentication in the auditing office that takes into account the requirements contained in the list of standards of accounting and consulting services.

#### C - Review of the Report

It aims at auditing the report to assist the auditor who will be in contact with the customer to provide advisory services and leads the work entrusted to with the highest level of service.

#### QUALITY ASSURANCE

Quality assurance means the checking procedures and internal supervision on quality that the auditing office has done by itself. There must be a distinction between quality assurance and quality control, the former is identifying the procedures to be used and the number of times and type of test and the testing that must take place to ensure that the system is in line with the specifications set. The definition of quality assurance that comes within the seventh project of the Asian organization of supreme control bodies ASOSAI (Evidence of quality auditing management systems) 2006 "quality assurance is intended to mean that set or methodological actions group which aims to achieve sufficient confidence about the ability to meet quality requirements".

#### 2- INPUTS OF QUALITY MEASUREMENT

Observers can note in the writings on auditing that there is no agreement on the scope or area which must be covered by the quality auditing, in this regard, a distinction can be made between three inputs to measure the concept of performance auditing profession.

#### A- THE VOCATIONAL INPUT

This input, is adopted by the relevant professional organizations for auditing accounts, the emergence of professional institutes of accounting and auditing during the second half of the eighteenth century A.D. in Britain and the US, and a number of other developed countries directly contributed to the development of auditing profession, for example one of the most prominent among them were the International Institute of Accountants ;the Institute of Chartered Accountants in England and Wales ICAEW; the American Institute of Certified Accountants AICPA ; the Saudi Arabia Accountants Body SOCPA and the Egyptian Institute of Accountants and Auditors.

In order to take this input its essential role in determining the quality of auditing, there must be a clear illustration of these input elements as follows:

##### First: the Organization of the Auditing Profession:

To maintain the quality auditing service, it requires a mechanism to monitor activities of professional accountants in the course of the professional services performance. The components of maintaining quality is to regulate the profession that includes issuing the standards and rules of professional behaviour and other systems for exercising the profession, as well as controlling the quality of professional performance in order to be sure of the extent of the practitioners' commitment to the professional regulations. The legislative authority that regulates the auditing profession is considered in origin one of the government powers in each state which can be maintained if it wants or be granted to any of those who it finds has the ability to develop the profession in the form that ensure achievement of the economic goals, which are mostly encouraging investment and protecting the national economy.

##### Second: the Basic Constituents to Improve the Quality of the Auditing Profession

Increasing social awareness of the importance of the role of accounts auditors can create appropriate atmosphere to make the required development in the profession and quicken the advancing development directly and indirectly through the development of regulations and standards governing the profession and provide the conditions and requirements necessary for the preparation of its members in the areas of education, training and then clearly and accurately define processing professional obligations on which the responsibilities towards the customer and the users of financial reports depend [9].

##### Third: Standards and Elements of Quality Control of the Auditing Work:

The elements of quality control and quality auditing management will be addressed according to what have been received from International Union of Accountants IFAC and the AL-Intosai organization.

#### 1- QUALITY CONTROL OF THE AUDITING WORK

The international auditing standard No. 220 (revised) issued in 1994 which replaced the seventh standard VII that resorted the classification and naming some of the requirements of the seventh standard VII with some change in concept or content.

In 2001 the International Union of Accountants issued a guide as ongoing reference of the versions in force on the rules of ethical behaviour and auditing standards issued by the Union. The international auditing Standard No. 220 issued in 2001 aims to provide guidance on quality control of auditing process through:

- A- The general policies and procedures followed by the auditing office about the performance of the auditing process.
- B- The procedures related to the delegation of works for the

assistants to perform the auditing process.

1. As the text of the international standard 220 [10] that "the offices of auditing have to implement the policies and procedures of quality control, that are designed to make sure that all auditings have been carried out according to the auditing international standards, or the appropriate standards or national practices". The designation and reclassification of some of the requirements of the standard issued in 1994, prescribed seven policies and quality control elements according to their appearance in IFAC Guide [10]: (professional, skillful and efficiency requirements and the distribution functions of the auditing, supervision and consultation and accept or end the work with customers, monitoring and follow-up).

### QUALITY AUDITING MANAGEMENT SYSTEMS

Components of the (Quality Auditing Management Systems) AQMS issued by the Asian Organization of the financial controlling supreme Bodies ASOSAI aimed at customer satisfaction. The principle of Quality Management is the theoretical foundation for (quality auditing management system) as it is a comprehensive and fundamental base as well as a concept used to manage running up the foundation. It aims to develop performance continuously in the long run which contains the elements of the main controlling supreme body of the quality auditing management work according to what have been received from ASOSAI [7] (the leadership and guidance, human resources management, auditing management, relations among customers, stakeholders and the continued development of the mentioned before).

#### Fourth-Rules OF Professional Behaviour in Auditing

The principles, rules, interpretations and the behaviour provisions of the auditing profession represent the sub-components of the so-called the vocational behavior and this charter and its components is directly linked to ethical behavior. [5] finds that the importance of ethical behavior in auditing mainly due to many circumstances and factors, perhaps the most important of which was the need to maintain the society trust toward auditing profession and fulfilling the best possible response to its expectations. [5] refer that "investors, business community and governmental bodies expected that members of any profession will follow the standards coordinating the ethics and efficiency in the performance of their duties so they can be reliable and trusting the results of their work. The evidence of ethics and behavior of the profession are considered as restrictions imposed by the profession itself and oblige the members to follow them as they serve as the basis of others expectations (outside the profession) of professionals behaviour. Each of the profession members can set for himself moral standards and behaviors which are superior to the standards set by the profession for its members, but these latter standards serve as the minimum standard of practice and behavior, which should be carried out by members of the profession".

The ethical behaviour Charter in accordance with the IFAC consists of four fundamental parts [10] as follows:

- 1- The general interest: it was stressed in the paragraph No. (10) that the responsibility of professional accountant does not have jurisdiction to meet the needs of the individual client or employer, and the professional accounting standards set by the public interest. Also came in paragraph 13: "the member bodies, at the time of laying down the national rules of ethical behaviour, should consider the public service and the beneficiaries' expectations for the ethical standards of professional accountants and take their views into account."
- 2- The objectives: objectives require four core necessities can be summarized as follows:
  - A- The credibility: the society needs credibility of the information and its systems
  - B- The professional: There is a need for individuals to be

clearly identified by clients, employers and other important categories as professional individuals in the area of accounting.

- C- The quality of the services and the need to confirm that the services provided by professional accountants are at the highest levels of performance.
- D- Confidence: the users of this service must have confidence of the existence of the professional ethics framework that governing the conditions of this work.

#### 3- The Basic Principles:

- A- The Integrity: the professional accountant must be honest in performing his professional services.
- B- Objectivity: the professional accountant must be just through which he does not allow for bias, interests conflict and others' influence that opposed to overcome the objectivity.
- C- The necessary professional competence: the professional accountant should perform all the professional services in careful, diligent and efficient manner and continue to maintain the professional knowledge and skill with a level proofs to the client or employer that they can benefit from his professional services.
- D- Confidentiality: the professional accountant must respect the confidentiality of the information that reach to him in the course of the performance of his professional duties, and not disclose any of this information without proper and specific authorization and he has to have legislation, or vocational right or necessity to disclose them.
- E- The professional behaviour: the professional accountant must act in a manner that is consistent with the reputation of the profession and refrain from any behaviour detrimental to the reputation.
- F- The professional standards: the professional accountant must implement his professional services according to the related professional and technical standards, and implement with full care the customer's instructions and independence.

#### B - The Input of the Auditing Work Team

The auditing profession exercises its services through offices that may take the form of individual offices, for the individual auditor to perform services without the presence of partners or in the form of company of people in the sense that a number of auditors exercise the profession by themselves. This type of participation is the dominant form of offices that practice the profession in the world, for what of this grouping has benefits and advantages due to the multiplicity of experiences and specializations. Also, this gathering creates an appropriate atmosphere to discuss the work problems in a collective discussion [8]. Professionals from legal accountants are authorized to exercise the profession as well as those with the academic and practical qualifications in the area of the profession through professional offices which provide auditing service to their clients from establishments vary in the nature of their activities, objectives and legal forms. Professional offices sizes range from one office to another and the internal organization of those professional offices depends on the administrative assembling of commensurate with the nature of their activities.

A general look at office administrative professional assembling, we find that the top of the administrative hierarchy always occupied by the property partners in those offices as the responsibility of the services provided to customers from specific vocational office borne directly by the property partners in that office. As for the rest of the affiliated professionals of the office are distributed horizontally on various departments and vertically under qualifications and seniority. Their ranks ranging mostly from partners, section director functional, associate senior auditor and the administrative staff of the department. In addition to all of these, in large offices there may be tax experts responsible for the tax matters in the auditing processes and one of the lawyers to be responsible for the office legal issues.

This administrative sequence can help the partner, who is responsible for the professional processes, to observe the quality control professional performance that was achieved in various stages. The partner usually oversees the professional process through reports received from the director in charge of that process, who follows, in turn, the completion of the process through reports provided by the supervisor in charge of the auditing work team in that process.

#### **FACTORS AFFECTING THE MEASUREMENT OF THE QUALITY OF THE AUDITING PROFESSION PERFORMANCE:**

Research in the quality auditing and how it is judged, requires identifying the factors affecting the measurement of quality. No doubt there is a need to study and analysis those elements which may affect the quality of the auditing, therefore, this section deals with the analysis of what has been stated in this area for the purpose of evaluation and construction, in order to reach a suitable scale on which a judgment can be achieved about the professional performance of the accounts auditors.

##### **1- Classifications of the influential factors in the quality of auditing process:**

The factors affecting the auditing work quality are numerous and are addressed by many of the studies and researches, including study by (Abu Ghanem) about the factors that negatively affect the independence of the auditor [11] they are represented as follows:

- A- The physical factors represented in (the observer accounts fees and assessing the advisory services)
- B- Behavioral factors represented in (the incompatibility between the interests and objectives of auditor and client and the way of appointing accounts observer and isolates him).
- C- Factors of relation with customer represented in (the change in the application of publicly accepted accounting principles and the role of the administration in the selection of the accounts controller and the financial situation of the customer)
- D- Factors of relation with the auditing environment represented in ( the competition between the offices of auditing and the personal relations).
- E- Factors related to auditing office represented in (the size of the auditing office and the time of auditing process)

Al-habobi [12] also divides the factors affecting the independence of auditor and the quality auditing into three sections:

- A- The problems related to customers and other parties
- B- Problems related to profession.
- C- Problems related to accounts monitors themselves.

[6] finds "that the quality of the auditing is multi-dimensional construction, therefore it is difficult to measure, as a result all the literature and research in this area include multiple measurements for the quality auditing." [6] divides the book trends when addressing the factors affecting the quality of the auditing work into two groups : the first group called supply elements and other are elements of demand. Focusing on the supply side of the elements that affect the auditor ability to provide auditing with high quality, the demand side focuses on the elements that affect the customer and the users of auditor's report such as shareholders and creditors.

Generally the literature and research which dealt with the factors affecting the quality of auditing can be divided into four groups: for the first group in the research, which dealt with factors relating to the profession and the second factors relevant to the auditor and the auditing office, while the third group focus on factors relevant to the establishment under auditing (the customer) and the users of auditor's report, the fourth group focuses on the factors partitioning in the auditing process. In the following, an analysis of those factors that affect the quality of the accounts auditing process and thus

formulating the framework of these factors that specify the appropriate pattern to evaluate the quality of auditing work.

#### **A- The Profession Factors:**

The professional parties have the biggest impact in the extent of the accounts auditors' commitment of the neutrality and independence, [12] sees that those parties have great responsibilities, one of the most significant is setting the rules and instructions that regulate the profession , raise up the auditors efficiency and follow-up the level of their commitment to standards. Also, they specify the accounts auditors' responsibilities and the rights that they enjoy and everything that can raise the level of the profession.

#### **B - Factors Affecting the Ability of the Auditor to Present Qualified Auditing**

The factors relevant to the auditors and auditing office, as there are a number of factors affecting the quality of auditing from the standpoint of auditor, such as the ability of auditor . It has been reached that the auditors who do not interact with the technological developments and use them in the performance of their work more likely exposure to litigation.. Meanwhile, the size of the auditing office is one of supply-side factors, which affect the quality of auditing, and some field studies reach to the reasons that stimulate major auditing offices to achieve higher quality, and among these interpretations is that the major companies achieve high level of the quality auditing for their desire to maintain the good reputation in the surroundings .

The availability of resources to train auditors and test them compared with smaller auditing firms .In some studies including (Francis & Simon, 1987; Palmrose, 1986 and Danos & Eichensener, 1986) there was emphasis on the size of the auditing office and whether this office was one of the famous auditing offices Big Four .This scale has been selected through a study of the office capacity to claim high fees.

[8] also, has done a study to select the relationship between the quality of the external auditing processes and bias to predict foreign profits in the public sector companies in Australia, and the results of the study reached that the prediction of one of the major auditing offices The Big Four be more accurate if compared to smaller auditing offices that do not belong to this group of auditors, but the results do not apply to the scales or indicators to reflect the accuracy of the prediction.

#### **C - The Relevant Factors to the Company under Auditing and Users of Auditor's Report:**

The customer's problems have the most influential impact on the accounts auditor because of the customer's clear influence and impact in the auditor's work. The customer has the right to appoint accounts auditor, determine his fees and expel him. That choice of auditor by the customer depends on the auditing fees, personal relation, the extent of respond with his requests , the amount of commission paid to auditor and the amount of services provided by the office. The auditor's choice of those factors would lead both him and the profession to be underestimated, and can also lead some auditors to a concession to get the work at the expense of the many important things, most of which is their independence and impartiality, and the quality of the fulfilled work.

Some studies and research have tackled the client characteristics that affect the quality of the auditing work. [12] sees that the easy and rapid decision -taking by the customer to isolate and change the accounts controller gives an opportunity for this customer to control and render him in a weak position as he is trying not to lose his client. As well as the customer's failure to provide the necessary information for the auditor work, the weakness of the internal control system and the inefficiency of the accountants, lead to the accumulation of work, which may allow some auditors to disregarding some of the things with a view to expediting the completion



of this work within the time limit.

## CONCLUSIONS

- A- The auditing profession and its practitioners did not incite an appropriate social position through practicing the profession by adding reliability to the financial data due to the weakness of the awareness of the whole society for this vital role.
- B- the issue of quality auditing control became a growing concern by professional organizations and underwent many field studies for improving the performance of the auditors, where the resulting need is the necessity of providing organizational plan containing the quality elements of companies or auditing offices, ensuring the control of the auditing performance and periodically controlling and checking the plan elements by people within the auditing company or from outside.
- C- The commitment to auditing standards represented by (the General criteria, field work standards and report's standards) that would provide high quality auditing which professional organizations focus upon.
- D- the emergence of many of the terms have been used on the academic and practical levels that are used to verify the quality of auditing, including ( quality auditing - quality control - quality assurance – peer review) .Despite the multiplicity of concepts related to quality auditing, the quality of auditing requires a comprehensive concept shows the expected objective .
- E- Auditors must adhere, when immobilizing the profession, to the Charter of ethical behavior imposed by the profession itself. The four main parts that the Charter international moral behavior consists of are (public interest – the objectives represented by the credibility, objectivity, professionalism, the professional behaviour, confidentiality and professional standards - rules of ethical behaviour consists of 18 sections that organize most of the topics that could face professional accountants, accountants working in general practice, and the professionals accountants staff).One of the major problems that auditors face is the balancing between commitment to neutral-

ity and independence and interests of the customer who has a contract with him. Therefore, it was stressed on the independence of the auditor because it is the cornerstone for the rest of the criteria.

- F- The application of the policies and procedures for quality control auditing work depends on a number of factors that affect the level of professional performance of auditor and they are (factors associated with professional organizations - factors associated with the auditing office - the factors associated with the customer - the factors associated with users of financial lists - the factors associated with auditing process).

## RECOMMENDATIONS

- A- Educating the community about the auditing profession, its importance and social relevance, that may push toward avoiding the implications that might arise from the gap, out of which has the most dangerous impact is the weakness or safeguarding community confidence in the profession and thus the Community became reluctant to obtain auditing services.
- B- The need to strengthen the role of professional organizations in the verification of the quality auditing of the offices of firms work.
- C- The trend toward unifying the standards or methods of control of the quality auditing work at the international level because of the strong trend at the present time by the auditors toward commitment to unified auditing standards.
- D- The necessity for auditors' commitment to develop their performance and use of modern techniques in the delivery of their work
- E- A review of laws, regulations and instructions that organize the profession in line with the current developments where there must be a system or clear law for the controlling and auditing profession which clarify the rights , duties and responsibilities. This system or law offers special immunity for accounts controllers as it can prevent the administration from controlling their work.

## REFERENCE

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