INVESTIGATING THE IMPACT OF USING NATIONAL STANDARDS ON THE QUALITY OF AUDITING AND THE
UNIFORMITY OF FINANCIAL STATEMENTS

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INVESTIGATING THE IMPACT OF USING NATIONAL STANDARDS ON THE QUALITY OF AUDITING AND THE UNIFORMITY OF FINANCIAL STATEMENTS

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ABSTRACT

Investigating the factors affecting the quality of auditing is one of the topics of interest to researchers and the reason is that increasing the quality of auditing will lead to investor confidence in the accuracy of financial statements and reduce agency costs. In this study the effect of national accounting standards on the quality of the independent auditor´s opinion was investigated. the statistical population of the study included 50 technical and senior managers of the auditing organization. examining the hypotheses, it was found that the basis of national accounting standards by independent auditors to comment in the financial statements, reduce the clause in the audit report, the use of national accounting standards by auditors, leads to consistency and uniformity of audit reports. application of national accounting standards by auditors reduce audit time.

INTRODUCTION

The rapid pace of communication and the expansion of capital markets around the world have made the need for consistency in accounting and auditing, as well as the standardization of accounting and financial reporting standards, inevitable. Users of financial statements and information such as managers, investors, credit institutions and banks, always want these images to be prepared based on the same principles and standards so that in comparisons, conclusions and one of the most important needs, Do not present financial information with their decisions (Sabet mozaffari[1],2002)

The accepted principles of national accounting can be different from international accounting standards in two ways. In the current socio-economic structure, with the establishment of the Iranian Society of Certified Public Accountants, auditors are required to comment on financial

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[1] Sabet mozaffari

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statements. It is a society, it should be done according to predetermined criteria.

These predetermined criteria, which aim to standardize financial reporting, are called accounting standards (Barzideh and Ahmadizad[2],2006).

Development of National Accounting Standards for for-Profit Institutions by the Auditing Organization There was a dispersion of the basis for accounting standards among auditors. This caused any individual or group of auditors to use international, British or American accounting standards, depending on their organizational or administrative affiliation (Mahdavi and Karjoo Rafeh[3], 2005: 133). This dispersion in the use of different accounting standards led to reports with different methods and results. There was no uniformity of formal and substantive procedures in auditing reporting in Iran, and all of these, in general, had an adverse effect on the country's economy (Mahdavi et al[4]., 2013). Has led to criticism from leading auditing associations on the importance of credible, high-quality financial reporting (Richardson et al[5]., 2003). Also, attention to the role and importance of the quality of audit services with a new and innovative look has been raised again and in the field of financial reporting, its quality is dependent on achieving the quality of financial reporting and the audit process. Audit coats In most experimental studies on audit quality have been defined in some way in relation to audit risk. Audit risk is the risk that an auditor will give an invalid opinion on a financial statement that contains material misstatement. For example, DiAngelo 1981 cited the quality of the audit as a possibility of assessing the market for (a) material misstatements in the financial statements not discovered by the auditor. And (b) defined the report of the said distortions. DiAngelo's definition illustrates a critical feature of understanding the impact of auditing on financial statement information.

Information relates to the auditor's ability to influence the position of users of financial statement information. DiAngelo defines audit quality as the auditor's credibility. He states that stakeholders can use the size of the auditing firm as a substitute for the auditor's reputation. He argues that if employing a particular client is the same among specific audit firms, then larger auditors, who have more clients, have little incentive to fail to disclose detected distortions in an effort to retain each client. As Wallace argues, the auditor's professional care affects information quality by improving appropriateness, reducing pollution, and reducing information bias. This indicates that the auditor's ability to provide information about the difference between the reported economic conditions of the client and the invisible and correct economic conditions of the client is minimal. Most importantly, the auditor's professional care should be more closely linked to the financial statements of the client's sound economic situation and superior quality of information. The ability to audit effectively is affected by the auditor's competence and impartiality (in fact, the auditor's independence). The auditor's reputation is related to the market

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[2] Barzideh and Ahmadizad
[3] Mahdavi and Karjoo Rafeh
[4] Mahdavi et al
[5] Richardson et al

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perception of the auditor's competence and impartiality. This demonstrates the auditor's ability to increase the credibility of financial statements (even in the absence of quality information). Reputation is probably a feature of the size of the audit firm; in fact, the auditor's oversight ability can change with the type of audit contract. Therefore, the good reputation of the auditor in the short term leads to a valid understanding of low quality information, so at the micro level there can be a vague relationship between the quality of information and the auditor's ability to monitor (Hasas Yeganeh and Ghanbarian[6], 2006). However, there must be reasonable expectations in resetting the reality of the leaked information. In any case, we do not believe that this discussion is sufficient to address the need for research on the relationship.

Relevant and reliable quality skills, development of accounting standards and their observance in practice. Financial statement information is useful and effective for users when it has the necessary quality features. One of the qualitative characteristics of financial information is that it deserves attention, in the sense that it is an independent, competent and impartial person in relation to the validity of financial information. Financial statements have provided a professional comment. In current socio-economic systems, auditors are given the task of commenting on financial statements. Fulfilling this serious responsibility, which includes providing reliable services to the community, should be done in the form of specific and codified professional principles and criteria (Audit Organization Technical Committee, 1998).

One of the groups and factors that play a key role in the financial reporting supply chain is the independent (foreign) auditor, who plays a major role in supporting the quality of financial reporting worldwide, both in the capital market, the public sector and the private sector. Has (Pivot[7], 2001). It is very important to pay attention to the existence of legal and regulatory infrastructure for this sector, because the result of all these measures and activities in achieving the objectives set to protect the public interest can only be done by increasing the quality of auditing services. Audit quality is of paramount importance to the International Association of Auditing Standards (IAASB), and the International Association for Standardization (IAASB) optimizes service quality by directly supporting the quality of audit services through the development of International Standards on Auditing and International Standards on Quality Control (ISQC). Audits. So these standards are always considered as a support base for high quality auditing (Lin and Liu[8], 2009).

Orfi Other stakeholders are likely to have differing views on audit quality and how they strive to achieve different quality. The International Association of Auditing Standards (IAASB) believes that what is important is to try to achieve a common vision through a stakeholder group including producers, investors, regulators, auditors and other opposition groups of government policymakers and other standard firms. Share your views Collect their views and understand and comment on the views of others. According to the contents of this study, the effect of using national

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[6] Hasas Yeganeh and Ghanbarian

[7] Pivot

[8] Lin and Liu

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standards on the uniformity of financial statements and reducing the stipulations of bets was investigated.

Research method

This research is applied and in terms of data collection is experimental research. The statistical population of this research includes the technical and senior managers of the auditing organization in Golestan province, which is 50 people. According toThe statistical population is small, the whole population is selected as a sample and the questionnaire is distributed among them by census sampling method.

METHOD OF DATA COLLECTION

In this research, data collection is done in two stages. In the first stage, the library method is used to formulate the theoretical foundations of the research, and in the second stage, a questionnaire is used to collect the desired data. Considering that the questionnaire of this research is taken from the research of Khozin and Dankob (2011), so it is standard and also the validity of this research was confirmed using a questionnaire of experts. To calculate the reliability coefficient of the questionnaire as a tool for measuring information, various methods are used, which in this study, the Cronbach's alpha method has been used.

Data analysis method

In order to analyze the data in the present study, descriptive statistical method is used to describe information about the characteristics of members of the statistical community. Inference and statistical methods such as Kolmogorov-Smirnov test, Cronbach's alpha coefficient test and t-value test using SPSS software are used to measure the relationship between variables and test hypotheses.

RESULTS AND FINDING

Descriptive information of the research sample In Table 1 where the analysis of each data is clearly and accurately Frequency and percentage of age range and work experience of the research stated:

Table 1. Frequency and percentage of age range and work experience of the research sample:

Age range	Number	Percentage	Percent density
20 − 30	10	20	100
31 − 40	21	42	100
41 − 50	8	16	100
50 Years and Older	11	22	100
Total	50	100	− −
work experience	Number	Percentage	Percent density
One to ten years	14	28	100

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10 to 20 years	25	50	100
20 to 30 years	11	22	100
Total	50	100	– –

As can be seen in Table 1, out of 50 people participating in this study, 14 (28%) have a work experience of one to ten years, 25 (50%) have a work experience of 10 to 20 years and 11 people (22%) have 20 to 30 years of work experience. Also, out of 50 people participating in this study, 10 people (20%) in the age range of 20-30 years, 31 to 40 years, 21 people (42%), 41 to 50, 8 people (16%) and 50 years and above is 11 people (22%).

Descriptive Findings of the Variables

Table 2 Descriptive Findings shows the findings of the research variables as mean, standard deviation, minimum and maximum scores.

Table 2. Descriptive Findings:

Statistical indicators / Variables	Average	Standard deviation	At least	Maximum	Number
Establish national accounting standards	3,57	0,64	1,72	5,00	50
Reduce the condition clause in the audit report	3,49	0,67	1,56	5,00	50
Consistency and uniformity of audit reports	3,76	0,67	2,07	5,00	50
Reduce audit time	3,79	0,62	2,12	5,00	50

Data normality test

Kolmogorov-Smirnov test Table 3. Test the normality of research variables was used to test the normality of the variables. To get the interpretation we have to look at the Z value of the Calm off-Smirnov test. If its value was less than +1.96 and greater than -1.96, we conclude with 95% confidence that there is no difference between the observed and expected frequencies. In other words, the distribution of society is normal. But if its value is less than -1.96 or greater than +1.96, we conclude that there is a difference between the observed and expected frequencies with 95% confidence. In other words, the distribution is not normal.

Table 3. Test the normality of research variables:

Variable	Kolmogorov-Smirnov Statistics	Significance level
Establish national accounting standards	1.429	0.257
Reduce the condition clause in the audit report	1.254	0.269
Consistency and uniformity of audit reports	1.365	0.118

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Reduce audit time	1.205	0.179

According to the results of the above table and the values obtained for the Kolmogorov-Smirnov z statistic, all variables are 95% normal.

Testing hypotheses

According to the results Table 4. Results of the first hypothesis test of the above table and the values obtained for the Kolmogorov-Smirnov z statistic, all variables are 95% normal.

To test this hypothesis, between independent accounting standards based on national accounting standards to comment on the financial statements obtained, and the amount of conditional reduction in the audit report, Pearson correlation test. In this test, the value of sig was equal to 0.002. Since the value of sig is less than 0.05, the assumption H0 that there is no significant relationship between the two variables is rejected and the assumption H1 is accepted.

$H_0: r = 0$

$H_1: r \neq 0$

Table 4. Results of the first hypothesis test:

Variable	Coefficient	T statistic	Significance level	The correlation coefficient
Width of origin	3.635	9.632	0.000	
Establish national accounting standards	0.158	3.452	0.002	0.623
The coefficient of determination	0.388	Statistics F	3.426	Significance level of correlation coefficient
Adjusted coefficient of determination	0.385	Statistics F (P-VALUE)	0.002	
Camera Statistics - Watson	1.852	Number of observations	50	0.002
Statistical result	Assumption H1 is accepted.			

Establish regression model preconditions

Watson's camera statistic is 1.852, which is close to 2, so we can conclude that the data are not self-correlated.

The adjusted coefficient of determination of the Baber model is 0.385, which means that about 38% of the variables dependent on the independent variables can be described.

The probability value of F statistic is less than 5%, so the null hypothesis of the statistic based on the inadequacy of the model (H0: all coefficients of the regression model are zero) is rejected with 95% confidence, thus confirming the adequacy of the model to test the hypothesis

By confirming all of the above preconditions, we can be confident in the results of the final fitted model.

Hypothesis 2: The application of national accounting standards by auditors results in consistency and uniformity of audit reports.

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Table 5. Results of the second hypothesis test To test this hypothesis, between the application of national accounting standards by auditors, and the consistency and uniformity of audit reports, Pearson correlation test was performed with a probability of error of 0.05. In this test, the value of sig was equal to 0.000. Since the value of sig is less than 0.05, the assumption H0 that there is no significant relationship between the two variables is rejected and the assumption H1 is accepted.

Table 5. Results of the second hypothesis test:

Variable	Coefficient	T statistic	Significance level	The correlation coefficient
Width of origin	0.000	9.462	3.615	
Application of national accounting standards	0.000	2.346	0.172	0.582
The coefficient of determination	0.338	Statistics F	3.527	Significance level of correlation coefficient
Adjusted coefficient of determination	0.337	Statistics F (P-VALUE)	0.000	
Camera Statistics - Watson	1.726	Number of observations	50	0.000
Statistical result	Assumption H1 is accepted.			

Establish regression model preconditions.

1.726, which is close to 2, so we can conclude that the data are not self-correlated.

The adjusted coefficient of determination of the Baber model is 0.337, which means that about 33% of the variable variables dependent on the independent variables can be described.

The probability value of F statistic is less than 5%, so the null hypothesis of the statistic based on the inadequacy of the model (H0: all coefficients of the regression model are zero) is rejected with 95% confidence, thus confirming the adequacy of the model to test the hypothesis.

By confirming all of the above preconditions, we can be confident in the results of the final fitted model.

Hypothesis 3: The use of national accounting standards by auditors reduces the time required to conduct an audit. To test this hypothesis, between applying the national accounting standards obtained and reducing the audit time, Pearson correlation test was performed with a probability of error of 0.05. In this test, the value of sig was equal to 0.006. Table 6. The results of the third hypothesis test Since the value of sig is less than 0.05, the assumption H0 that there is no significant relationship between the two variables is rejected and the assumption H1 is accepted.

Table 6. The results of the third hypothesis test:

Variable	Coefficient	T statistic	Significance level	The correlation coefficient
Width of origin	3.625	9.114	0.000	
Application of national accounting standards	0.177	2.255	0.006	0.637

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The coefficient of determination	0.405	Statistics F	7.336	Significance level of correlation coefficient
Adjusted coefficient of determination	0.404	Statistics F (P-VALUE)	0.006	
Camera Statistics - Watson	2.153	Number of observations	50	0.006
Statistical result	Assumption H1 is accepted.			

Establish regression model preconditions

Watson's camera statistic is 2.153, which is close to 2, so we can conclude that the data are not self-correlated. The adjusted coefficient of determination of the Baber model is 0.404, which means that about 40% of the variables dependent on the independent variables can be described. The probability value of F statistic is less than 5%, so the null hypothesis of the statistic based on the inadequacy of the model (H0: all coefficients of the regression model are zero) is rejected with 95% confidence, thus confirming the adequacy of the model to test the hypothesis. By confirming all of the above preconditions, we can be confident in the results of the final fitted model.

DISCUSSION AND CONCLUSION:

The purpose of this study was to investigate the effect of using national standards on the quality of auditing and uniformity of financial statements. The results of the Pearson correlation test confirmed the hypotheses that, based on the results, the establishment of national accounting standards by independent auditors to comment on financial statements reduces the stipulation in the audit report. And the application of national accounting standards by auditors results in consistency and uniformity of audit reports. The use of national accounting standards by auditors also reduces the time required to conduct an audit.

The results are consistent with previous research; (Kashan pour et al[9]. 2012) examined the relationship between the auditor's tenure and optional accruals in companies listed on the Tehran Stock Exchange. The Jones modified model was used to estimate optional accruals. The statistical population of the study was companies listed on the stock exchange, which based on the conditions considered for sample selection, 260 years-company was selected during the period 2006 to 2010. Panel analysis was used to examine the data. The results of the hypothesis test showed that there is a positive and significant relationship between discretionary accruals and the tenure of the auditor in the studied companies.

Poor Heidari and Badri (2013) examined the relationship between the turnover of institutions and the auditor partner with audit quality and annual adjustments. In order to determine the quality of the audit, the criterion of optional accruals has been used. Linear regression model has been used to test the research hypotheses. The results showed that if discretionary accruals are considered as a measure of audit quality, the rotation of audit firms has no effect on audit quality; But the rotation of the audit firm's partner increases the quality of the audit. The research findings also indicate that the rotation of

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[9] Kashanipour et al

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audit firms has no effect on annual adjustments and the rotation of the audit firm partner reduces the annual adjustments.

Khodadadi et al. (2013) examined the relationship between ownership structure and auditing fee and found that there is a significant relationship between government ownership and family ownership with auditing fee, but no significant relationship was observed between institutional ownership and management ownership with auditing fee.

(Restan[10] ,2013) in a study examined the need to develop government accounting standards (based on the concept of accountability) in capital asset acquisition plans. It was governmental. In order to determine the consequences of developing accounting standards for executive bodies, the impact of these standards on four factors including the establishment of an accounting and financial reporting system based on accountability, improving the quality of financial statements, improving the audit process and accreditation of financial statements and management process Finance in the government executive apparatus was tested in the form of four hypotheses. The results show the effect of accounting standards on the above.

Rahimian and Jan Fada (2014) investigated the effect of mandatory and voluntary rotation of audit firms on audit quality. In this study, the effect of mandatory and voluntary rotations of auditing firms on the quality of audit reports of companies listed on the Tehran Stock Exchange has been studied. The research is a descriptive research and the required information has been collected from financial reports. In this study, financial information related to companies listed on the Tehran Stock Exchange that have experienced voluntary and forced rotations were examined. This study examines 260companies listed on the Tehran Stock Exchange during the years 2006 to 2010. Logistic regression model has been used to test the research hypotheses. The results showed that the mandatory and voluntary rotation of audit firms has no effect on audit quality.

In a study, Gonzalez et al. (2014) examined the relationship between auditor tenure and audit quality in Spanish government agencies. This study aims to examine the impact of the auditor's tenure on the quality of the audit. The motivation for this research is the lack of consensus in published works and the lack of studies conducted in the field of non-profit organizations. Using a sample of 254 auditors between 2003 and 2010 in Spanish government agencies, we found that although the quality of the basis audit decreased with increasing tenure, this lack of quality by the sixth year of the basis-auditor relationship, after the first five years Quality improvement does not appear. Empirical evidence is important for legislators and users of the financial statements, as it creates the need to provide tools to reduce tenure while ensuring a short tenure. Smith et al. (2008) examined the relationship between internal audit quality and earnings management. They selected 528 companies to test their hypotheses during the period 2000-2005. The results of their research showed that the high quality of internal audit leads to reduced profit management.

Chen et al. (2010) in their study examined the impact of audit quality on profit management and financing costs among listed companies in China. The results of their research on 320 companies showed that the

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[10] Restan

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quality of auditing improves the quality of financial information and limits managers to use accruals. They also showed that audit quality reduces the cost of financing.

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