An assessment of auditing quality based on the performance, independence, and reputation of the auditor, from the perspective of Iraqi auditors

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Abstract

An analysis of the most critical quality audit factors in Iraqi commercial banks is presented in this paper. Respondents selected by simple random sampling were asked about their perceptions of internal and external auditors and their financial managers. The components of our study were auditor qualifications (AQ), auditor independence (AI), and auditor reputation (AR). Various theories were used to conduct this study, including agency, adaptive structuration, and stewardship. The primary study’s methodology was regression analysis. Based on the regression analysis, auditor qualifications significantly impacted auditing quality. In addition to auditor independence, auditor reputation also influences auditing quality.

Keywords: Auditing quality, auditor independence, auditor reputation, auditor qualifications

1. Introduction

Many professional organizations, legislative bodies, and stock market regulators pay attention to audit quality in developed countries. There is no specific International Audit Standard that addresses this issue. It was stated that one of the most critical principles of the audit process is exercising professional care (Jayanti & KawiSsana, 2022) [19]. This ensures that the auditor has the necessary training, competence, and expertise. It corresponds to the concept of quality to control the quality of the audit process (Möller et al., 2020) [25]. In International Standard No. (220), the International Audit Standards Committee emphasizes the obligation of auditing offices and companies to implement quality control policies and procedures to ensure that audit performance is efficient by following international auditing standards, standards, or local rules (Alsabti & Khalid, 2022) [4]. In terms of its professional meaning, quality refers to the following standards. There are several characteristics and personal qualities that individuals working in auditing offices and companies need to possess, such as integrity, objectivity, independence, and the availability of skills and efficiency to fulfill the responsibilities and tasks assigned to them (Al-Waeli et al., 2020) [2]. In this standard, guidance is provided on how the audit process should be controlled for quality. Numerous studies were conducted, whether by auditing organizations or by academic researchers. Many reasons contribute to the difficulty of developing a specific concept of audit quality, including that audit services differ from material goods. These studies have differing views on a unified concept of audit quality (Qatawneh, 2021) [34]. A lack of specific standards and experience on the part of the beneficiaries makes it challenging to measure the quality of performance. Even though the audit process has been completed, additionally, some researchers pointed out that each party involved in the audit process views audit quality differently (Alyaarubi et al., 2021) [5]. A professional and academic discussion will be conducted on audit quality.

In 1997, a series of economic crises struck many companies worldwide. Several Asian and Latin American countries involved in the marketing of electricity and natural gas experienced a financial collapse (Higgott, 1998) [17]. A telecommunications crisis also occurred in the United States in 2001, followed by a global financial crisis in 2008 that affected many international companies and banks. More than 130 banks declared bankruptcy, and bankruptcy filings increased (Acharya & Richardson, 2009; Wallison, 2009) [1, 40].

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Certified accountants bear a large responsibility by accusing them of not performing their professional duties consistent with accounting principles and standards and a commitment to high standards of ethics and conduct (Shah, 2012) [136]. The audit firm Arthur is one of the six largest audit firms in the world. "Arthur Anderson" Anderson, which audited Enron and WorldCom's accounts and financial statements. It caused the image of the auditor to be shattered and tarnished throughout the world. Arthur Anderson disappeared from the professional market as a result (Francis et al., 2003) [14].

As a result, accounting information has lost its most significant distinguishing characteristic: quality. Accounting statement following generally accepted accounting principles. An independent external auditor's audit of the financial statements serves many parties and destinations, which are highly dependent on the audit results (Kotsanopoulos & Arvanitoyannis, 2017) [21]. Banks and government agencies are among the most prominent users of financial statements. Therefore, the profession's creditors, investors, and regulators need to appoint an independent and impartial legal auditor (DeFond & Zhang, 2014) [12]. Finally, the International Standard on Auditing No. (220) Quality Control of Audit Work was published, which directed audit firms to follow quality control standards when preparing financial statements for clients (Hutchins, 2001) [18]. To improve the quality of audit services, the American Institute of Certified Public Accountants (AICPA) established three Audit Quality Centres. Arab professional bodies have also established departments to monitor the quality of performance of accounting and auditing firms operating in the region, including the Gulf Cooperation Council Accounting and Auditing Organization (GCCAIO) and the Saudi Organization for Certified Public Accountants (SOCPA) (Penini & Carmeli, 2010) [30].

As noted, and based on the preceding, the concept of quality in auditing has received extensive scientific and professional attention at the international level, because of its significant importance, especially in light of the criticism directed at the profession (Ebrahim, 2001) [13]. Therefore, through this research, we will determine the factors affecting the quality of auditing from the point of view of the auditors (audit offices and companies). Among the factors that must be examined and evaluated are the scientific and professional qualifications of the auditor, his independence, determining the fee, the organization of the auditor's office, and his reputation (Lee et al., 2011) [22]. The audit process in contemporary organizations is influenced by the critical role that multiple parties play in making decisions related to these organizations and their work (Almaanshi et al., 2021) [5]. Therefore, the audit process plays a significant role in making decisions related to these organizations and their work. Consequently, the accounts represent a measure of the professional performance of an auditor for many studies and regulations issued by professional organizations (Peecher et al., 2007) [29]. They have the objective of improving and maintaining this quality. Due to its dynamic nature, auditing has developed to meet the growing needs of the business environment and the variables faced by offices. These variables are internal, such as regulations, or external, such as competition, the complexity of the enterprise's business, and the numerous risks it faces. There have been severe crises in the contemporary business environment, including litigation and questions regarding the role of the audit profession (Kaziliūnas, 2008) [20].

The purpose of auditing is to monitor the performance of an economic institution by a competent and experienced party. To enhance credibility, it was necessary to ensure that its financial statements were free of material errors. As a result, the audit profession was established. In order to conduct an audit effectively, there must be a strict plan, just as if it were any other type of work. As a result, it determines the nature, duration, and evidence required to support the auditor's impartial opinion. Audit planning is one of the most critical stages of the audit process because it impacts all of the other stages and requires the auditor's expertise. This study attempts to establish a link between external audit planning and its quality by identifying the components of external audit quality and determining the relationship between these elements and external audit planning. As part of the study, the following research questions are addressed: the extent to which the study factors (efficiency, reputation, and independence) affect the quality of auditing in Iraq.

1.2 Literature Review and Hypotheses development

1.2.1 Factors affecting the quality of Auditing

The quality of auditing is influenced by a number of variables, which together constitute a determinant of auditor selection, as outlined in most studies and research. Based on factors related to the auditor, his professional performance, and the audit office, these determinants will be divided into two groups (Almasani et al., 2019) [3].

Review quality and measurement have received significant attention in the literature. Even though this literature is extensive, there is no generally accepted definition or measure of audit quality. DeFond and Zhang (2014) [12] definition forms the basis of much of the audit quality literature. In accounting, audit quality refers to the likelihood that an auditor will detect and report a breach in a client's accounting system. Collier (1993) [10] states, "Misrepresentation detection measures auditors' knowledge and ability while misreporting depends on auditor incentives." Auditors of external financial statements can use this definition, as can internal auditors, compliance, and operational audits. There needs to be a comprehensive definition of audit quality that encompasses all types of audits and auditors (Ruiz-Barbadillo et al., 2004) [35]. However, it is reasonable to assume that this term includes compliance with relevant audit procedures. An agency relationship is formed when an owner or manager engages another person to perform a service on their behalf. Agents have delegated some decision-making power when performing this service (Niemi, 2004) [26]. A manager's delegation of responsibility facilitates an efficient and productive economy. When delegation is made, the principal must also trust the agent to act in his or her best interest (Niemi, 2004) [26]. When concerns arise about agents' motives, do managers question their trust in them? An auditor's independence and the quality of the audit are among the factors that affect the selection of an auditor (Woo & Koh, 2001) [41]. According to researchers, the procedures associated with the appointment of auditors play an important role in determining the auditor's independence and the audit's
quality. There is a positive correlation between analyst ratings for disclosure quality and industry-specialty audit firms in unregulated industries but not in regulated industries (Ebrahim, 2001; Hutchins, 2001; Lee et al., 2011; Peccher et al., 2007; Penini & Carmeli, 2010; Woo & Koh, 2001) [13, 18, 22, 29, 30, 41]. Based on concerns about monetary or reputational losses caused by financial misrepresentations, independent and effective audit committees demand a higher level of audit quality. The success of Wong's audit was attributed to using computer-aided audit techniques instead of traditional data mining. In Brown et al.'s study, auditor independence does not affect financial disclosure quality materially (Kotsanopoulos & Arvanitoyannis, 2017) [21]. According to Ebrahim (2001) [13] the auditor should not be selected based on interrelationships with the board of directors. According to previous research, internal control and audit quality are positively correlated. Some studies used more direct measures, such as quality control outcomes, firm size, audit fees, auditor independence, auditor reputation, industry specialization, and auditor qualifications (Ebrahim, 2001; Niemi, 2004, 2004; Ruiz-Barbadillo et al., 2004) [13, 26, 35]. This study considered the following factors in audit quality:

1.2.2 Auditor qualifications and proficiency

Due to its importance, academic qualifications for auditors are among the recognized professional standards in auditing. In order to achieve a high level of audit quality, audit processes must be conducted by individuals with appropriate scientific qualifications in the areas of accounting and auditing (Abdul Rahman, 2016) [42]. In the absence of scientific qualifications in auditing, the person performing the audit cannot achieve the required audit quality, regardless of how proficient, he may be in the financial and business fields. Therefore, possessing a high level of technical expertise is an imperative factor that contributes to the quality of auditing. Audit quality is positively correlated with auditor qualifications and competence. In addition to technical ability, education level, work experience, and auditor certification all directly correlate with hourly wages. As a result, both size and technical ability are positively associated with auditor reward. To become a performance reviewer, performance audit team leader, or performance audit manager, the auditor must meet specific qualifications (Beattie & Fearnley, 1995) [6]. Research/assessment methods and scientific research skills are critical for auditors. Accounting and financial auditing skills are only sometimes necessary, but knowledge of the different functional areas may be helpful (Cameran et al., 2010).

Performance audits can involve employees with very different backgrounds and skills than financial audits when they are organized separately (Pamungkas et al., 2018) [28]. Employees need to maintain professional competence through continuing education and training. Auditing is a critical component of the development process. Managing an IAS or supervising an audit team does not necessarily require auditing experience in management training. New skills are required in operational and strategic planning, budgeting, etc. The organization becomes more expansive as one rises within it (Hernbach, 2001) [16]. Auditor skills are maintained and continually improved through regular continuing education. The importance of lifelong learning cannot be overstated. Continuing education may include current methodologies, management of performance audits, qualitative research methods, case study analysis, statistical sampling, quantitative data collection techniques, evaluation, and reader-based data analysis. Auditors’ expertise may include public administration, public policy, government administration, economics, and social sciences (Owusu-Ansah, 2000) [27]. Non-accredited auditors are subject to ambiguous standards. Warnings or revocations cannot be issued to non-accredited auditors (Piot, 2001) [31]. Legislative requirements govern audits conducted by non-accredited auditors. Certified auditors and non-accredited auditors may have different quality requirements. Some evidence also supports this view. In Svanström (2013) [37] study, non-accredited auditors are less likely to modify audit reports, indicating that they offer less assurance.

According to Lennox (1999) [23] the auditor's moral hazard has received some attention in academic literature, but it is particularly acute in government. This reduces the chances of a client's financial insolvency and subsequent disclosure of audit quality. Appropriate procurement practices can independently contribute to selecting a competent auditor in a market where it is difficult to assess an auditor's expertise (Van Caneghem, 2004) [38]. Therefore, we propose the following hypothesis:

III. The auditor qualifications and proficiency are significantly associated and impact auditing quality.

1.2.3 Auditor’s independence

Independent external auditors are among the most relevant topics that have received much attention in academic studies and professional publications. Among the most critical auditing standards, the independence of the auditor is an imperative factor in giving users of financial statements confidence. As a result of these lists, it is apparent that independence is an integral part of the audit profession’s practice. As well as working with integrity and objectivity, the auditor must be free of any interests, whether during the audit process or when expressing his opinion (Dawwara, 2014). Audit quality is positively correlated with auditor qualifications and competence. In addition to technical ability, education level, work experience, and auditor certification all directly correlate with hourly wages (Owusu-Ansah, 2000) [27]. As a result, both size and technical ability are positively associated with auditor reward. To become a performance reviewer, performance audit team leader, or performance audit manager, the auditor must meet specific qualifications (Carslaw & Kaplan, 1991) [9]. Research/assessment methods and scientific research skills are critical for auditors. Accounting and financial auditing skills are only sometimes necessary, but knowledge of the different functional areas may be helpful (Vanstraelen & Schellemann, 2017) [19]. An independent audit committee ensures the independence of the external auditor. The audit committee may hold private and informal meetings without management to encourage the external auditor to be transparent about material issues early on (Piot, 2004) [32].
Conditional probability of reporting detected violation other include: attitude/state of mind Personal job, integrity, and reliability. Independence, objectivity, and integrity are referred to in the UK Code of Ethics. To achieve integration and independence, one must consider all the causes of the task. It is sometimes referred to as CAJEC Mental Independence (Lennox, 1999) [23], Pamungkas et al. (2018) [28] Moral Perception and Ethical Model of Review Testing in Independent Dispute Resolution. There are conventional and post-conventional levels of moral cognition. There was a systematic relationship between the auditors’ moral perception and their conceptualization of independence. Additionally, independence judgments influence relationships with ethical reality living up to expectations a study of the ethical climate at the audit firm (e.g., Carlaw & Kaplan, 1991; Owusu-Ansah, 2000; Pomeroy & Thornton, 2008; Van Caneghem, 2004) [19, 27, 33, 38] suggested that auditors with longer durations are more likely to be independent and included with (e.g., Francis et al., 2003; Niemi, 2004; Penini & Carmeli, 2010; Shah, 2012; Woo & Koh, 2001) [14, 36, 26, 30, 41]. Higher audit quality auditors (i.e., independent auditors) are more inclined to resist pressure from client management than auditors with lower audit quality. High-quality auditors are more likely to resist management pressure on financial reporting issues than low-quality auditors, according to this previous study. Higgott (1998) [17] argued that the integrity of audits depends on auditors’ independence. Auditors and clients must maintain the integrity of the independent audit function when negotiating financial reporting matters. Public confidence in the independence of the accounting profession and the quality of audit services has been eroded by scandals at companies such as Enron and WorldCom. Therefore, we propose the following hypothesis:

H2. The independence of the auditor is significantly associated with and impacts auditing quality

1.2.4 Auditor’s reputation

The quality of their reports directly influences auditors’ reputations. The stock market responded less positively to earnings reports when Choi and Jeter (1992) issued conservative opinions. A compromised audit report provides a lower assurance that financial statements reflect the reality of a company’s business more reasonably than the auditor (Collis et al., 2004) [111]. Accordingly, they examined Arthur Andersen's clients' stock market performance during periods when Andersen's audit and independence processes were closely scrutinized. High-quality audits increase the likelihood that recommendations for improvement will be implemented and taken seriously. When an organization's reputation is good, results and recommendations are easier to accept (Lennox, 1999; Maijoor & Vanstraelen, 2006) [23, 24, 39]. A company's reputation is built over time by providing rich and high-quality work. Our products have earned a hard-earned reputation on the market. It takes the total commitment of every member of the team and the entire organization to develop excellence (Beattie & Fearnley, 1995) [6]. There is a possibility that the findings and recommendations will be challenged. A firm’s reputation among clients as a provider of exceptional services determines its reputation. According to several studies, the reputation of the audit office is positively related to the quality of the audit (Butler & Gray, 2006). However, there are those who are skeptical about the effectiveness of evaluating the users of financial statements and evaluating their quality. It is possible to distinguish between various levels of audit quality based on experience. Due to this, customers judge the quality of audit work performed by firms with a high reputation by evaluating the firm's reputation as a measure of quality (Harati-Mokhtari et al., 2007) [15]. Some believe that the discrepancy between large and small auditing firms is due to their different capabilities. A large office attracts clients by virtue of its physical and human superiority, whereas a small office attracts clients by virtue of its personal relationships. Obtaining affiliations with international audit firms and expanding the size of an audit office are critical factors in gaining a competitive advantage (Alsabti & Khalid, 2022) [4].

The challenges to an organization’s work become more challenging as it deals with more sensitive and complex issues. Publications Gray Books/PO-4.1.6 Quality Control System Audit: Essential Elements, August 1993. A reputation for quality has been demonstrated to be valuable to an auditor in previous studies. External stakeholders, investors, and regulators use a company's audited financial statements in their decision-making processes (Ruiz-Barbadillo et al., 2004) [33]. Since investors cannot directly monitor audit quality or determine whether the information reported is unbiased, client reputation is an essential indicator of accuracy. Therefore, we propose the following hypothesis:

H3. The auditor's reputation is significantly associated with and impacts auditing quality.

According to DeFond and Zhang (2014) [12], audit quality is the possibility of noticing and commentary a defilement in the user's accounting. The study will highlight that a significant part of auditing quality is determined by the proficiency and qualifications of the auditors. Moreover, the auditor is also responsible for reporting violations in the client's accounting system. Thus, the study will examine whether the auditor's reputation impacts audit quality and is significantly associated.

Figure 1 summarizes the relationships in the proposed hypotheses. Our goal is to identify which of those independent variables has the most significant impact on auditing quality: auditor qualifications (AQ), auditor independence (AI), and auditor reputation (AR).
2. Methodology

2.1 Data Collection

A questionnaire method was used in this study to collect data on the main factors affecting audit quality. Therefore, as well as factors indicated by previous studies that may affect review quality, this survey includes measures that those studies considered measures of review quality. Obtaining the necessary data about their opinions regarding the most critical factors affecting audit quality and the most effective procedures, we distributed this survey to external auditors with experience in auditing banks and internal auditors in Iraqi commercial banks.

Questionnaire questions were derived from literature reviews and previous studies (e.g., Beattie & Fearney, 1995; Carslaw & Kaplan, 1991; Collier, 1993; Lennox, 1999; Pamungkas et al., 2018) [6, 10, 9, 23, 28]. To assess auditor qualifications and competency (AQ), we adopted the scale developed by Ebrahim (2001) [13]; Herrbach (2001) [16]. The clauses on auditor independence (AI) and auditor reputation (AR) were modified by Francis et al. (2003) [14]; Piot (2004) [32]; Pomeroy and Thornton (2008) [33]. A Likert scale ranged from 1 = strongly disagree to 5 = strongly agree.

2.2 Data Analysis

To evaluate the questionnaire’s psychometric properties, we conducted factor analysis, a Cronbach’s test of the constructs, a Kolmogorov–Smirnov test, and exploratory factor analysis (EFA). As part of this research, several statistics techniques and procedures are used to examine research hypotheses. In addition to reliability and validity tests, frequency analysis, independent sample t-tests, descriptive statistics, correlation matrices, linear regressions, and simple regressions, these techniques can also be utilized. We estimated all statistical procedures with Statistical Package for Social Sciences (SPSS). These sections provide some insight into each of the statistical procedures used in the study. This study also tested correlation coefficients, variance inflation factors (VIF) values, and tolerance coefficients using collinearity analysis.

3. Results

3.1 Exploratory factor analysis (EFA)

For all the items, loadings higher than 0.7 were obtained. Table 1 summarizes the results of the exploratory factor analysis measurement of sampling adequacy and the values of Cronbach’s alpha coefficient.

<table>
<thead>
<tr>
<th>Construct</th>
<th>KMO</th>
<th>Average Variance Extracted (AVE)</th>
<th>Composite Reliability (CR)</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor Qualifications (AQ)</td>
<td>0.841</td>
<td>0.620</td>
<td>0.834</td>
<td>0.841</td>
</tr>
<tr>
<td>Auditor Independence (AI)</td>
<td>0.691</td>
<td>0.632</td>
<td>0.840</td>
<td>0.854</td>
</tr>
<tr>
<td>Auditor Reputation (AR)</td>
<td>0.644</td>
<td>0.630</td>
<td>0.921</td>
<td>0.931</td>
</tr>
<tr>
<td>Auditing quality</td>
<td>0.831</td>
<td>0.641</td>
<td>0.856</td>
<td>0.873</td>
</tr>
</tbody>
</table>

For each construct, high EFA values were obtained. Also, Cronbach’s α scores were higher than 0.8, which indicated internal consistency and reliability for the elements of the scales.
3.2 Correlation Analysis for All Variables.
The correlations between AQ, AI, AR, and Auditing quality are presented in Table 2. This result indicates that Auditing quality positively and significantly correlates with AQ, AI, and AR. In addition, there is a positive and significant correlation between all the variables mentioned above.

Table 2: Correlation Analysis for All Variables

<table>
<thead>
<tr>
<th></th>
<th>AQ</th>
<th>AI</th>
<th>AR</th>
<th>Auditing quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor qualifications (AQ)</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.183*</td>
<td>0.048*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.001</td>
<td>0.029</td>
</tr>
<tr>
<td>Auditor independence (AI)</td>
<td>Pearson Correlation</td>
<td>0.183</td>
<td>1</td>
<td>0.342*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.011</td>
<td>0.000</td>
</tr>
<tr>
<td>Auditor reputation (AR)</td>
<td>Pearson Correlation</td>
<td>0.048*</td>
<td>0.342*</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.008</td>
<td>0.011</td>
</tr>
<tr>
<td>Auditing quality</td>
<td>Pearson Correlation</td>
<td>0.560**</td>
<td>0.146**</td>
<td>0.487**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

3.3 Regression analysis results for the hypothesis
The results of the regression analysis are shown in Table 3. The first hypothesis theorizes that auditor qualifications and proficiency (AQ) are significantly associated with and impacts auditing quality. According to Table 2, the coefficient of AQ is significant. The β coefficient value was 0.560, and the p-value was 0.000, which is less than the significance level of 0.05. At the specified significance level, the model is significant. Therefore, the first hypothesis is supported, and the AQ variable significantly impacts the auditing quality.

Table 3: Regression analysis results for the hypothesis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>2.768</td>
<td>0.142</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>auditor qualifications (AQ)</td>
<td>0.560</td>
<td>0.129</td>
<td>0.515</td>
<td>4.331</td>
<td>0.000**</td>
</tr>
<tr>
<td>auditor independence (AI)</td>
<td>0.146</td>
<td>0.027</td>
<td>0.146</td>
<td>5.469</td>
<td>0.000**</td>
</tr>
<tr>
<td>auditor reputation (AR)</td>
<td>0.487</td>
<td>0.178</td>
<td>0.359</td>
<td>2.726</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

R² = 0.601(a); R̄2 = 0.361; adjusted R² = 0.349; Model F-statistic = 29.914
p > 0.000; Durbin-Watson = 1.455; Dependent Variable: Auditing quality

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

The second hypothesis suggests that the independence of the auditor (IA) is significantly associated with and impacts auditing quality. The results in Table 2 show that the coefficient of IA was significant. Regarding the significance of the model, the β common value was 0.146, and the p-value is 0.000, which indicates that the model is statistically significant at the significance level of 0.05. Therefore, the second hypothesis is supported; IA significantly influences auditing quality.

The third hypothesis suggests that the auditor's reputation (AR) is significantly associated with and impacts auditing quality. The results in Table 2 show that the coefficient of AR was significant. Regarding the significance of the model, the β coefficient value was 0.487, and the p-value is 0.000, which indicates that the model is statistically significant at the significance level of 0.05. Therefore, the third hypothesis is supported; AR significantly influences auditing quality.

4. Conclusions and Discussion
4.1 Conclusions
The purpose of this study is to examine the relationship between auditing quality and the factors affecting auditing quality in Iraqi commercial banks (e.g., auditor qualifications (AQ), auditor independence (AI), and auditor reputation (AR)). Additionally, these factors affect the efficiency of auditing. To conduct this study, it is essential to develop the RAM model and test the hypotheses presented. Based on these factors, the following research conclusions have been drawn. Before conducting the exploratory factor analysis, preliminary tests indicate that the questionnaire is consistent and stable and that the data are valid and reliable. In addition, the exploratory factor analysis makes it possible to construct a research model. All items are assessed by the study constructs based on an analysis of the study constructs. As the items were selected from previous research, they can likely provide accurate measurements. Regarding structural relationships, the data are consistent with the research model, which accurately represents the relationship between variables. According to the assessment of the regression analysis model, it accurately matched the data and validated the structural model's suitability. Therefore, the study's results confirm the research model's effectiveness in achieving the target objective.

Hypotheses are supported by the hypothesis testing process for all direct hypotheses. The constructs that represent the main characteristics of studies play a significant role in quality auditing. As a result of the statistical analysis, testing of hypotheses, theoretical study, and previous studies, some conclusions have been drawn regarding factors affecting audit quality in Iraq. Consequently, these findings will...
improve Iraqi auditing quality and bring it to the required level. The quality of evidence is strongly influenced by the auditor's scientific qualification, practical experience, and familiarity with generally accepted auditing standards. The study's results also indicated that auditing quality is positively influenced by the audit office's organization, reputation, fame, and relationship with its clients. With its reputation and prestige, this auditing office hires highly qualified and experienced auditors to improve its standing among other auditing firms. The auditor's independence is considered the backbone of the audit profession, so it is imperative to protect and strengthen this independence. In light of the previous results, the researcher makes the following recommendations to raise and improve auditing quality.

An auditor should possess sufficient scientific qualifications and practical experience in accounting and auditing. In addition, they should be familiar with generally accepted accounting and auditing principles and keep up-to-date on current developments in the field. During the audit process, auditors must adhere to the rules, ethics, and conduct of their profession to guide the audit process and apply quality control procedures to their work. By setting controls and limitations, the auditor's independence must be maintained as much as possible so that it is not affected. Consequently, the quality of the audit process remains the same. There is a need for further research in this area, especially concerning assessing and evaluating auditing quality from the perspective of other parties who use financial statements and the companies being audited.

4.2 Implications
This paper provides accurate and factual information on improving Iraqi banks' joint auditors, which is one of its theoretical implications. Data from the study will also be used by the International Accounting Standards Board (IASB) and tax staff to strengthen internal audits and develop legal systems. The study will provide empirical results on the capabilities and skills of accountants, financial managers, internal auditors, and audit committee members. Several early studies focused on software, parts, paid-in capital, and governance (Ibrahim & Samad, 2011; Shukeri, Shin & Shaari, 2012; Vieito, 2012).

4.3 Limitations and Future Directions
Several limitations can be mentioned in this study. Since this study was conducted using the appropriate sampling method, the results were largely subjective, reducing objectivity and generalization. A probability sampling method should be considered in further research to ensure increased retransmission and expand the sample size to achieve more accurate and general results. As the research in Iraq has only recently been conducted, the findings are limited in scope and can only provide short-term suggestions. The survey can be expanded in space and time for a more comprehensive and complete analysis. In addition, in this study (e.g., auditor qualifications (AQ), auditor independence (AI), and auditor reputation (AR)) were considered variables affecting internal audit efficiency. Other variables, such as Corporate governance, Internal and external quality control, and Legal system, may be included in future research.

5. References
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