

Study on Quality in the Accounting Profession in General, and in Audit, in particular, through the Perspective of Taking Responsibility

Pașcu Ana-Maria¹

¹"Alexandru Ioan Cuza" University of Iasi, Faculty of Economics and Business Administration,

pascuanamaria26@gmail.com

Abstract. Although it is considered a present topic, we can nevertheless notice, after a close analysis of specialized literature, especially of foreign studies, that a lot has been written on the subject of audit and accounting quality, but things are far from being clarified. Even in our country, we could notice papers that dealt with the same issues, but which are not well supported practically. Nevertheless, we can see a diversity of approaches in foreign literature concerning this topic, including the wish to identify or even to suggest indicators, as well as models for quantifying quality in the accounting profession. For the considered studies, the results of statistical analyses reveal the interdependency between the time period when the articles were published, the typology of the examined studies, and their topics. The purpose of this study is to establish correspondences between a series of qualitative factors, which significantly influence both the quality of the financial-accounting information and the quality of the accounting profession. Through this approach, we will attempt to sketch a profile of the scientific level of the materials in the field of audit and accounting quality.

Keywords: accounting quality, audit quality, accounting responsibility, audit responsibility, AFCM.

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1 Introduction

The liberalization of the financial, banking, and capital markets has substantially raised the level of information required in order to achieve financial stability, while the provision of useful and appropriate information for the participants and for their transactions has become essential for preserving disciplined and efficient markets. In order for these desiderata to be accessible, the information provided must be of the highest quality, useful, and opportune, so as to meet the needs of each and every user. The financial crises and, more recently, the abuses of the corporations have stressed several functionalities regarding the processing and storing of information. Unfortunately, the involutions in the economic and social environment have been associated, often unjustly, with the accounting profession, which is *responsible for defending the public interest*, and is reflected in the correct information of the external users, respectively in guaranteeing the quality of the data published by the units.

The nature of the activities performed by accountants stresses the need to achieve a high level of ethics in accounting and business. Because of the fact that the stakeholders support their decisions on accounting information, in the conditions in which the auditors certify this information, it is absolutely necessary to apply the moral and ethical principles in fulfilling the auditor's mission, with responsibility and quality.

The results of recent scientific approaches (Jong-Hag Choi, Chansog Kim, Jeong-Bon Kim, Yoonseok Zang, 2010) prove, through the empirical tests performed, that there is the possibility to measure the quality of audit through "unsigned abnormal engagements", while other authors quantify the size of audit offices according to two essential aspects. The first aspect refers to the number of customers who

request the provision of an audit activity, and the second concerns the total taxes, the benefits obtained by each individual audit office. Therefore, *the results of the research show that the size of the audit office has directly proportional relations both with the quality of audit and with the audit taxes*. These connections support the idea that larger audit offices provide higher quality in comparison with smaller audit offices, and thus the quality differences are taxed on the market of audit services.

Moreover, another specialized study, performed by the authors Urs Fischbacher and Ulrike Stefani, shows that the quality of the financial statements audited through computer audit procedures is higher (Urs Fischbacher, Ulrike Stefani, 2007).

If we look at this topic from the perspective of the analysis of non-audit services, we can see that these are an important source of information, which enriches the auditor's knowledge concerning the operations of the client, much more than those obtained through the simple audit process (Beck P. J., Wu M., 2006). *Knowledge enhancement as a result of the provision of non-audit services helps the auditors fulfill their mission more efficiently and effectively*. This vision suggests that **non-audit services increase the quality of audit**. Referring, in what follows, to the same aspects, we can notice that *the increased efficiency resulting from the provision of non-audit services could be detrimental to the quality of audit*, if the payments generated as a result of the "abundance of knowledge" are acquired by the auditor. This situation appears when, associated with non-audit services, economic-financial and audit services determine the acquisition of the so-called savings, which determines higher incomes for the auditor (Beck P., Frecka T. J., Solomon I., 1998; Levitt A., 2000). In this case, the economic connection increases the risk for the auditor to favor their own clients, irrespective of their merit, out of the wish not to lose additional income. Under these circumstances, **non-audit services could question the independence of an auditor**, which, in its turn, **may affect audit quality**.

Moreover, the existent research did not show, until now, any convincing proof that would establish a direct connection between the auditor, as provider of non-audit services, and the lack of quality in audit and in the accounting profession. Referring to a study concerning this subject, from the year 2002, we can stress that the companies that benefit from non-audit services as well from the auditor's services present financial reporting of lower quality, in comparison with the others (Frankel R., Johnson M., Nelson K., 2000; Hoitash R. A., Markelevich, Barragato C. A., 2005). Similarly, Hoitash et al. (2005), Francis and Ke (2006), including Srinidhi and Gul (2007) found the proof of a *negative association between non-audit services and the quality of financial reporting* or of its understanding. Nevertheless, the opinions of Frankel et al. (2002) are debated in a subsequent work by Ashbaugh et al. (2003), who drew the conclusion that the results are specific to the sample and are not the same in the case of different sensitivity tests, and therefore they cannot be generalized (Ashbaugh H., LaFond R., Mayhew B. W., 2003). However, subsequent research that debates this subject increases ambiguity, showing that there is no proof of the fact that non-audit services affect audit quality (Barkess L., Simnett R., 1994; DeFond M., Raghunandan K., Subramanyam K., 2002; Chaney P. K., Philipich K. L., 2002; Raghunandan K., William J.R., Whisenant J.S., 2003; Ruddock C., Taylor S., Taylor S., 2006).

Although both audit standards and academic research support the idea that *audit quality is a common function of the auditor and of the audited* (Simunic D.A., 1980; Antle R., Nalebuff B., 1991), the auditors are always accused when an accounting fraud is made public. One of the main reasons that explains this phenomenon refers to the so-called **expectancy deviation**, a term that we broadly define as *the difference between the expectations of the public and the trust provided by the auditor during the audit process* (Monroe G., Woodliff D., 1993). Nevertheless, in the opinion of the authors Arrington et al., (1985), the issue of the difference between the expectations of the public and the expectations of the auditors may be influenced both by obvious motivational aspects and by the less obvious cognitive differences. What is more, the same authors investigate this phenomenon and attempt to determine the role of the psychological infringement of the contract within the ethical relation of trust between the auditor and the stakeholder.

Definitely, the problem of (not) taking responsibility by the auditors is far from receiving the generally accepted and long awaited answer. Both researchers and practitioners subscribe to the statement that *taking responsibility and fulfilling the accepted mission in conditions of optimum quality and professional competence is the key to success in audit.*

However, just like in everyday life we face the discrepancy between the demand and supply of information, irrespective of their nature, when it comes to the audit activity, there is also an unexplainable discrepancy between the expectations of the public and what the auditor provides through their work. Is it enough to take responsibility in the activity performed in order to avoid "charging" the auditor with the responsibility of a fraudulent operation?! Research continues, trying to provide pertinent answers to these questions that seem to arise when the economic life is no longer shaken by a problem of this sort.

All these studies show the intense concerns with quality in the accounting profession and develop our desire to reflect upon other elements that determine quality. The more we analyze this subject, the more aware we become that we have not discovered enough and we believe that the factors that affect quality will never cease to appear. For this very reason, through this study, we will attempt to sketch the basic reasons that have concerned researchers in determining audit and accounting quality.

2 The Legal Frame concerning the Organization of Audit and the Implementation of Quality in the Accounting Profession

Insuring the quality of the financial information has become a need in the United States of America after the economic, financial, and stock exchange crisis in 1929-1933, whose causes were, among others, insufficient and illegible information for the investors. To this purpose, the American regulating institutions have been concerned with drawing norms that meet the best accounting practices renowned at the international level. Nowadays, these norms are the *Generally Accounting Accepted Principles* - GAAP, which must be complied with by all American companies.

Moreover, the normalizers performed a theoretical analysis of the fundamental principles, whose object was to explain those that had been generated essentially empirically, and the result of that analysis was the conceptual frame of FASB. One of the studies that compose it, SFAC No. 2, *Qualitative characteristics of accounting information*, presents and ranks the qualities that the accounting information must meet in order to be relevant and credible. This material is an important reference in accounting, being adopted in the other conceptual frames as well (Colasse B., 2007).

Therefore, the American normalizing body called the *Financial Accounting Standards Board* – FASB – acknowledges a large array of *qualitative features*, of which we mention: the usefulness of the information in supporting the decision process, its relevance (pertinence), its reliability (objectivity or credibility), its opportunity (meeting the deadlines), its predictive value, its retrospective value, its verifiability, its neutrality (impartiality), its verisimilitude (isomorphism), its prudence (conservatism), its continuity (coherence), its significant importance, the balance between advantages and costs, its completeness (integrality, exhaustiveness), the absence of elements that lead to erroneous interpretations, intelligibility (clarity), and comparability (FASB, 2012).

Initially, on the American continent, a concern was noticed with regulating and implementing quality in the accounting profession. Also, the international norms that regulate the audit profession are of American origin, which is due to the fact that the USA is one of the countries with the longest tradition in the field of audit.

We can therefore notice that between 1939 and 1951, the *American Institute of Certified Public Accountants* – AICPA – drew the first 24 financial audit standards. Considering that they mainly concerned the USA, it was decided for the *International Federation of Accountants* – IFAC – to draw

the financial audit norms at the international level, with the purpose of supporting the development of the accounting profession, by providing *high quality and professional services*. This is the world organization of the accounting profession, founded in 1977, composed of 164 members and associates of 125 countries and jurisdictions, representing over 2.5 million accountants employed in public practice, industry and trade, and the government. *The role of IFAC is triple: to establish and promote the adherence to the international quality standards in order to facilitate the collaboration and cooperation with the member bodies, including to serve as a "speaker" for the accounting profession at an international level in what concerns relevant aspects related to public policies* (IFAC, 2011).

In 1987, AICPA created the Quality Control Standards Committee, with the responsibility of supporting the accounting expertise companies in defining and implementing standards concerning quality control. This is tightly connected to SAGA/GAAS, being, at the same time, dissociated from these standards. An accounting expertise company must make sure that the generally accepted audit standards are met within each audit performed (Arens, A., Loebbecke, J., 2004).

In Romania, starting with 1990, when the accounting reform took place, the importance of the qualitative characteristics of the information contained in the annual financial statements has increased, as these are extremely necessary in determining the financial position and performance of the company. In what concerns the audit activity in our country, the first moment in its regulation was initiated by the CECCAR organism in 1995 through the publication of the "*Norms of financial audit and the certification of the balance sheet*". The next moment in regulating the audit activity concludes with the creation, in 1999, of the *Chamber of Financial Auditors in Romania*. Its committee decided the assimilation of the *International Audit Standards (ISA)* of the IFAC, as well as of the *General Frame of the International Audit Standards*. Nevertheless, the first time interval we analyzed in our research, respectively 1981-1990, showed the differences in the concerns and evolution of audit at the international level, especially the limited concerns regarding the regulation of quality in the accounting profession. Still, we can notice that, while Romania barely saw the dawns of the basis of this profession, in America we could already speak of standardizing audit quality.

Referring to the second interval, 1991-2000, when analyzing the situation in Romania, on 12.24.1991, *the Accounting Law no. 82* was drawn and published in Monitorul Oficial, Part I, no. 256, which stipulates that the public entities, as well as the legal persons that create annual financial statements that include *five components* (the balance sheet, the profit and loss account, the statement of the changes in the shareholders' equity, the cash flows statement, and the explanatory notes to the simplified annual financial statements), including consolidated annual financial statements, are subject to *financial audit*, and respectively to *statutory audit*.

In the third interval, 2001-2012, intense concerns were stressed regarding audit and accounting quality. We will attempt to make an incursion in the history of the quality of the profession, in order to better stress the need to include it into our analysis. The first references to the quality of the information provided to the stakeholders were made in OMFP no. 94/2001 for the *approval of the accounting regulations harmonized with the 4th Directive of the European Economic Community (EEC) and the International Accounting Standards*. The quality and usefulness of the accounting information were placed under the sign of the four qualitative characteristics taken from the international norms: intelligibility, relevance, credibility (reliability), and comparability (OMFP no. 94/2001).

At the international level, the beginning of 2001 marked the moment when IFAC, together with the great audit companies, founded a body called the "Forum of Firms", with the purpose of placing the accent on audit quality and of giving companies access to the international professional standards. In 2012, the first four places in the "*Top 100 Accounting Firms in the U.S.*" were taken by the famous audit firms *The Big Four*, as follows: *Deloitte & Touche, Ernst & Young, PricewaterhouseCoopers and KPMG*. These, together with the other companies in the accounting profession, engage to insure the compliance with the International Audit Standards, to meet the Deontological Code issued by the

IFAC, to design and organize professional training programs, and implement quality evaluation procedures.

Considering the importance of the quality of financial-accounting services, new standards have been developed concerning the quality of control, both at the company level, *International Standard on Quality Control – ISQC 1*, and at the global level, *International Standard on Auditing – ISA 220* (Nobes C., Parker R., 2004). Therefore, in order to perform an audit in compliance with the ISAs, audit companies must first meet, at the level of the entire firm, the International Standard on Quality Control (ISQC 1) "*Quality control for the companies that perform the audit and reviews of the historical financial information, as well as other missions of insurance and related services*", applicable starting with December 15, 2009.

Also, companies should take into consideration and adopt ISA 220 "*Quality control for the audit of historical financial information*" before applying other ISAs to individual audit missions. *The International Audit Standard ISA 220* mentions the fundamental procedures and principles, including the manners of application concerning quality control.

At a European level, *Directive 2006/43 of the European Council of May 17, 2006*, considerably extends the 8th *Directive/EC* by clarifying the obligations of statutory auditors, the aspects concerning their independence and ethics, by introducing a requirement referring to *insuring the external quality and improving the cooperation between the supervision organisms existing in the EU*. Therefore, the new Directive enlarges the area of applicability of the EU legislation, by introducing new requirements concerning the way in which audit should be performed, as well as the *structures necessary to insure the audit quality, including insuring the trust in the auditor's role*. In the conditions of reiterating, in the national legislation, the new Directive through OUG 90 of June 24, 2006, *Romania must comply with the requirements of quality and responsibility in the audit profession*.

Moreover, the companies that provide financial-accounting, consultancy, and audit services are members of the two professional bodies that regulate the accounting and audit profession in Romania, respectively CECCAR and CAFR. Under these circumstances, the companies are protected by the professional bodies that insure the quality of the services supplied by the accounting professionals through periodic audit (Păvăloaia V.-D., Andone I., 2011).

Starting with January 1, 2006, Romania has applied the accounting regulations compliant with the *European Directives*, approved by O.M.F.P. no. 1752/11.17.2005, with the subsequent amendments and completions through O.M.F.P. no. 2001/11.22.2006 and O.M.F.P. no. 2374/12.12.2007. At present, OMFP no. 3055/10.29.2009 applies *for the approval of the Accounting Regulations compliant with the European Directives*, published in Monitorul Oficial, Part I, no. 766/11.10.2009.

With the issue of *OUG no. 90/2008 concerning the statutory audit of the annual financial statements*, all the references to financial audit existing in the legislation will be read as references to statutory audit, when audit is concerned with verifying and certifying the annual financial statements. OMFP 3055/2009 takes the phrase of statutory audit in art.5, par. 2, which is compliant with the modification of the European Directives in the field of audit. The national legislation in the field of statutory audit transposes the provisions of Directive 2006/43/EC, thus achieving the legal frame for the creation of a public supervision system for statutory auditors and for the audit firms, based on the European principles.

Because of the extent of the quality of professional services in our country as well, there are strict regulations and references on this subject. According to the *Decision of the CAFR Council no. 168 of August 25, 2010*, for the approval of the *Norms concerning the revision of the quality of the financial audit activity and of other activities performed by the financial auditors*, the Chamber of Financial Auditors in Romania, under the supervision of the Public Supervision Body of the financial

audit activity, is the competent authority for performing revisions in order to insure the quality of the services supplied by the financial auditors.

According to the provisions of art. 20 of the *Governmental Order no. 65/1994*, republished, as well as to art. 17 of the *Regulation concerning quality audit in the field of the accounting services* approved by *Decision no. 08/91 of May 14, 2008 of the High Council of CECCAR*, with the subsequent modifications and amendments, the quality audit of the accounting services supplied by the members of the Body is performed in compliance with the Regulation concerning quality audit in the field of the accounting services, and its main objective is to have its members comply with the professional standards and norms and with the National Ethics Code of the accounting professionals, issued by CECCAR, with the purpose of meeting the public interest. In what concerns the investigations and sanctions, *the Council for the Public Supervision of the Statutory Audit Activity (CSPAAS)* implements efficient systems for detecting, correcting, and preventing the inappropriate performance of statutory audit. As we can notice, the largest number of concerns for the promotion of accounting quality in Romania have appeared in recent years. We cannot boast, however, with many specialized studies on this subject.

We conclude by mentioning that the international audit standards are extremely important in improving the quality of the financial-accounting information available on the international markets. Without applying the norms, principles, and regulations in the field, the accounting profession would be subject to chaos, and the moral-professional qualities of the producers of information would affect its credibility and reality.

3 Methodology of the Research

3.1 Description of the Analysis of the Study

The purpose of this study is to perform a qualitative and quantitative analysis of the level of knowledge, including of the evolution, of the issue of quality in the accounting profession and in audit, at an international level, from the perspective of taking responsibility. According to the authors Jaba and Moroşanu (2012), there is the possibility to identify the tendencies showed in research, in a certain field, from a statistical point of view, based on the *multiple correspondences factor analysis*. Starting from these considerations, in our study, we aim to use the same data analysis methods in order to stress the tendencies in the scientific research of quality in audit and in the accounting profession.

The analysis performed in this approach included a series of scientific publications in the main specialized journals renowned internationally, in the period 1981-2012. The study technique we used was observation, since it is used extensively in social sciences and since it implies the precise and systematic recording of the activities performed by people, in a normal environment (Mascovici S., 1984).

The results of the study regarded the identification of tendencies of the scientific concerns in the field of *quality and responsibility in audit and in the accounting profession*, as well as the influence of the factors that determined the support for knowledge in the field, for the analyzed period.

Being a current concern at the international level, with particularly important implications both economically and socially, the quality of the financial-accounting information, including audit and accounting quality, raised and continues to raise interest for specialized studies on defining the concept in its various senses, on its determining factors, which are not few, including the connections between them. Also, the implications of a quality audit performed in conditions of civil and professional responsibility, influence the economic life of the entire world.

Knowing this field in detail may lead to developing new research directions, including to interdisciplinarity, in order to find methods and techniques for quantifying audit quality, as well as the way in which each factor that determines quality influences it. All the mentioned aspects have a common purpose, which is to support the accounting profession both at a national and at an international level.

3.2 Purpose and Objectives of the Research

Starting from specialized literature that deals with *quality and responsibility in audit and in the accounting profession*, this study aims to perform an *exploratory analysis* of the directions of specialized scientific research.

The purpose of this approach is to identify the main elements that have concerned the researchers, regarding the topic that raised our curiosity as well as our interest. The research relies on international studies, as a result of the fact that at the national level, specialized literature is more restrictive/limitative in relation to this subject.

Meeting the main purpose aimed would not have been possible without drawing the conceptual frame of the analysis. In addition, for this, we suggested a reunion of some detailed objectives that will be followed during our research, and that we synthesize in what follows. This study comes to complete our research concerning the perception of the accounting professionals, theoreticians or practitioners, regarding quality in audit and in the accounting profession.

Based on the identified factors, we wish to stress a series of connections and the interactions between them. We will also attempt to *sketch a profile of the scientific level of the materials in the field of audit and accounting quality*. In order to achieve this objective, we will resort both to qualitative and to quantitative research in order to argue and support the conclusions of our analysis as well as possible.

Qualitative research is exploratory and implies interviewing a limited number of persons, and the data is not statistically representative for the studied population. This type of research studies in detail: the motivations, emotions, perceptions, feelings that determine people to act in various ways. The research evolves as data are obtained and compared to the already existing information in specialized literature. Moreover, this type of research uses an interpretative approach of the analyzed subjects, by studying their behavior as it is naturally (Smith A., 1759). Qualitative research then leads to the construction of the social reality. This type of research mainly relies on observation and description, and the results of the research lead to formulating a theory.

In what concerns quantitative research, we will use one of the most important methods for exploring data, *the multiple correspondences factor analysis*. This is a method for analyzing qualitative data whose purpose is to study the associations between three or more variables. Therefore, this is a generalization of the *correspondence factor analysis* and is a multivariate analysis method suggested for the first time by *Jean Paul Benzécri* in 1969. The basic objective of this type of analysis is the simultaneous study of the lines and columns of a contingency table with the purpose of stressing the connections or correspondences between the two sets (Lefter C., 2004). Therefore, in this study, by analyzing the correspondences, we aimed to describe the relations between three nominal variables.

Using this method implies recording, for a sample of n individuals, the values for a series of m associated variables. Once these values have been recorded, it is possible to sketch *the profile of an individual in a certain group*, after studying the associations between the analyzed variables.

3.3 Target Population, Sample, Data Source, and Variables Included in the Research

The target population that we wish to analyze is made up by the set of studies whose main research subject is *audit and accounting quality*. Of the multitude of these studies, we focused on a sample

extracted randomly, composed of approximately 100 articles, indexed into databases that are representative for the subject that drew our attention. Considering that it has not been possible to know the structure of the total collectivity, we opted for the *principle of random choice*. Moreover, based on this principle, each article has an equal probability of being selected in the sample, a phenomenon called *the game of hazard* (Jaba E., 2002).

For the selection of the articles, we mainly took into account a series of key words associated to the studies simultaneously, such as: audit quality, accounting quality, audit fees, and non-audit services.

In order to achieve the aimed desideratum, we took into consideration articles corresponding to the interval 1981-2012. This time interval was divided into three smaller stages, which we consider to be representative for the evolution of the analyzed aspects, both at a national and at an international level. Thus, the intervals are 1981-1990, 1991-2000, and 2001-2012. The reasons that determined us to resort to these intervals were detailed in *the normative frame concerning the organization of audit and the implementation of quality in accounting*. It is not at all by chance that the analyzed period begins in 1981. This is a reference year in what concerns the subject of audit quality, we could even say, the starting point of this reflection, through the publication of the article *Auditor size and audit quality*, by the author **Linda Elizabeth DeAngelo**, in the *Journal of Accounting and Economics*. The previously mentioned article was, maybe, the headstone of the subject of audit and accounting quality and responsibility. Numerous authors, in studies performed on this topic, mentioned and directly referenced this study.

Thus, the variables taken into consideration for obtaining the results of the research were the following:

- **Year** (the year when the study was published);
- **Journal** (the journal where the respective study was published);
- **Study Type** (the type of the study: *literature review - LR, critical - CS, empirical - ES*);
- **Article subject** (the main subject of the study).

The data were analyzed using the statistical tool SPSS 19.0.

4 Results and Discussions

As we mentioned previously, applying a descriptive analysis, we obtained a series of results on: the evaluation of the frequency of occurrence of a research topic, of a certain type of study, as well as of the number of articles dedicated to audit quality for the analyzed period.

Table no. 1 Structure of the sample according to the year when the studies were published

	Frequency	Percent (%)	Cumulative Percent (%)
Valid 1981-1990	7	7.0	7.0
1991-2000	10	10.0	17.0
2001-2012	83	83.0	100.0
Total	100	100.0	

Table 1 shows the frequencies of occurrence of the articles concerning audit and accounting quality. From the data presented, we can see that most studies were recorded in the interval 2001-2012. In this period, approximately 83% of the studied selected for the sample were published. The second significant period in what concerns the level of issues of specialized studies in the field of accounting quality is represented by the years 1991-2000, with a number of 10 articles. As we can notice, in the interval 1981-1990, the concern for accounting quality was in an incipient stage, with the main articles being registered in the following databases: *Journal of Accounting and Economics*, *Journal of Accounting Research*, *The Accounting Review*, and *Audit: A Journal of Practice and Theory*. We consider it interesting and important at the same time to notice that all seven articles corresponding to the interval 1981-1990 belong to authors from the United States of America. This statement comes to complete the normative considerations previously mentioned, where we could see that insuring the quality of the financial information has been a need in the United States of America ever since the economic, financial, and stock exchange crisis of 1929-1933, which proves again the long tradition of America in the field of audit.

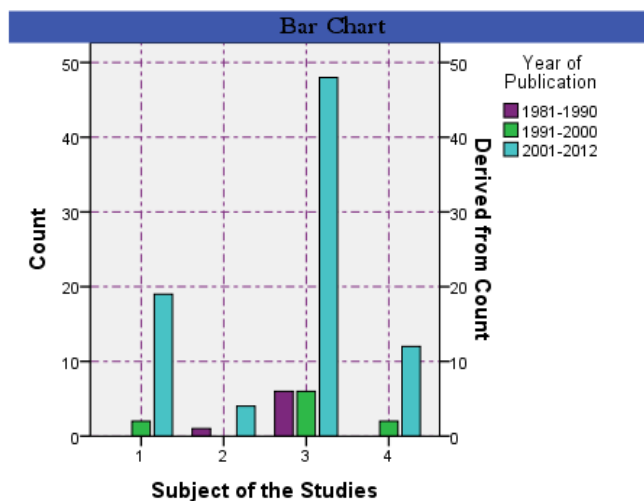


Figure no. 1 Situation of the topics of the articles according to their year of publication

Source: own processing in SPSS19

The interest in the problem of audit quality in the period 2001-2012 is due to several factors, of which we mention the following. First of all, as a result of the fact that the audit activity intensified all around the world, and moreover, because it undergoes permanent standardization, harmonization, and convergence. Second, the fraudulent maneuvers that shook the economic life of the world and that reached a peak in the year 2009, after the great bankruptcy of Lehman Brothers and following the financial scandal that incriminated the famous Bernard Madoff. All these factors, cumulated, imposed for the financial-economic market a (re)organization from the viewpoint of the quality of the activity performed by accounting professionals and at the same time a re-establishment of the stakeholders' trust in the financial statements.

In our approach, we opted to stress the objectives of the research by classifying the selected studies into three large categories: *literature review*, which implies a short presentation of specialized literature, *empirical studies*, which aim to validate the hypotheses of the research, and *critical studies*, used to make analyses, interpretations, and evaluations of a phenomenon.

We can also notice that in most articles, empirical analyses have been used (40%), followed by critical studies (30%), as well as specialized literature reviews. The situation is somewhat similar, with no major differentiation percentages. We can nevertheless notice a higher interest given to empirical studies. This can be due to the possibility to obtain models for quantifying audit quality, although until

now we have only managed to identify a small number of such studies. However, we would like to mention the *Conceptual model for online auditing*, model created after noticing the need for Online Audit Instruments, as a result of the increased complexity of the information systems, as well as of the increased risks associated to the infringement of business norms (Wil van der Aalst, Kees van Hee, Jan Martijn van der Werf, Akhil Kumar, Marc Verdonk, *Conceptual Model for Online Auditing, Management Accounting Research*, 2011) and the *SERVQUAL model for quantifying the quality of audit services* (This model compares the expectations of the contractors of audit services with audit quality, Zeithaml V.A., Parasuraman L.L., Berry L.L., *Delivering quality service: balancing customer perceptions and expectations*, The Free Press, New York, 1990).

We also consider that the *literature review* articles, together with the *critical analysis* articles, have an important weight in the total studies, which shows an increased concern of the theoreticians and practitioners alike in the subject of accounting audit.

At the same time, analyzing the journals where the articles have been published, we can say that most articles dedicated to audit quality have been published in the *Managerial Auditing Journal*, the *Journal of Accounting Research*, the *International Journal of Auditing* and in *Audit: A Journal of Practice and Theory*, belonging to reference names in the field, such as: Carcello J.V., Hermanson R.H., McGrath N.T., Wil van der Aalst, Kees van Hee, Jan Martijn van der Werf, Akhil Kumar, Marc Verdonk, Linda Elizabeth DeAngelo, Jagan Krishnan, Paul C. Schauer, and others.

According to the subject that the selected articles treated, *Table 2* shows the main concerns of the researchers, according to the percentage of works corresponding to a certain topic.

Table no. 2 *Structure of the sample according to the subject of the studies*

Subject of the Article		Frequency	Percent (%)	Cumulative Percent (%)
Valid	Quality in Accounting	21	21.0	21.0
	Fraud	5	5.0	26.0
	Quality in Audit	60	60.0	86.0
	Ethics	14	14.0	100.0
	Total	100	100.0	

Source: own processing in SPSS19

A deep and detailed analysis on the researchers' interest for certain topics in the field of the accounting profession, more specific, on accounting quality, indicates the existence of an affinity for a series of topics, corresponding to established time frames.

Considering the dimension of the sample under analysis and the diversity of the researched studies, we decided to approach the topic of audit and accounting quality from a pragmatic perspective. Therefore, we considered distributing the articles into four categories, respectively: articles referring to accounting quality, ethics, audit quality, including fraud.

We can see a positive synergy, in the sense that all the selected articles, irrespective of the category to which they belong, have a common purpose, which is *accounting quality*. Referring to the studies classified in the *accounting quality* category and that represent a percentage of 21% of the total analyzed studies, we took into consideration the following: the quality of the financial-accounting information, the professional standards, and the quality of financial reporting. The *fraud* category (5%) includes articles whose topic refers to failure in audit, the implications of failure in audit, and the reputation of the audit firm. Most studies in our sample have been classified in the category *audit*

quality, representing a percentage of 60%, of which we mention: internal audit quality, the attributes of audit quality, audit fees, the rotation of the auditors, audit performance, the size of the audit firm, the peer-review process - suggestively called the control of audit control - and non-audit services. 14% of the analyzed articles are studies treating important aspects referring to the auditors' independence and to the ethical principles, suggestively inserted into the *ethics* category.

Table no. 3 Structure of the topics of the articles according to the type of study

		Type of the Study			Total	
		ES	CS	LR		
Subject of the Article	Quality in accounting		9	8	4	21
		% Subject of the Article	42.9%	38.1%	19.0%	100.0%
		% Type of the Study	22.5%	26.7%	13.3%	21.0%
		% Total	9.0%	8.0%	4.0%	21.0%
	Ethics		2	1	2	5
		% Subject of the Article	40.0%	20.0%	40.0%	100.0%
		% Type of the Study	5.0%	3.3%	6.7%	5.0%
		% Total	2.0%	1.0%	2.0%	5.0%
	Quality in Audit		26	19	15	60
		% Subject of the Article	43.3%	31.7%	25.0%	100.0%
		% Type of the Study	65.0%	63.3%	50.0%	60.0%
		% Total	26.0%	19.0%	15.0%	60.0%
	Fraud		3	2	9	14
		% Subject of the Article	21.4%	14.3%	64.3%	100.0%
		% Type of the Study	7.5%	6.7%	30.0%	14.0%
		% Total	3.0%	2.0%	9.0%	14.0%
Total		40	30	30	100	
	% Subject of the Article	40.0%	30.0%	30.0%	100.0%	
	% Type of the Study	100.0%	100.0%	100.0%	100.0%	
	% Total	40.0%	30.0%	30.0%	100.0%	

Source: own processing in SPSS19

Most empirical studies referred to audit quality, representing 60% of the total articles of this type, in the analyzed sample. As table no. 3 shows, if we were to make an analysis of the topics of the articles in comparison with the study type, we would notice that the articles concerning accounting audit have a weight of 9% in the empirical studies. The studies that focus on ethics in the accounting profession represent an equal proportion of 2% both in the empirical studies and in literature reviews. We believe that the low percentage of 1% of the critical analyses is caused by the fact that researchers intend to prove the importance of applying the ethical principles in order to reflect accounting quality through a pragmatic approach, which takes into account the practical usefulness of the studied concept. The ethical principles are either applied or completely missing. There is no golden mean presented in any critical analysis. In what concerns the approach to fraud, from the perspective of the (lack of) quality in accounting, especially in audit, the highest weight is that of literature reviews. We have not identified studies that determine, using tools specific to quantitative research, in an eloquent manner, the way in which fraud influences accounting quality.

Given that the highest weight in the analysis of the topics of the articles was obtained by audit quality, we intend to explain this by detailing the treated subjects, which focus on this topic, situating them in time and space. Of course, the largest number of articles were recorded in the interval 2001-2012, with a percentage of 95.5% for studies treating the topic of the attributes of audit quality.

Table no. 4 Structure of the articles in the audit quality category, according to the year of publication

			Year of the Publication			Total
			1981-1990	1991-2000	2001-2012	
Quality in Audit	<i>Quality of Internal Audit</i>	No. of studies	0	2	10	12
		% <i>Quality in Audit</i>	.0%	16.7%	83.3%	100.0%
	<i>The Attributes of Audit Quality</i>	No. of studies	0	1	21	22
		% <i>Quality in Audit</i>	.0%	4.5%	95.5%	100.0%
	<i>Audit Fees</i>	No. of studies	0	1	8	9
		% <i>Quality in Audit</i>	.0%	11.1%	88.9%	100.0%
	<i>The Rotation of the Auditors</i>	No. of studies	0	0	1	1
		% <i>Quality in Audit</i>	.0%	.0%	100.0%	100.0%
	<i>Audit Performance</i>	No. of studies	0	1	9	10
		% <i>Quality in Audit</i>	.0%	10.0%	90.0%	100.0%
	<i>The Size of the Audit Firm</i>	No. of studies	0	0	2	2
		% <i>Quality in Audit</i>	.0%	.0%	100.0%	100.0%
	<i>The Peer-Review Process</i>	No. of studies	0	0	3	3
		% <i>Quality in Audit</i>	.0%	.0%	100.0%	100.0%
	<i>Non-Audit Services</i>	No. of studies	1	2	8	11
		% <i>Quality in Audit</i>	9.1%	18.2%	72.7%	100.0%

Source: own processing in SPSS19

According to the diagram in Figure 2, we can see that in the interval 1981-1990, most articles focused on audit quality. We can therefore also mention again the previously discussed correlations, in order to argue that these studies belong to authors in the USA. Thus, we stress again the fact that the oldest tradition in audit is encountered in the United States of America. In the same interval, we can also notice an article referring to fraud, dating from 1986. The study deals with the issue of fabricating the accounting evidence, as a result of the manipulation of the actions of the company by the top management, through the involvement of the manager of a consultancy firm, also a member of the management of the Guinness company.

Moreover, we can notice that the issue of audit quality is also preserved in the interval 1991-2000, when studies focused on accounting ethics also start to appear, mainly dealing with the ethics of the new paradigms in accounting and with the regulation of the auditors' independence.

Most studies correspond to the interval 2001-2012, and they focused on accounting quality, audit quality, and ethics. The raise in the number of articles in this interval is due to the increased interest of the researchers for these topics as a result of the multitude of situations specific to the international economic life. If at the beginning the USA showed concern with the development and evolution of audit, including for quality in this profession, this will later become the subject that will raise the interest of both theoreticians and practitioners at the world level. Therefore, through the studies

included into our analysis, we wish to present the evolution of the phenomenology of audit and accounting quality, including the elements that determine and influence it.

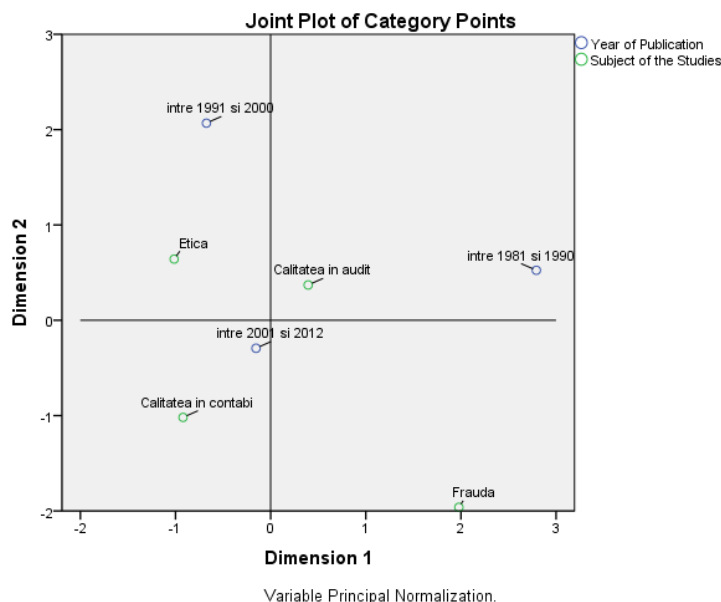


Figure no. 2 *Situation of the topics of the articles according to the publication year of the studies*

If we refer to the connection between the typology and the topics of the articles published in the analyzed journals, in the interval 1981-2012, in what concerns the specialized literature treating the aspects referring to audit and accounting quality, we can notice that in most articles, the authors prefer an empirical approach. We can notice an equality between literature review studies and critical studies.

The topics approached in the empirical studies refer to professional standards and to the quality of financial reporting, the internal audit quality, the attributes of audit quality, audit taxes, the size of the audit firm, the peer-review process, suggestively called the control of audit control, and non-audit services.

The studies focused on a critical approach deal with the issue of the level of the audit taxes, of the externalization of audit services in the conditions of preserving the auditor's independence, performing non-audit services by auditors within the same mandate, as well as improving audit performance. Resorting to dialectics, these studies are concerned with finding solutions that answer these problems.

In order to better point out the association between the selected category variables, respectively: the year when the articles were published, the typology and topics of the studies, we present below the resulting diagram. This figure shows that literature reviews were mainly focused on the topic of ethics. Considering that there is still room for suggestions and completions in what concerns the factors that influence audit quality, we can find numerous studies that approach this topic through critical analyses or literature reviews.

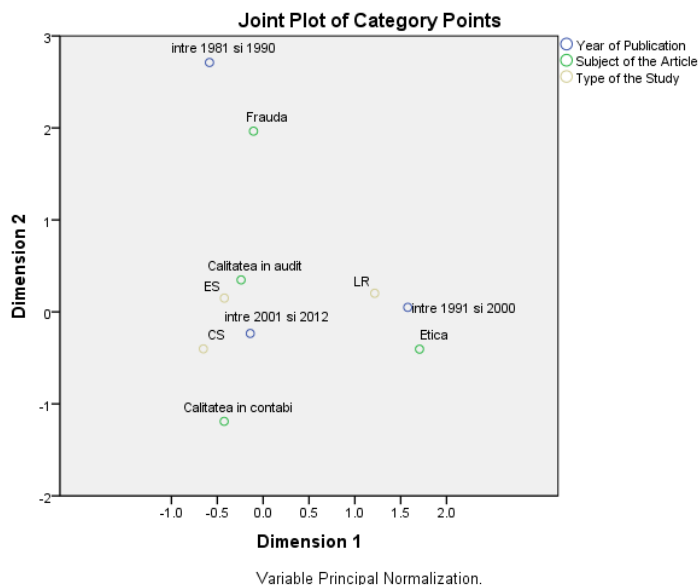


Figure no. 3 *Situation of the topics of the articles according to the publication year and study type*

Conclusions of the Study

Following the approach taken in the present study, we can state that analyzing accounting quality from a scientific perspective is a challenge that arises curiosity, including the urge for research, sets problems, and requires a careful approach. The increasing interest referring to this topic, signaled through the large number of specialized studies that have been written, is far from being stopped. This, we believe, is due to the question marks that persist, referring to the subject of accounting quality, respectively: What are the factors that truly influence the quality of the activity performed by accounting professionals? How can we quantify accounting quality? When will the users know whether to fully trust the financial statements verified and certified by audit? These are just a few of the questions for which the researchers, including internationally renowned ones, did not manage to provide any generally accepted answer.

We may, nevertheless, sketch the profile of the scientific level of the materials in the field of audit and accounting quality, for the analyzed sample, which includes 100 articles, published in the interval 1981-2012, in representative journals in the field. Therefore, if we consider the perspective of the typology of the articles, we can mainly notice the empirical studies corresponding to the interval 2001-2012, the main research subject being audit quality. In our opinion, this is due to the need for empirical studies that would show, using the appropriate tools, the factors that have an impact on the quality of this profession, strongly shaken by the extended fraudulent manoeuvres that affected the economic life worldwide.

Currently, we can only be sure of the fact that the scientific approach to this topic needs a detailed knowledge of the researched field, a careful review of specialized literature, and the acquisition of the tools necessary for analyzing the topic subject to research.

Professor Andrei Pleșu said “[...] *the exhaustion of the bibliographic resources of any research is, today, a utopia. It is unthinkable to read everything*”. Therefore, one may fail in research at any point, by validating the initially established hypotheses, but the cumulative appetite can be satisfied based on a detailed and careful analysis of specialized literature. The hypotheses may not be validated, but the

added knowledge in research does not come as a result of this fact, but mainly from the information analyzed and reflected upon.

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