

Modeling the Quality of External Audit: Empirical Validation in the Tunisian Context

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Abstract

Spectacular falls recognized in the business World starting from example of Enron, WorldCom in the UNITED STATES; Telecom, Universal Vivendi in FRANCE, Batam IN TUNISIA testifies the insufficiency, if not the misuse of measures criteria. These observations show the need for a revision of the rules of estimate of the quality of external audit. It is in this wake, the objective of our study consists in developing a measurement scale of theoretical construct "quality of external audit". We have administered a questionnaire with 100 Tunisian auditors. The results confirm the new research approach focuses on the audit process to measure the quality of external audit. Regarding the input of audit remains necessary but insufficient indicator to measuring the quality of external audit. The study has several contributions: Empirically, we applied the methods of structural equation modeling to measure the quality of external audit, using a PLS approach. Theoretically, we extended the literature with a study conducted in the context of an emerging country such as Tunisia.

Keywords: accounting, external audit quality, measurement scale, structural equation methods, audit intensity, input of audit, hierarchical construct

INTRODUCTION

The huge bankruptcies of the great groups followed by the revelation of manifest countable handling forced the auditors in front of the scene. This position called into question the credibility of the certification of accounts. Consequently, it is the concept of "audit quality" is at stake. However, to determine this characteristic remains difficult, which explain the orientation of former research towards the indirect measurements used by the qualities of the auditors (De Angelo, 1981; Citron et Taffler, 1992), audit firm and audit team characteristic. However, these measures have several theoretical limits, linked primarily to the risk of adverse selection (Fama and Jensen, 1983; Craswell, 1988), and empirical due to the simple and reduced characters of the used items. (Chemingui, 2009; Manita, 2010).

These observations show the need for a revision of the rules of estimate of the quality of external audit (Wooten, on 2003; Chemingui, on 2009; Manita and al.2010).

The objective of our study consists in developing a measurement scale of theoretical construct "quality of external audit". The researches which tried to develop a measurement of the quality of external audit are based on the hypothetical-deductive approach presented by the paradigm (Churchill, 1995).

However, referring to other disciplines (Marketing, social sciences) shows that, our theoretical model is a measurement model of hierarchical construct at the three order level, we thus adopt the approach of (Wetzels and al, 2009; Urbach and al, 2010). The latter is based on the following stages:

<u>Stage1</u>	<i>To Develop a model based on theoretical framework</i>	➤ Review of the litterature with interview experts ➤ Generation of the items ➤ Modeling the theoretical construct
<u>Stage 2</u>	<i>Specification of the model</i>	➤ Identification of the measurement model
<u>Stage 3</u>	<i>Estimation of the model</i>	➤ Choice of the suitable approach of the methods of the structural equations
<u>Stage 4</u>	<i>Methodology research</i>	➤ Identification of the sample and the procedures of data-gathering ➤ methods of analysis of the data
<u>Stage 5</u>	<i>Analyses and interpretations of the results</i>	

Figure1: Methodology of research

LITERATURE REVIEW

The review of the literature shows two groups of research:

*FirstGroup: studies based on the inputs of audit.

These researches, in their estimation of external audit quality, are interested to auditors' characteristics

(competence and independence), audit firm and audit team characteristics.

*Second group: more recent studies which tried to determine the quality of audit through the intensity of audit based primarily on the process of audit.

The researches to the measures on the quality of external audit	
1st group of research: Studies based on the inputs of audit as measures quality of external audit	Assumptions of the study
Studies on the auditors' virtue Libby and Thorne (2007, p89) «Auditors' virtue comprises those qualities of character that manifest the ideal of the audit community, and are instrumental in ensuring that auditors' professional judgment is exercised according to a high moral standard". The authors distinguish two types of virtues: instrumental and non-instrumental virtues¹. The authors managed the significance of competence as instrumental virtue and the independence as no-instrumental virtue. Several researches retained the definition developed by DE Angelo (1981)², to define the quality of external audit (Knapp, on 1991; Moizer, on 1997).	H1: the auditors' virtue can be a measure of the quality of external audit H11: the auditors' competence can be a measure of the quality of external audit H12 the auditors' independence can be a measure of the quality of external audit
Relative Studies to the indicators related to the organizational structure of the audit firm The principal organizational indicators retained as of the proxies to the quality of external audit are: size of the audit firm, the process of the control quality and the industry specialization. (Ajmi, 2009; Wooten, 2003; Besacier and al, 2012; Lowensohn and al .2007; Cenker and al.2008). I. DeAngelo (1981) supports that; the size of the audit firm is proxy for the quality of audit. It confirms that the large firms carry out the audit better on the one hand as they have more resources placed at their disposal and on the other hand, there are able to recruit qualified collaborators. By examining the results of quality control carried out by various American corporations of control quality, several studies affirmed significant association between the quality of audit and the size of the audit firm. (Deis and Giroux, 1992, Giroux et al. 1996 ; O'Keife et al. 1994 ; Clobert et al. 1992). Ajmi (2009) finds that large audit firms are perceived as suppliers of a better quality of audit and are more independent than the small ones. II.Wooten (2003) finds that the chartered accountants associate one great quality of audit at the firm which set up a quality monitoring system of their process of audit. Malone and Roberts (1996) confirm these findings. III. Deis and Giroux, 1992; Deis and Giroux, 1996, Giroux et al .1995, find a positive association between the specialization of the audit firm and the quality of audit perceived in the public sector. Lowensohn et al (2007) by questioning 241 finance directors of the local government agency of Florida, highlight positive association between the quality of perceived audit and auditor specialization. The Specialization affects the perception of the various actors of the market for the quality of audit. Wang and Wilkins (2007).	H2: The organizational structure of the audit firm can be a measure of the quality of external audit H21: The size of the audit firm can be a measure of the quality of external audit H22: The quality monitoring system can be a measure of the quality of external audit H23: The specialization of the audit firm can be a measure of quality of external audit
Relatives studies with the indicators related to the audit team The characteristics of the audit team have significant impact on quality of audit (Wooten, 2003; Besacier and al.2012). Several studies found that, the factors associated with the audit team are significantly related to the quality of audit compared to those associated with the audit firm. (Samelson et al, 2006; Jaffer et al., 2005; Carcello et al., 1992). Based on the opinions of the experts, Wooten(2003) identified four determinants of the audit team to be qualified of quality, which are The assistance of the partners and the manager Aldesier (1995) finds that the implication of a partner auditor in the audit assignment is positively related to the quality of audit. The auditors support the standards and announce that the attention given by the partners and the managers to audit assignment is related to the quality of	H3: The characteristics of the audit team can be a measure of the quality of external audit. H31:The audit assistance by auditor managers and the partners can be a measure of the quality of external audit H32: The experience and the professionalism of the audit team can be a measure of the quality of external audit H33: the update of knowledge of the audit team can constitute a measure of the quality of external audit

¹ Non-instrumental virtues are associated with formulation of professional judgment while the instrumental virtues are associated with auditors' exercise of professional judgment. T.libby and L.Thorne(2007.p.90)

² DE Angelo(1981),has defines the quality of audit as the appreciation by the market of the united probability that auditor goes simultaneously:

- to reveal an anomaly or a significant irregularity in the countable system and the monitoring system interns company (competence)
- to reveal this anomaly or irregularity

audit. Besacier et al (2012). Professionalism, persistence and scepticism Wooten (2003) advances that the staff who have a high level of professionalism will more probably carry out their tasks correctly. Besacier et al (2012) find that, the finance directors value the characteristics of the audit team (experience, professionalism and the level of knowledge) in their perceptions of the audit quality.	
2nd Research Group: The Studies based on the audit intensity like measure of the quality of external audit	Assumptions of the study
Few studies have been interested on the audit process in the evaluation of the quality of external audit (Mock and Samet, 1982; Sutton, 1993; Blockdijk et al., 2006; Chemanguiet al., 2009; Manita et al., 2010; Besacier et al, 2012) By using the technique of questionnaire, Mock and Samet (1982) identified 32 indicators; Sutton (1993)³ identified 38 indicators of measurement of the quality of the external audit. Chemingui et al (2009) propose a new approach of evaluation of the quality of external audit based on the audit work actually carried out. For a sample of 141 answers from internal and external auditors, the authors validate the measurement scales. By adopting the Churchill paradigm (1979), The objective of the study of (Manita and Elommalb, 2010), is to conceive a tool for evaluation the quality of the audit process, available to the Audit Committee. Besacier et al (2012) have developed a grid of 55 criteria of audit quality linked to the operation of the audit assignment, the characteristics of the audit team and general order criteria. On a sample of 131 answers from CFOs, the authors conclude that the items related to the operation of the audit assignment are the best appreciated. In accordance to the study of Blockdijk et al (2006)⁴, We selected the following phases of the audit process: the interim audit, the planning of the audit assignment; the accounts review and the completion of the audit assignment.⁵	H4: the audit intensity can be a measure of the quality of external audit. H41: interim audit can be a measure of the quality of external audit. H42: the planning of audit assignment can be a measure of the quality of external audit. H43: the accounts review can be a measure of the quality of external audit. H44: the completion of the audit assignment can be a measure of the quality of external audit.

³ The autor subdivided the process of audit to four stages, nineteen factors affecting audit quality have were identified, eleven factors are directly related to the audit process, six factors linked to the characteristics of the audited and two factors relating to the characteristics of the audit team.

⁴The authors examined the audit intensity of four stages (the planning stage, the evaluation of the risk, the substantif test, and the completion of audit assignment).

⁵ It should be noted that the evaluations of the risks are carried out with each stage of the audit process and the realization of the substantive test is carried out on the level of the stage of accounts examination.

Generation of the Items of Theoretical Construct “The Quality of External Audit”

The review of the literature and the International Standards of Audit, followed by the interviews with the specialists on the matter (two auditors, two audit professors), enabled us to determine the indicators as well as its related items. Our theoretical model rests on two dimensions "the audit input " and "the audit intensity." Each dimension is measured by at least two indicators, to which items will be affected. (APPENDIX 1)

Modeling of Theoretical Construct “The Quality of External Audit”

The exploratory type of research, the aim of our study such as the development of a measurement scale of "the quality of external audit" and the nature of our conceptual model (existence of latent variables) is well suited to the use the method of second generation, such as the structural equation methods. According to the structure presented by (Bagozzi, 1984.p17), we formulate our research model with "converting theoretical and derivatives concepts into unobserved variables, and empirical concepts into indicators, which are linked by a set of hypotheses."

MODEL SPECIFICATION

The specification of the theoretical model consists in the identification of the measurement model. This latter represents the relationship between a latent construct and their indicators. Two measurement model are distinguished (formative or reflective model), a task often neglected by researchers. (Diamantopolus and al.2001; Jarvis et al. 2003)

A distinction between the two measurement models proves of major importance on the specification of our model and the choice of the suitable estimates methods. In fact, three theoretical considerations are likely to determine if the measurement model is formative or reflective. It's about the construct nature, the sense of causality between the indicators and the latent construct as well as the characteristics of the used indicators. (Broshoom and al.2003, 2004 Edward and Bagozzi, 2002, Jarvis et al, 2003)

Measurement Model of the Construct “Quality of External Audit”

According to the distinctions criteria presented above, our measurement model is a reflective model. Deepening further our analysis and referring to the other disciplines, specifically the domain of international marketing, the construct can be hierarchical, we so speak about the hierarchical construct model. (Wetzels et al., 2009)

On Basis of the guide provided by (Wetzels and al.2009), our model is a measurement model of hierarchical construct at the three order level. (Appendix2)

ESTIMATION OF THE MODEL

The Approaches of the Structural Equations Methods (SEM)

(Wetzel and al.2009) suggest that for the hierarchical construct, the estimate of the latent variables by covariance-based approach has methodological limits: the normality, the size of the sample, the complexity of the model. Therefore, the PLS path modeling is the most appropriate method to estimate such a model.

On this basis and as regards a hierarchical construct model at the three order level, we use the PLS approach to estimate the parameters of our model.

Resorting to PLS method is justified by several reasons such as: the exploratory character of the research (Ainuddin et al., 2007; Lee et al. 2006), the small size of sample (Birkinshan et al., 1995; Sosik and al, 2009).

A general rule for the robustness of the PLS modeling suggests that the size of the sample must be equal or greater than:

"10 times the number of indicators of the most complex formative variable;

"10 times the number of structural relationships from the central construct of the structural model."(Barclay et al, 1995; Chin, 1998).

RESEARCH METHDOLOGY

The Identification of The Sample And Procedures Of Data - Gathering

We retained as population of our sample the Tunisian chartered accountants registered on the order of the chartered accountants. At the closing date of the study, 100 answers were collected with auditors, whose profile is given by the following table:

Qualifications	Effective
Managers	50%
Partners	20%
Others'	30%
Average Professional Experience	8ans

The purpose of the research, the hypotheses formulated and the nature of the variables of the study, determine widely the procedure of data-gathering. For our study the technique of the questionnaire is adopted. In fact, the items obtained are introduced to the questionnaire, thus generating 25 questions of measurement of quality of external audit.

METHODS OF DATA ANALYSIS

For the evaluation a measurement model of hierarchical construct at the three order level, we use the same approach followed by (Wetzels and al.2009).

Table1. Stages of assessment of the measurement model of hierarchical construct

Stages of evaluation of the model of measure of constructed hierarchical	Criteria	Significance	Authors
Check the unidimensionality	PCA	This step applies only to the assessment of the measurement model for first-order constructs. It consists in the Structuring the original variables in factors, while recovering the maximum initial information A correlation coefficient lower than 0.5 cannot conceive the variable as constitutive of the factor.	Mathwick et al (2001) Urbach et al (2010)
Stages of psychometric properties of the constructs of the first, second and third order			
Reliability	CR(Composite reliability) Reliability indicator	Is a measure of internal consistency and must not be lower than 0.7 Absolute STANDARDIZED outer (componement) loadings, should be greater than 0.7	Henseler et al (2009) Urbach et al (2010)
convergent validity	Factorial loading AVE (Average variance extracted)	The factorial loading must be higher than 0.5. The significance factorial loading is estimated by the bootstrapping procedure, the test value T must be higher than 1.96. must be higher than 0.5	Chin (1998) Wetzels et al (2009) Henseler et al (2009) Urbach et al (2010)
discriminant validity	AVE Cross loading	AVE of each latent variable must be higher than the squared correlation with all other latent variables If an indicator has a high correlation with another variable than with its respective variable, the model must be reconstitute.	Henseler et al (2009) Urbach et al (2010)
Significance of the coefficients	Non parametric bootstrapping procedure	A t-test value higher than 1.96 is considered as significant	Henseler et al (2009) Wetzels et al (2009)

ANALYSIS AND INTERPRETATION OF THE RESULTS

Evaluation of the Measurement Model for First Order Constructs

The estimation begins with checking of the unidimensionality of measurement scales, for moving forward the assessment of the psychometric properties of measurement scales.

Checking the Unidimensionality of the Measures

The preliminary tests to any factorial analysis are essential: It is the test of Kaiser Meyer Olkin (KMO) and Bartlett's test of sphericity, which make it possible to conclude on the appropriateness of the factorial analysis to our data. The results show the capacity of the data to be factorized. The principal component analysis of each dimension constitutes the second stage of this checking .It make it possible to determine the factors selected, the percentage of variance recovered, the value of "Cronbach's Alpha." However, there are constructs were purified in order to improve their results.

Items	Total variance expliquée	Aplha de Cronback	Test de KMO	Test de Sphéricité de Bartlett
VA1	75.930%	0.681	0.500	Chi 2. 30.543 Significatif
VA2				
CA1				
CA2	93.414	0.929	0.5	Chi 2. 136.705 Significatif
CC2				
CC3				
AI1	65.525%	0.733	0.639	Chi 2. 71.594 Significatif
AI2				
AI3				
PMA1	60.185%	0.866	0.862	Chi 2. 257.167 Significatif
PMA2				
PMA3				
PMA4				
PMA5				
PMA6	68.6477%	0.771	0.699	Chi 2. 49.828 Significatif
EC1				
EC2				
EC3				
AM1	65.678%	0.733	0.674	Chi 2. 69.921 Significatif
AM2				
AM3				

Evaluation of the Psychometric Properties of Measurement Scales for the First Order Constructs

Results of Reliability Tests

The results of the reliability test shows that all values of Cronbach's alpha and CR comply with required standards.

Indicateurs	Cronback alpha	CR
Auditors' Virtue	0.682	0.328
Audit firm Characteristic	0.698	0.625
Audit team characteristic	0.929	0.934
Audit interim	0.733	0.849
The Audit assignement planning	0.866	0.900
The accounts examination	0.698	0.833
Completion assignement	0.738	0.849

Results of Convergent Validity

The Examination of the factorial loading are higher than 0.5 and are significant at the threshold 1% and 5%. Similarly, the second indicator "AVE" is higher than 0.5 for all items. This means that each indicator is well correlated with the corresponding construct and hence convergent validity is checked.

Indicateurs	Contribution factorielle	Test -t	AVE
Auditors' virtue	VA1 (0.847)	5.730	0.758
	VA2(0.893)	6.820	
Audit firm characteristic	CC2(0.710)	5.426	0.659
	CC3(0.903)	22.416	
Audit team characteristic	CA1(0.967)	101.419	0.934
	CA2(0.966)	90.277	
Audit interim	AI1(0.714)	10.773	0.655
	AI2(0.850)	30.500	
	AI3(0.856)	37.643	
The Audit assignement planning	PMA1(0.769)	13.739	0.601
	PMA2(0.836)	25.267	
	PMA3(0.801)	15.945	
	PMA4(0.806)	13.286	
	PMA5(0.747)	15.662	
	PMA6(0.685)	12.449	
The accounts examination	EC1(0.824)	21.812	0.625
	EC2(0.823)	18.335	
	EC3(0.722)	15.392	
Completion assignement	AM1(0.735)	11.805	0.654
	AM2(0.869)	32.108	
	AM3(0.817)	22.509	

Results of the Discriminant Validity

The examination of the correlation matrix shows that the values on the diagonal are higher than those found in the lower part. In addition, the table of cross

loading shows that the items are strongly related to the indicators which they are supposed to represent and weakly correlated with the other indicators. Therefore we can conclude on the discriminant validity of the constructs of the first order.

The results psychometric of measurement scales, confirm those found in the principal component analysis.

	AIN	AM	CA	CC	EC	PMA	VA
AIN	0.809						
AM	0.484350	0.808					
CA	0.212036	0.256359	0.966				
CC	0.044761	0.198889	0.433906	0.811			
EC	0.591529	0.543405	0.346814	0.223258	0.790		
PMA	0.421452	0.521669	0.198340	0.181577	0.566679	1.000000	
VA	0.201127	0.207299	0.369151	-0.039125	0.188158	0.056167	0.870

Evaluation of the Measurement Model for Second and Third Order Constructs

According to the study Wetzels (2009), the estimation of these models is limited to psychometric assessments relating to tests of reliability and validity. The results of AVE test are less than the threshold required for both the second and third order constructs, with values at the order of 0.427 for "input audit", the 0.407 for «intensity audit "and the 0.408 for" quality of external audit.»

The evaluation criteria of discriminant validity show that, for the correlation matrix, the values located in the bottom are higher than those on the diagonal, which calls into question the discriminant validity.

In fact, in order to improve the convergent and discriminant validity, we carry out a purification of our measurement scales for the second and third order constructs.

Purification of Measurement Scales

we firstly interest to the construct "input audit", the review of factorial loading of corresponding items shows that the characteristics of the audit team (CA1, CA2) are highly correlated to "input of audit "and" audit quality external " with factorial contribution at the order to 0.907et 0.888, respectively. It follows that, the experience and qualification of the audit team are essential prerequisites to the audit assignment. Similarly, with regard to the supervision of audit works by managers and audit partners.

These results, confirm those founded in the Anglo-Saxon context (Wotten, 2003; Jaffer et al. (2005), Samelson et al .2006) and confirm that the factors associated with the audit team are significantly related the quality of external auditing. Besacier (2012)

However, there are items which weakly linked to both constructs (input audit, quality of external audit), with factorial loading lower than the standards. They are the item "the big 4 affiliation" [(CC2) with a loading at the order 0.352 and 0.143, respectively] and the item "the auditor independence" (VA1) with a value loading 0.455 and 0.199, respectively.

In fact, the low loading of these items to study constructs is in accordance with previous results. For the first item which is "the Big 4 affiliation", its low loading confirms the recently recognized financial scandals and the failure of big audit firms. This called into question the attribution of a high audit quality to Big 4 audit firms. Weber et al (2008) find that, the KPMG audited record negative abnormal returns following the accounting scandals "COM ROAD". These returns are more negative for firms which probably have request a higher audit quality.

For the second item "auditor independence", the results confirm those previously validated. In fact, the independence of the auditor is reconsidered following the realization of the consulting services (Frank et al., 2007; Hoistesh et al .2007), on the one hand and the term of audit mandate, on the other hand⁶. The results confirm those obtained in the Anglo-Saxon context and consequently underlines the similarity of the Tunisian context to that of the Anglo-Saxon in terms of external audit. This similarity is explained by the adoption of the Tunisian auditors the international standards on auditing, which converges the attitudes of two groups of auditors for measuring the quality of external auditing.

The Purification of our model by eliminating these two items improves the convergent validity of the construct "input audit" (0.728), a value greater than 0.5. For the second order construct "audit intensity," we find that the factorial loading of their indicators are higher, with values greater than 0.5. These results confirm the good choice of audit process stages and their associations to "the audit intensity." The examination of the factorial loading of the third order construct "quality of external audit" shows that their indicators, are higher than 0.5. However, we find that the indicator "the audit intensity" has a very strong loading value equal to 0.964 compared to the input of audit which is at the order of 0.563.

The results join the new approach of research, which stipulate that the audit process is the best measure of the quality of external audit. (Manita, 2010; Chemingui, 2009; Beascier, 2012);

The loading value "inputs audit" in the formation of "quality of external audit, although it is not strong, but greater than 0.5. This indicates that the preconditions to audit assignment related to the audit firm and the audit team are necessary but insufficient to guarantee a better quality of external auditing. The elimination of items whose factorial loading below 0.5, improves the AVE of the second and third orders constructs.

In addition, the results for the correlation matrix and the cross-loading check the discriminant validity of those constructs.

	AVE	Composite Reliability	Cronbachs Alpha
AIN	0,655217	0,849904	0,733101
AM	0,767727	0,868562	0,698551
CA	0,934140	0,965949	0,929500
CC	1,000000	1,000000	1,000000
EC	0,625837	0,833232	0,698606
INPUT D'AUDIT	0,728909	0,888536	0,806378
INTENSITE D'AUDIT	0,523280	0,910786	0,894130
PMA	0,601651	0,900269	0,866410
QUALITE D'AUDIT EXTERNE	0,504959	0,905158	0,887397

CONCLUSION

At the level of this study, we have tried to modeling the quality of external audit. This construct is latent; we have adopted the structural equation methods dealt with "Smart PLS" software. The results of psychometric tests, the convergent and discriminant validity show that audit quality is measured by two indicators: "input of audit" and "audit intensity". The latter has a strong loading at the order of "0.972", which confirms the new research approach focuses on the audit process to measure the quality of external auditing. Regarding the input of audit remains necessary but insufficient indicator to measuring the quality of external audit. Such as any research, it has limits: On the theoretical level, we found that the agency theory provides a framework for analysis of relevant answer to our problem. However, the use of other theories can have a significant explanatory power in this area. On the methodological level, Empirically, the validation of the modeling of the construct "external audit quality" is performed on a sample of 100 auditors. A larger population can generalize better results.

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⁶ As the term is longer, the probability of compatibility between auditor and auditee is strengthened and the reconsideration of the independence of the auditor is high. (Bamber et al, 2007; Moore et al, 2006).

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APPENDIX

	AIN	AM	CA	CC	EC	INPUT DUDIT	AUDIT INTENSIT	PMA	QUA EXT AUD
AIN	1,000000								
AM	0,501155	1,000000							
CA	0,211888	0,245996	1,000000						
CC	-0,079795	0,217993	0,453043	1,000000					
EC	0,590710	0,558994	0,347301	0,180493	1,000000				
Input of audit	0,136382	0,271470	0,945836	0,717920	0,336918	1,000000			
Audit intensity	0,725440	0,756025	0,297972	0,207849	0,819112	0,308366	1,000000		
PMA	0,421215	0,541209	0,198392	0,264673	0,566858	0,251313	0,874674	1,000000	
External audit quality	0,672814	0,739271	0,499590	0,360135	0,815562	0,521257	0,972261	0,854317	1,000000

APPENDIX11

<i>Construct</i>	<i>indicators</i>	<i>Items</i>	<i>framework</i>
<i>input of audit</i>	<i>Auditors' virtues (VA)</i>	The examination by the auditor the structure of the capital, the list of shareholders and directors before acceptance the assignment. (VA1) The collection of preliminary information on the company activity, its flow charts. (VA2) The interview with the corporate governance staff and visit the company. (VA3)	LITT/ISA ISA ISA
	<i>Audit firm Characteristic (CC)</i>	The specialization sector. (CC1) the implementation of a control quality system (CC2) The big four membership. (CC3)	LITT LITT /ISA LITT
	<i>Audit team Characteristic (CA)</i>	The qualification and the work experience (CA1) the supervision of audit works by the managers and the partners of audit (CA2) The implementation of a continues program of collaborators training by sessions of internal or external trainings. (CA3)	LITT/ISA LITT/ISA LITT
<i>Audit intensity</i>	<i>Interim audit (AI)</i>	The understanding of the entity and the evaluation of the inherent risk (AI1) the description of the internal control system (AI2) the evaluation of the control risk and the fixation a preliminary materiality level (AI3)	ISA ISA ISA
	<i>The Audit assignement planning (PA)</i>	The definition of the audit approach (PA1) the definition of wide of the mission (PA2) the check of the coherence between the fixed audit strategy and the specificities of the company (PA3) the formalization of the audit strategy and its consignment in audit files (PA4) the elaboration of an audit plan (PA5) the Description of the nature, the calendar and the wide of th procedures to assessment the risk judged sufficient to appreciate the risk of significant anomalies (PA6)	LITT/ISA ISA ISA LITT/PT LITT/ISA ISA/PT
	<i>The accounts examination (EC)</i>	Circularization of the third (EC1) The Obtaining of convincing elements and fixed the global materiality significance (EC2) The identification of audit tests (EC3) A good realization of audit tests (EC4)	ISA ISA/LITT ISA/PT ISA/PT
	<i>Completion assignemnt (AM)</i>	The revision the work paper (AM1) Final judgement of the materiality level, audit risk and formulation of auditor opinion (AM2) The communication of the audit report to the members of direction and management representation letter (AM3)	ISA/PT ISA ISA