

**Bucharest University of Economic Studies  
Accounting Doctoral School**

**STUDY ON AUDIT QUALITY**

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## Tabel of cotents

Summary in Romanian.....	8
Summary in English.....	9
<b>CHAPTER 1. AUDIT: DEFINITIONS, ORIGINS, DEVELOPMENT AND CONNECTIONS WITH CORPORATE GOVERNANCE.....</b>	<b>10</b>
1.1Introduction.....	10
1.2. The Origin of the Audit Concept.....	14
1.3. Definitions of the Audit Concept.....	21
1.3.1. Classification of Audit by type of verified entities.....	24
1.3.2. Classification of Audit by objectives.....	25
1.3.3. Classification of Audit by reference elements.....	26
1.3.4. Classification of Audit by the relationship between Auditor and Audited Entity.....	27
1.4. Audit Theories.....	28
1.4.1. Inductive Theory.....	31
1.4.2. Process Theory.....	33
1.4.3. Social Mechanism Theory.....	36
1.4.4. Decision Theory.....	38
1.4.5. Trust Theory.....	41
1.4.6. Borrowed Credibility Theory.....	43
1.4.7. Policeman Theory.....	46
1.5. The Role of Audit in Financial Reporting and Corporate Governance.....	49
1.6. Conclusions.....	55
<b>CHAPTER 2. AUDIT QUALITY: THEORETICAL, EMPIRICAL APPROACHES AND SOCIO-ECONOMIC EFFECTS.....</b>	<b>60</b>
2.1. Introduction.....	61

2.2. Theoretical Approach to Quality from the Perspective of Audit Activity Elements.....	62
2.2.1. Analysis of Inputs in the Auditing Mechanism.....	65
2.2.2. Analysis of Processes in the Auditing Mechanism.....	67
2.2.3. Analysis of Outputs or Results from the Auditing Mechanism.....	68
2.2.4. Market Context of Audit Quality.....	69
2.2.5. Anticipated Pronouncements.....	70
2.2.6. Methods and Practices for Voluntary Quality Reduction.....	71
2.2.7. Future Perspectives on Determinants of Audit Quality.....	71
2.3. Persistent Determinants of Audit Quality over Time.....	73
2.3.1. Concepts and Theoretical Limitations.....	76
2.3.2. Size of the Audit Firm.....	77
2.3.3. Experience and Expertise in the Field.....	79
2.3.4. Mandate of the Auditor.....	79
2.3.5. Audit Service Pricing.....	81
2.3.6. Reputation of the Audit Firm.....	82
2.3.7. Auditor Independence.....	83
2.3.8. Auditor Liability.....	83
2.3.9. Auditor Expertise.....	84
2.4. Concept of Audit Quality.....	85
2.5. Measures of Audit Quality.....	88
2.5.1 Determinants of Audit Quality from an Empirical Perspective.....	91
2.6. Social and Economic Effects of Quality Audit.....	103
2.6.1. Social Effects.....	104
2.6.2. Economic Effects.....	107
2.7. Conclusions.....	109

## Summary

This doctoral thesis aims to capture, analyse, and explain the evolution of auditing from theoretical and practical perspectives over time and in different geographical areas, aiming to better link the academic and professional environments. Essentially, the work characterizes the concept of audit quality and aims to identify the determinants of quality audit. Understanding the determinants of quality audit is important for making decisions that enhance the quality of an audit process, with social and economic effects impacting on stakeholders like auditors, audited firms, regulators, and even society.

The conceptual framework used seven scientific economic theories concerning auditing: the policeman theory, borrowed credibility, trust, decision making, social mechanism, process theory, and finally inductive theory. These theories explain, in turn, the evolution of auditing from the 1950s to the present, in terms of regulation, cost-benefit, managerial decisions, and the quality of financial data, the relationship between agents and principals, and recent social implications of auditing through reported numbers and narratives.

At the practical research level, audit quality was studied from 2007 to 2019 in four clusters, structured as follows: 1. countries with the highest level of audit quality; 2. a mixed composition of countries with a relatively medium level of audit quality; 3. countries with the lowest audit quality; 4. countries with a relatively high audit quality. The main indicator used was the Strength of Auditing and Reporting Standards (SARS), constructed and estimated by the World Economic Forum (WEF) as a component of the Global Competitiveness Index (GCI). Econometric analyses were performed using Tableau 2022.4 and STATA 16 to highlight, through an econometric model, the relationship between audit quality and some of its quantifiable determinants: the number of years the auditor has audited the client entity; the number of clients audited by the auditor.

The main conclusions reached by the research are that there is no unanimously accepted understanding of the concept of "quality audit," given the multitude of existing calculation methodologies and the large number of determining factors. Thus, auditing retains a degree of subjectivity and a margin of freedom in professional judgment.

**Keywords:** audit quality, stakeholders, Strength of Auditing and Reporting Standards (SARS), Global Competitiveness Index (GCI).