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The Role of Joint Auditing in Improving the Quality of Accounting Information: Survey Study

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Astract

The Study Focuses On The Role Of Joint Auditing In Improving The Quality Of Accounting Information In Its Dimensions (Relevance, Reliability, Comparability, Stability), In The 2017 Audit Firms, The Research Included A Main Hypothesis That There Is A Significant Statistical Correlation Between The Joint Auditing And The Quality Of The Accounting Information, A Sample Of 44 People Working In The Audit Companies Was Selected, The Adoption Of The Questionnaire, Which Included (23) Paragraph, A Number Of Conclusions Were Reached, The Most Important Of Which Were The Existence Of Positive Statistical Influence Relationships Between The Joint Auditing And The Quality Characteristics Of The Accounting Information Combined, In Light Of These Conclusions, A Set Of Recommendations Was Formulated, Including The Need For Audit Offices Or Companies To Establish A Joint Working Mechanism That Consolidates The Audit Work Of These Offices In Terms Of Effort, Time And Cost.

Keywords: Joint Auditing, Quality Of Accounting Information, Relevance, Reliability, Comparability, Consistency.

El papel de la auditoría conjunta en la mejora de la calidad de la información contable: estudio de encuesta

Resumen

El estudio se centra en el papel de la auditoría conjunta para mejorar la calidad de la información contable en sus dimensiones (relevancia, confiabilidad, comparabilidad, estabilidad). En las firmas de auditoría de 2017, la investigación incluyó una hipótesis principal de que existe una correlación estadística significativa entre La auditoría conjunta y la calidad de la información contable, se seleccionó una muestra de 44 personas que trabajaban en las empresas de auditoría, la adopción del cuestionario, que incluía (23) el párrafo, se llegó a una serie de conclusiones, la más importante de las cuales fue la Existencia de relaciones de influencia estadística positiva entre la auditoría conjunta y las características de calidad de la información contable combinada, a la luz de estas conclusiones, se formuló un conjunto de recomendaciones, incluida la necesidad de que las oficinas de auditoría o las empresas establezcan un mecanismo de trabajo conjunto que consolide El trabajo de auditoría de estas oficinas en términos de esfuerzo, tiempo y costo.
Palabras clave: auditoría conjunta, calidad de la información contable, relevancia, confiabilidad, comparabilidad, consistencia.

FIRST: Methodology of Research

1.Research Objectives

The objective of this research is to determine the extent to which the quality of accounting information is affected by the use of joint auditing, by sampling opinions of individuals working for auditing offices, and by making recommendations that would improve the audit work of these offices and the quality of accounting information.

2.Research Importance

Accounting information has become; in light of the current global developments, the opening of markets and the removal of obstacles in the way of the entry of companies and investors of great importance to all parties (both internal represented by management and various sections of the organization, or external and represented by the shareholders and investors and government departments and trade unions, and other new tools and methods); can improve the quality of such information and make it compatible and responsive to all the needs of the parties involved.

3.Research Problem

After the global financial crisis, which became known for the scandal of Enron and the consequent bankruptcy and collapse of major auditing companies because of the failure of disclosure of the real accounting information in the financial reports; it is necessary to search for ways and tools that restore confidence in those companies and the resulting accounting information and reports to be useful to all parties inside and outside the organization. One of these tools is joint auditing. The research problem can be summarized in the following question: "Does the use of joint auditing affect the improvement of the quality of accounting information in the reports? "

4.Research Hypotheses

To achieve the research objectives, the researcher formulated and tested the following hypotheses:

Hypothesis 1: significant correlation exists between joint auditing and accounting information quality and dimensions.

The following sub-hypotheses are branching from the main hypothesis above:

1.There is a significant positive correlation between joint auditing and accounting information timeliness.

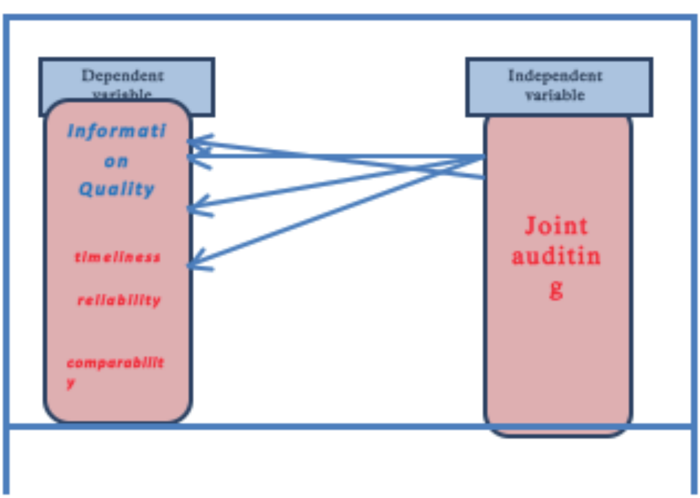
2.There is a significant positive correlation between joint auditing and accounting information reliability.

3.There is a significant positive correlation between joint auditing and accounting information comparability.

4.There is a significant positive correlation between joint auditing and of accounting information consistency.

The relation among the variables can be shown in the figure(1):

Figure 1: diagram of the relation among the variables



5.Research Limitations
- Time Limitation: 2017
- Place Limitation: 21 accredited auditing companies.
- Human Limitation: a sample of 44 individuals working in the auditing companies.

6.Measurement Validity

The validity of the measure has been verified in two ways:

1.Virtual validity: To verify the validity of the survey list in achieving the objectives for which it was designed, the researcher presented the survey list to a group of specialized accounting professors at the universities of Baghdad and Al-Qadissiya.

2.Validity of internal compatibility: this is the compatibility of each item of the measure with the dimension to which the item belongs. compatibility measured by calculating the extent of the correlation of each dimension of the study to the total score of the measure. The results are as shown in Table (1:(

Table 1: correlation between variable score (The Role of Joint Auditing in Improving the Quality of Accounting Information) and the measure total score

#	Domains	P	Probability value
1	Joint auditing role in improving accounting information timeliness	0.522*	0.000
2	Joint auditing role in improving accounting information reliability	0.531*	0.000
3	Joint auditing role in improving accounting information comparability	0.572*	0.000
4	Joint auditing role in improving accounting information consistency	0.600*	0.000
5	Total	0.556*	0.000

*p = 1.68 at 1.44 free

From the table above, we notice that all correlation values are significant at 0.05, and as such all domains are representative and valid.

7.Measure Consistency Testing

This test is used to determine the questionnaire reliability of the consistent data. In view of the obvious differences between the variables of the study, the researcher relied on consistency (reliability), and the results of the analysis are shown in Table (2):

Table 2: results of Consistency testing of the variables

#	Domains	# of items	Alpha
1	Joint auditing role in improving accounting information timeliness	7	0.662
2	Joint auditing role in improving accounting information reliability	5	0.719
3	Joint auditing role in improving accounting information comparability	5	0.791
4	Joint auditing role in improving accounting information consistency	6	0.703
5	Total	23	0.792

From the table above, we notice that the total Alpha values are 0.792 being good level of reliability in the measure.

SECOND: Joint Auditing and Accounting Information Quality

I. Joint Auditing

a. Joint Auditing Concept

Joint auditing means to carry out the auditing process by two or more independent auditors who represent separate auditing firms to audit the financial statements of the client by developing joint plan for the auditing, the performance of joint auditing, issuing and signing one report check, and assuming joint responsibility in the event of auditing failure (Elassy, 2015: 196).

Similarly, joint auditing is defined as a review of the financial statements by two or more independent auditors in a manner that involves the coordination of the audit process, planning, joint effort, quality control, and developing unified report signed by all auditors (Gatewa, 2015).

Joint auditing is also known as a technique that involves two independent auditing firms to issue an unified opinion about the company (El-Hamdi, 2015: 1). Okaro et al. (2018: 318) presented similar definition as it is the final compatible opinion of two auditing companies about the client's financial statements and each company is responsible for its own auditing.

b. Main Characteristics of Joint Auditing

The main characteristics of the joint auditing can be summarized as follows: (www.econ.kuleuven.be/eng)

1.Auditing the entity or economic unit by two or more auditors to submit a consolidated report.

2.The process is jointly performed as work is distributed among the auditors to avoid duplication of work.

3.The work of each auditor is intensively reviewed by the other auditor(s).

4.Auditors review the important issues affecting the work of the audited unit.

5.Auditors submit their report to the unit's management, its audit committee and

shareholders.
6.Joint review significantly promotes independence and quality.
It is worth noting that there is a difference between joint auditing and double auditing in terms of performing, responsibilities and reporting. Table 3 below shows that.

Table 3: differences between joint auditing and double auditing

Differences	Joint auditing	Double auditing
Performance	Two or more auditors conduct the work and they are communicated in terms of planning and execution of the audit	Two separate auditors conduct the work without any communication in terms of planning and execution of the audit
Responsibility	Report development responsibility is mutual and all auditors sign the final report	Report development responsibility is separate and each auditor signs his/her own final report
Reporting	joint report	Separate reports

Source: Nashwan, 2017: 576

c. Advantages of Joint Auditing

The most important advantages of joint auditing is as follows: (OECD,2010:4-5; Velte & Azibi,2015:529;Breding & Larsson,2016:9)
1.Sharing workload (planning, execution and final report)
2.Ensuring auditors' rotation that achieves the impartiality required for high quality audit.
3,Performing a well-planned auditing or best results.
4.Broadening auditing market and stimulating competition in that market.
5.Relieving administrative stress.
6.Stimulating competition among more audit firms from different cultural backgrounds, leading to greater innovation and better response to market needs.
7.Reducing the risk of familiarity or friendship in work among the auditors after a period of time.
2.Accounting Information Quality
a .Accounting Information Quality Concept

Accounting information is the most important source of data information in the organization and a tool for policy making, planning and decision-making, which requires the need to adopt appropriate methods to assist stakeholders in decision-making (Nasser and Al-Khafaf, 2012: 77).

Accounting information quality is defined as those main characteristics that such information should be characterized with to benefit all parties using them. Therefore, the identification of these characteristics is a necessary link between the goal setting stage and the other components of the accounting framework or concepts. Such characteristics benefit managers in setting appropriate accounting standards as well as those responsible for preparing financial reports (Mohammed, 2015: 5).

Accounting information quality means the credibility and usefulness of this information to the users, that it is not misrepresented nor distorted, and that it is prepared in the light of a set of standards to help achieve the purpose of their use (Mahmoud, 2016: 87).

Similarly, it is defined as organized and processed data to give meaning to the user, and to improve the decision-making process (Susanto, 2017: 3673; Fitriati and Susanto, 2017: 5005).

It is also defined as the ability of accounting information to reflect or represent the economic performance of a company (Oyebisi et. al., 2017: 2006).

b.Quality Characteristics of Accounting Information

The Financial Accounting Standards Board (FASB) issued Statement 2 of the concepts, which included a set of main and secondary characteristics of the accounting information to be used as basis for assessing the quality of accounting information provided by the economic units as well as the need for quality to be available in accounting information for maximum benefit for all stakeholders. The statement 2 mentioned the following: (Hilton, 2005: 28 Klingon, 2016: 846)

- Main Quality Characteristics of Accounting Information
- Secondary Quality Characteristics of Accounting Information

Main Quality Characteristics of Accounting Information

1.Timeliness: potentiality of accounting information to bring about a change in decisions taken by the users. Accounting information has the power to affect change in the direction of decisions when it has a predictive value and an affirmative value (al-Janabi & Ahmad, 2017: 335). It can be said that the timeliness of accounting information is one of the most important characteristics that must be met, because it represents the compatibility with the needs of the stakeholders, whether at the internal or external level, but more importantly for internal use, in order to adopt to solve problems and make appropriate decisions by the organization (Kalbona, 2016 : 865).

2.Representativeness: compatibility between information and the phenomenon to be reported, and representing the real content not the form only (Muhammad, 2015: 156). Such information is not biased, materially errors, nor lacking (al-Janabi and Ahmad, 2017: 337).

Secondary Quality Characteristics of Accounting Information

3.Comparability: This problem started in Europe as a result of the development of the financial markets. This has led to the need for accounting auditing performed by many accountants from different countries in the world using international accounting standards (Mahmoud, 2016: 88). Users should be able to compare the entity's financial statements over time in order to determine the deviation in the financial position and overall performance of the entity, as well as the need for users to be able to compare the entity's financial statements with other entities operating in the same sector to assess the overall status of the entity (Cosmin,2015: 170).

4.Verifiability: consistency of the results achieved by the independent auditors, despite the different methods used in auditing of accounting information and records, that is, there is agreement in the figures appearing in the financial statements (Kalbona, 2016: 865).

5.Timeliness: accounting information must be provided to users in a timely manner to utilize them in making appropriate decisions to address the imbalances and deficiencies in promptly with minimal effort and minimum level of costs and losses (Captain, 2004: 249).

6.Understandability: The general framework for the preparation and presentation of financial statements prepared by FASB in paragraph 25 states that the basic quality of information provided (information system of business entities) is that users should be able to easily understand them. However, information on complicated issues should be included in the financial statements because of their importance in economic decision-making on the grounds that they may be difficult to understand by some users (Cosmin, 2015: 171). Understandable information is the most important source for decision makers, and understandability is enhanced when information is categorized, customized, presented in a clear and concise manner, and the quality of information is enhanced as users understand their meaning (Janabi & Ahmad, 2017: 338).

7.Consistency: In order to achieve this characteristic, one of the important policies in accounting is to adhere to consistency in the application of accounting methods in comparing financial statement of two years. It means that the elements of the financial statements and the produced reports are measured within the same principles from one period to another (Hayali et al., 2006: 134).

THREE: Analysis and Testing of Research Hypotheses

I. Measuring the Effect of Joint Auditing on Accounting Information Quality

Here we review the results of the statistical analysis of the questionnaire, which was prepared to extrapolate the views of the sampled individuals. The questionnaire includes a set of questions that focus on the effect of joint auditing on the quality of accounting information.

Table 3: Results of the Statistical Analysis of the Sample Responses

3	Items	Scale	Totally agree	Agree	Neutral	Totally disagree	Disagree	Mean	SD	Results
1	Joint auditing helps provide accounting information that satisfies the user needs	Freq.	25	10	3	6		3.44	0.97	Totally agree
		%	56.8	22.7	6.8	13.6				
2	Joint auditing helps provide timely accounting information to be used in making informed decision s	Freq.	18	20	4	2		3.38	0.12	Agree
		%	40.9	45.4	9.0	4.5				
3	joint audit helps to provide accounting information that increases the efficiency of the management's predictions about the activities of the future economic unit .	Freq.	20	19	5			3.45	0.32	Totally agree
		%	45.4	43.1	11.3					
4	Joint auditing helps to provide accounting data that make it easier to predict future events	Freq.	18	20	2	4		3.51	0.31	Agree
		%	40.9	45.4	4.5	9.0				
5	joint audit provides accounting information that facilitates the solution of the problem of feedback between the company and investors.	Freq.	10	20	10	4		3.55	0.63	Agree
		%	22.7	45.4	22.7	9.0				

6	Joint audit provides accounting information that develops the ability to validate expectations and this helps the decision maker to correct his expectations .	Freq.	16	21	7			3.39	0.45	Agree
		%	36.3	47.7	15.9					
7	joint audit ensures that accounting information is free of error and biased to a logical and reasonable level.	Freq.	9	18	10	6		3.77	0.10	Agree
		%	20.4	40.9	22.7	13.6				
8	joint audit should provide accounting information that accurately represents the facts and financial events represented.	13	20	9				3.98	0.01	Agree
		29.5	45.4	20.4						
9	audit provides appropriate accounting information and data to user requests.	Freq.	6	28	6	2		3.51	0.29	Agree
		%	13.6	63.6	13.6	4.5				
10	Joint audit helps to provide accounting information that meets the common needs of external parties.	Freq.	9	22	10	1		3.43	0.03	Agree
		%	20.4	50.0	22.7	2.2				
11	Does joint auditing help to provide accurate accounting information?	Freq.	7	27	7	1		3.42	0.47	Agree
		%	15.9	61.3	15.9	2.2				
12	joint audit provides	Freq.	10	24	8			3.67	0.20	Agr ee

	accounting information that gives the same results when calculated from different parties.	%	22.7	54.5	18.1					
13	joint audit helps to provide accounting information and data in a clear and transparent manner.	Freq.	9	28	3	4		3.99	0.45	Agree
		%	20.4	63.6	6.8	9.0				
14	Joint auditing The presentation of accounting information is required in a manner that makes it comparable by conducting analyzes between economic units.	Freq.	7	25	10			3.88	0.83	Agree
		%	15.9	56.8	22.7					
15	joint audit contributes to the presentation of accounting information in a manner that makes it comparable by conducting analyzes between similar accounting units.	Freq.	8	18	14	4		3.45	0.62	Agree
		%	18.1	40.9	31.8	9.0				
16	joint audit provides accounting information that facilitates comparisons between the economic unit data for different years.	Freq.	11	19	12			3.58	0.38	Agree
		%	25.0	43.1	27.2					

17	Joint auditing helps to provide accounting information that can easily be verified and validated.	Freq.	29	10	4	1		3.39	0.61	Totally agree
		%	65.9	22.7	9.0	2.2				
18	joint audit should provide accounting information that reflects the current and future direction of the entity.	Freq.	16	21	7			3.64	0.05	Agree
		%	36.3	47.7	15.9					
19	joint audit facilitates the provision of accounting information to all beneficiaries in the same format and content.	Freq.	16	15	8	5		3.01	0.81	Totally agree
		%	36.3	34.0	18.1	11.3				
20	Joint Audit has the ability to provide high-level accounting information due to its reliance on standardized and declared accounting standards.	Freq.	19	11	6	8		3.61	0.96	Totally agree
		%	43.1	25.0	13.6	18.1				
21	joint audit provides consistent accounting information in terms of use and publication.	Freq.	22	9	9	4		3.22	0.33	Totally agree
		%	50.0	20.4	20.4	9.0				
22	joint audit enhances the stability and consistency of the accounting information of the company	Freq.	17	21	1	5		3.30	0.81	Agree
		%	38.6	47.7	2.2	11.3				
23	Joint audit enhances	Freq.	7	23	9	5		3.01	0.01	Agree

	the consistency of the methods and procedures followed by measurement and disclosure by the company.	%	15.9	52.2	20.4	11.3				

It is clear from Table (3) above that the sample agree on the importance of joint auditing. Joint auditing provides important accounting information and data with characteristics of relevance, reliability, consistency and comparability, which supports the hypothesis of research and according to the following:

1.testing the first sub-hypothesis (there is a significant positive correlation relationship between the joint audit and the timeliness of the accounting information). The calculated value of T (35.01) was at (44) and 95%), while the value of Scheduled T is 2,692, and since the calculated value is greater than the planned, the hypothesis is accepted.

2.The second sub-hypothesis (there is a significant positive correlation between the joint audit and the reliability of the accounting information). The value of T (calculated 24.21) is (44) and reliable by 95%), while the value of T (Scheduled) is 2,692, and since the calculated value is greater than the planned, the hypothesis is accepted.

3.The third sub-hypothesis of the first sub-section (there is a significant positive correlation between the joint audit and comparison of the accounting information). The calculated value of T (36.04) was at (44) and 95% reliability), while the value of T (Scheduled) is 2,692, and since the calculated value is greater than the planned, the hypothesis is accepted.

4.The fourth sub-hypothesis of the first sub-section (there is a significant positive correlation between the joint auditing and the consistency of the accounting information). The calculated value of T (31.65) is at (44) and 95% reliability), while the value of T (Scheduled) is 2,692, and since the calculated value is greater than the planned, the hypothesis is acceptable.

In view of the existence of a positive statistical correlation between joint auditing and the quality of the accounting information with all its characteristics, the main hypothesis of the research is acceptable.

FOUR: Conclusions and Recommendations

Conclusions

1.The responses of the research sample regarding joint auditing varied in terms of convenience by providing accounting information and data in a timely manner that facilitates the process of predicting the future events of the company.

2.Joint auditing is a positive approach to reliability by providing error-free and unbiased accounting information as well as valid representation of the facts and financial events represented.

3.Joint auditing achieved very strong results in terms of consistency. This indicates that the research sample has a clear perception of the role of joint auditing in the consistency of accounting information in terms of use and publication as well as its high expressionism.

4.Joint auditing had significant positive impact relationships with quality characteristics of accounting information.

Recommendations

1.The necessity of applying the tool of joint auditing by companies or auditing offices, which aims to provide accounting information with distinctive characteristics that increase the confidence and respect of internal and external users.

2.The need to hold specialized courses and workshops by the Association of Accountants and Auditors on the importance of using this tool of auditing, and that these courses are conducted by specialists in the field of auditing.

3.The need for auditing offices or companies to establish joint work mechanism that consolidates auditing work offices in terms of effort, time, and cost.

4.The need to apply joint auditing by the governmental bodies (financial supervision, integrity, offices of inspectors), as many countries apply this mechanism, such as Sweden, France, South Africa, Saudi Arabia, Kuwait and Algeria.

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