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Audit Quality in Least Developed Countries: The Case of Yemen

Sama Anees Alariqi*, Abdullah Hamoud Ismail ** and Mohammed Ali Al-awlaqi***

* School of Business, Lebanese International University, Sana'a, Yemen, E-mail: sama.alariqi@ye.liu.edu.lb
** College of Business & Finance, International University of Technology Twintech, Sana`a, Yemen, Tel: 00967-712-757-209,
*** School of Business, Lebanese International University, Sana'a, Yemen

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ABSTRACT: *This study aims to investigate the audit quality in a least developed country (Yemen). Using a quantitative research approach which applied a structured questionnaire to collect the data from the respondents. The current study targeted the auditing firms in Yemen (365 firms) as the population, and the sample size was calculated using Krejcie & Morgan's (1970) sample size formula. Thus, after excluding the auditing firms those located outside of Sana`a, the final sample size was (156) firms. The collected data was analyzed using IBM SPSS statistics software, version 26. The results of this study reveal that the audit quality in auditing firms in Yemen, is relatively high compared to previous studies. The study has implications in enhancing the understanding the audit quality in auditing firms in Yemen and developing countries.*

KEYWORDS. Audit Quality, Auditing Firms, Least Developed Countries, and Yemen.

INTRODUCTION

Auditing is a financial service provided by an external auditor to a client's firm in the checking and evaluating of the financial statements of the client's company. The purpose of financial statements evaluation is to give an assessment of the fairness of the financial statements in compliance with the accounting principles (Agoes, 2012). According to Sulanjaku and Shingjergji (2015), auditing is the procedure of verifying the financial information weather they are accurate and reflect a fair view of economical transactions of the company. Auditing process is important

as it gives more credibility and validity to the financial statements. The credibility of these information come from the importance outputs produced by auditors, such as audit report and auditors' opinion on the accuracy of the financial statements (Arebu, 2016).

The audit function is an important mechanism of a company's financial management and controlling system, and viewed in terms of how effectively it serves towards enhancing company performance and protecting company assets as well as investors', creditors' and other stakeholders' rights and interests (Choi, Kim, Kim and Zang, 2010).

High audit quality increases the reliability and quality of the financial reports (Ciger, 2020). While high audit quality increases the quality of the financial reports and supports well-informed investment decision and financial stability (IAASB, 2020a, 2020b), it also acts as a monitoring mechanism that decreases information asymmetry between managers and shareholders (Arens, Elder & Beasley, 2012). Independent and unbiased auditor plays an important role to increase the public trust towards capital markets by providing better information and trust for the financial statement reliability and accountability reported by the management. Thus, audits help to increase economic wellbeing (ICAEW, 2005).
The audit quality has always been key consideration of auditor (Chouhan, Sharma, Goswami and Ali, 2021).

Generally, the financial statements of the entity should be relevant, unbiased, and reliable (Yassin & Nelson, 2012). The relevancy, unbiasedness, and reliability of the financial statements are improved and secured by the process of auditing done by external auditors. The difference in trustworthiness is huge and significant between audited and non-audited financial statements (Mardijuwono & Subianto, 2018).

The development and enhancement of the global economy and business firms rely heavily on the auditing quality (Arebu, 2016). Auditing gives the financial information more credibility. Thus, more investors would be encouraged to invest in such firms. Therefore, more economic growth is expected (Sulanjaku & Shingjergji, 2015). The financial statements of the companies that have been audited have a higher level of trust by investors (Arebu, 2016).

According to Suwarno, Anggraini, and Puspawati (2020), auditing quality is the ability of developing skills by auditors to discover errors and misconducts in the targeted financial statements. The outputs of the auditor are reflected in companies' report presented to the users of financial statements. Audit quality has an impact on the audit reports that are issued by the auditor. As a result, audit quality becomes crucial in ensuring the reliability of the financial statement audits (Nugroho, 2018). The auditors have responsibility to all those who are interested in the financial statements, so the auditors should perform good quality work with honesty diligence and

responsibility. (Hasanah & Putri, 2018; Masanja, 2020).

The audits performed by auditors are deemed to be of a high quality if the auditors adhere to the applicable auditing requirements or standards. According to the International Auditing and Assurance Standards Board (IAASB, 2017), auditors are responsible for performing the audit in compliance with the International Standards on Auditing (ISA) in order to provide good audit quality.

The audited financial statements have a higher level of confidence among investors. The improved trustworthiness of these sets of financial statement users tends to encourage capital inflows. These inflows will have a significant impact on long term growth and development surrounding environment (Adeyemi & Fagbemi, 2010). Dang (2004) argued that audited financial statements serve as a controlling mechanism for providing credibility to the users of the financial information.

According to the IAASB (2017), the quality of the audit largely depends on, and is influenced by, the individuals who conduct the audit. The auditors should give a strict opinion on how the financial statements were prepared and how far this preparation was compliant with the financial reporting framework principles. They should also give their opinion on the applicability of these standards or principles on material respects. Auditors should decide whether financial statements are free of significant misstatement errors when they formulate their auditing opinion. They should also clarify that these errors are due to normal and unintentional error or due to fraud. Auditors should report their opinion in multiple phases of the auditing process. This would help to reach a good conclusion about the auditor holistic opinion about the audited financial statements. An audit report or audit opinion is a document issued by a certified or registered qualified public accountant or an external auditor because of their review of the fairness of the financial statements that are provided by the entity (Ardiyos, 2007).

Numerous studies have been conducted to address the audit quality from various perspectives. However, the literature points out that the majority of previous studies concerned with audit quality have been conducted in the developed world, but comparatively limited studies have been undertaken in the developing countries. Moreover, there are a few studies examined audit quality in least developed countries. Therefore, this study aims to fill the gap through investigating the audit quality in a least developed country. Precisely, this study aims to determine the level of audit quality Yemen as a least developed country.

The current study contributes to the literature by covering least developed countries, particularly, Yemen. Thus, this study contributes to audit quality literature as it provides insight into the audit practices of least developed countries, where there are limited published studies.

The rest of the paper is structured as follows, section 2 contains literature review. Section 3 explains the research methodology. Section 4 presents the data analysis results from empirical analyses. Section 5 covers the discussion and concluding remarks, implications of the study, while section 6 contains limitations of the study and suggestions for further research.

LITERATURE REVIEW

DeAngelo (1981) defines audit quality as "the market-assessed joint probability that a given auditor will both (a) discover a breach in the client's accounting system, and (b) report the breach."(p. 186). Palmrose (1988) defines audit quality as the assurance level provided by the auditor for financial tables not having incomplete or incorrect information. Becker, DeFond, Jiambalvo, and Subramanyam (1998) defined audit quality as auditor detecting suspicious and incorrect accounting application and expressing this situation in the audit reports. Audit Quality can be defined as: "… greater assurance that the financial statements faithfully reflect the firms underlying economics, conditioned on its financial reporting system and innate characteristics" (DeFond and Zhang 2014, p. 276). DeFond and Zhang (2014) emphasized that "the audit quality is a continuous variable that an auditor considers not only whether the client's accounting choices and reporting comply with generally accepted accounting principles (GAAP), but also how faithfully the financial statements reflect the firm's underlying economics".

The Government Accountability Office (GAO) defined audit quality as one performed "in accordance with the Generally Accepted Auditing Standards (GAAS) to provide reasonable assurance that the audited financial statements and related disclosures are: (1) presented in accordance with Generally Accepted Accounting Principles (GAAP); and (2) are not materially misstated whether due to errors or fraud" (GAO, 2003, p.13).

Seyyed, Mahdi, and Mohsen (2013) provided further explanation that "the audit quality could be a function of the auditor's ability to detect material misstatements and reporting the errors". Moreover, Coram and Woodliff (2003) stated that "the quality of audits can be seen from the level of compliance auditor in preforming various phases that should be performed in an audit", while Kuntari, Chariri, and Nurdhiana (2017) stated that "audits conducted by auditors are to be qualified if they comply with auditing standards and standards of quality control".

Another aspect of defining the audit quality concentrates on the accuracy and the correctness of the information reported by a public accountant or an external auditor. Titman and Trueman (1986) defined audit quality as "the level of accuracy of information that auditors provide to investors, and they suggested that high audit quality would improve the reliability of financial statement information and allows investors to make more precise estimate of the firm's value." In conclusion, the probability of having a more accurate financial statement is higher when we have a higher level

of quality audit. Thus, the accurate financial statement would represent accurately the financial position and the operational position of the audited company.

Audit quality is very crucial because the development and enhancement of the global economy and business firms rely heavily on the auditing quality (Arebu, 2016). Augustine, Enofe, Mgbame, Efayena, and Edegware (2014) stated that, the audit quality process is crucial for any auditing job. Audit quality is protected by audit contracts. These contracts can be explicit or implicit. Explicit contracts could result in official litigation if the auditor provides the company with any misleading results. While explicit contacts can result in financial compensation in case of creating problems to any third party. On the other hand, implicit contracts can only damage the relationship between auditors and their customers.

Audit quality is becoming more attractive, due to its considerable impacts on the reliability of the financial statements (Niakani, Inacio, and Mota, 2014). Thus, audit quality contributing to enhance the reliability of financial statements (Mushiirah, Keshav, & Neeveditah, 2018). Following the Enron and WorldCom scandals, stakeholders` and publics` trust and confidence had been thoroughly eroded (Jin, Kanagaretnam and Lobo, 2011). Geiger and Raghunandan (2002) argued that audit quality is sure to demonstrate that principles of good governance are truly functioning in the best interest of a country and its people.

Choi *et al.* (2010) argued that once a firm has built its reputation through consistently ensuring audits of the highest quality, it will stand to gain from enhanced credibility levels. Ensuring audit quality to the highest international standards can stimulate domestic as well as foreign direct investment flows (Mushiirah, Keshav, & Neeveditah, 2018).

The IAASB (2011) stated that "auditing is a discipline that relies on competent individuals using their experience and applying integrity, objectivity and skepticism to enable them to make appropriate judgments that are supported by the facts and circumstances of the engagement". This statement demonstrates that a high standard of audit quality is built on the base of higher level of auditors' independence and auditors' competence. Independence and competences of auditors are the main pillars of constructing qualified auditing reports. The IAASB (2011) also indicated that "a high level of audit quality is best supported and sustained if preparers, audit committees, auditors, standard setters, professional bodies, and regulators collectively work together towards achieving this common goal".

Currently, business entities are attributing greater and greater importance to audit quality assurance because of the various useful purposes that it serves, in terms of promoting and sustaining stakeholders' and public trust and confidence in financial statements, thus urging auditors or audit

firms to produce audit reports of the highest quality (Dang, 2004; Hosseinniakani, Inacio and Mota, 2014; and Hussein and Hanefah, 2013).

Knechel (2009) argued that "audit is a complicated concept which is difficult to be defined or even gets accuracy while measuring". Thus, the measuring quality of the audit is difficult and each study utilized a different measuring approach. Approaching process can be used for measuring the quality which is difficult (Manita & Elommal, 2010).

Audit quality is important for various stakeholders. Each stakeholder has its own concerns and expectations from the financial and operational performance of audited financial statements (AL-Qatamin and Salleh, 2020). For example, creditors make their lending decisions when they overview the audited financial statements of their client, shareholders' confidence is also reliant on audit quality, while, directors retain an agency relationship with their shareholders as directors are required to make informed business decisions that maximize the shareholders' wealth, which can be reflected through audit quality (AL-Qatamin and Salleh, 2020). Audit quality is also important for regulators, as different business and company laws are developed and implemented to protect the public interest when commercial activities and transactions are carried out (AL-Qatamin and Salleh, 2020).

However, the audit quality perception varies based on the perspectives of all shareholders in the financial reporting process. Different shareholder views lead to recommending different proxies in the audit quality (Knechel, Krishnan, Pevzner, Shefchik and Velury, 2012).

Reviewing pertinent prior literature revealed that; the majority of previous studies have concentrated on audit quality in developed countries, while, there is a lack of studies addressing the audit quality in the developing countries. Moreover, scant attention has given to the least developed countries. Thus, this study examines audit quality in Yemen as a least developed country.

RESEARCH METHODOLOGY

A quantitative method is appropriate when the focus of the research is on objective, measurable, and quantifiable concepts (Howell, 2009). "A quantitative research study aims to collect numerical data and generalize it over groups of individual or to describe a specific phenomenon" (Babbie, 2010). The objective is to generalize from specific sample to population on the attitude or behavior of the population (Creswell, 2009). The quantitative research approach relies upon numbers and statistics presented in figures to clarify a phenomenon (Neuman, 2003). Most of the quantitative management researchers use surveys or questionnaires as the procedure of data collection (Sekaran & Bougie, 2016). The questionnaire method is a method of gathering data by inviting the

respondents to participate by completing a list of statements in the survey (Hajering, Suun & Muslim, 2019).

This study aims to investigate the audit quality in a least developed country (Yemen). In order to achieve the objective of this study, the study adopted a quantitative research methodology and non-probability sampling design by applying the convenience sampling technique. According to Sekaran and Bougie (2016), the convenience sampling is defined as "a non-probability sampling design in which information or data for the research are gathered from members of the population who are conveniently accessible and available to the researcher".

Based on the study objective, the appropriate unit of analysis was the organization level, which covered the auditing firms in Yemen, where the auditing firms were the sample. According to the IAASB (2017), a firm is defined as "a sole practitioner, partnership, or corporation or other entity of professional accountants". According to the list of approved and licensed auditing firms issued by the Ministry of Industry and Trade for the year 2022, there are (365) auditing firms licensed in Yemen.

The researchers used the following Krejcie & Morgan (1970) sample size formula:

$$\boldsymbol{S} = X^2\, NP\,(1-P) \div d^2\,(N-1) + X^2\, P\,(1-P)$$

Where:

S = the required sample size.

$\boldsymbol{X^2}$ = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size (365).

P = the population proportion (assumed to be 0.50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (0.05).

According to the Krejcie & Morgan`s (1970) sample size formula, the required sample size for the current study is (187) auditing firms. The sample units were selected randomly. The initial sample was including (156) auditing firms located in Sana`a, while (31) auditing firms located in the others cities around the country. Because of the current situation of war in Yemen, it is so difficult to move travel to different governorates and cities. So that the (31) firms those located outside of Sana`a were excluded. Therefore, the final sample consists (156) auditing firms in Sana`a.

The study's time frame is the cross-sectional design, as the data is only collected just one time and is not repeated in a different time point (Sekaran & Bougie, 2016). To measure audit quality, a 12-items closed-ended questionnaire was adapted from Suyono (2015). A five-point Likert scale which consisted of five items ("strongly disagree" = "1"; "disagree" = "2"; "neutral" = "3"; "agree" = "4"; and "strongly agree" = "5") was applied. The questionnaire consists two parts, particularly;

Part 1: demographic information, which refers to the respondents' demographic information, including gender, age, education level, and experience, and Part 2: measurement of audit quality which consists 12 questions as shown in table 1 below.

Table 1
Audit Quality Measurement

No.	Items
1	Audit team on the level of supervisor or above in your auditing firm has adequate work experience in engaging a certain client.
2	Audit team on the level of supervisor or above in your auditing firm has adequate work experience and expertise in certain specific industry.
3	Your auditing firm is very responsive in client needs.
4	All the team members have technical competency in applying financial accounting standards and auditing standards.
5	In all aspects related to client, the audit team member never does activities which undermine his or her independence, either in fact or in appearance.
6	All members of the audit team always complete their audit duties with a due professional care.
7	Your auditing firm has a high commitment with audit quality.
8	All partners/managers in your auditing firm are actively involved in the audit engagement.
9	All members of the audit team complete the audit report carefully.
10	All members of the audit team interact effectively with the audit committee during all the audit processes.
11	All members of the audit team have high ethical standards.
12	All members of the audit team implement professional skepticism during all the audit processes.

Source: (Suyono, 2015).

The respondents of the current study are the auditors in the auditing firms in Yemen, specifically, in Sana`a, the capital of Yemen. The questionnaire was distributed to the targeted sample by hand, by email, by Google forms, and by WhatsApp. As a quantitative research approach, the accumulated data was analyzed by utilizing the IBM Statistical Package for the Social Sciences (IBM SPSS) statistics software, version 26, and then the results were presented as numbers, statistics, tables and figures.

The research instruments' validity and reliability were also measured. Validity is the ability of an instrument to accurately measure what it was supposed to measure (Field, 2009). The objective of validity testing is to determine how well an instrument measures precisely and correctly (Suyono, 2015). According to Sekaran and Bougie (2016), the ability of a scale to measure the specified

item is determined by its validity. The most common types of validity tests that are used to measure the quality of the measurements are the content validity and the construct validity. The current study used the content validity, which indicates the conformity between the instrument's items and the concept (Sekaran & Bougie, 2016). The content validity is examined by the experts' judgment in both academic and business fields. Thus, to confirm the content validity of the questionnaire as an instrument to gather the data, before the formal distribution process, the questionnaire was given to two auditors from two auditing firms, and two academic accounting professors to teste, prove its validity, and provide their thoughts about the questions. Their suggestions and comments were used to improve and develop the quality of the questionnaire.

Reliability of the data was also tested. Reliability is the consistency of scores on an instrument, and it is the ability of an instrument to measure the same way every time it is used (Creswell, 2002). Reliability test measures the internal consistency of the instrument, to which the respondents can give the same answer to the same question each time (Sekaran & Bougie, 2016). According to Sona (2014), the degree to which a measurement is free from errors to give consistent results is referred to as reliability. The goal of reliability testing is to test and check if the data is consistent or not (Suyono, 2015). For testing the reliability of the questionnaire instrument of the current study, the most popular internal consistency reliability test was used, which is the Cronbach's Alpha coefficient.

According to Gliem and Gliem (2003), "the normal range of Cronbach's Alpha coefficient (α) is between (0.0) and (+1.0), with higher values reflecting a greater degree of internal consistency, also known as reliability". They stated that "the closer Cronbach's Alpha coefficient (α) is to (1.0), the greater the internal consistency of the items in the scale." George and Mallery (2003) came up with the following rules of thumb: "$\alpha > 0.9$ (Excellent), $\alpha > 0.8$ (Good), $\alpha > 0.7$ (Acceptable), $\alpha > 0.6$ (Questionable), $\alpha > 0.5$ (Poor), and $\alpha < 0.5$ (Unacceptable)" (p. 231). For Nunnally (1978), the Cronbach's Alpha coefficient greater than (0.7) is an indicator for the sufficient scale reliability. The levels of the Cronbach Alpha that are considered acceptable is (0.7) and above (Burns & Burns, 2009).

DATA ANALYSIS AND FINDINGS

The data collected were analyzed by utilizing the IBM Statistical Package for Social Sciences (IBM SPSS) statistics software, version 26. To examine the extent of audit quality in Yemen, the gathered data for the current study was analyzed applying various statistical techniques. Thus, a process of cleaning and screening of data was completed, goodness of data was examined by testing validity and reliability of the data, then frequency analysis and descriptive statistics including mean and standard deviation were applied.

The data screening was conducted showing that there are no errors in the data entry, and there are no extreme minimum or maximum values that exceed the range. As for the mean, it is also within

the specified range. In the current research study, the data screening procedures which have been conducted are the missing value analysis, duplicate cases analysis, and normality test.

The missing value analysis was conducted, and the results show that all the (156) cases are valid, and there is no missing data (see table 2).

Table 2
Missing Value Analysis

Subject	N	Mean	Std. Deviation	Missing	
				Count	Percent
Gender	156			0	.0
Age	156			0	.0
Educational level	156			0	.0
Experience	156			0	.0
AQ - Q1	156	4.20	.616	0	.0
AQ - Q2	156	4.18	.647	0	.0
AQ - Q3	156	4.29	.590	0	.0
AQ - Q4	156	4.22	.665	0	.0
AQ - Q5	156	4.40	.650	0	.0
AQ - Q6	156	4.37	.559	0	.0
AQ - Q7	156	4.46	.594	0	.0
AQ - Q8	156	4.22	.628	0	.0
AQ - Q9	156	4.29	.568	0	.0
AQ - Q10	156	4.26	.589	0	.0
AQ - Q11	156	4.37	.602	0	.0
AQ - Q12	156	4.25	.597	0	.0

The duplicate cases analysis was conducted, and the results show that there are (156) valid primary cases, and there is no duplication (see table 3).

Table 3
Duplicate Cases Analysis

Subject	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Valid Primary Cases	156	100.0	100.0	100.0

To ascertain that the data followed normal distribution Skewness values were extracted. For data to be normally distributed, the values of Skewness test should be within (+1) and (-1) (Garson,

2009). Table 4 shows that Skewness statistic is (.009), indicating that the required criteria is met, and the data is normally distributed.

Table 4
Normality Test

Variable	Skewness	
	Statistic	Std. Error
Audit Quality (AQ)	.009	.194

Thus, according to the results of the missing data analysis, duplicate cases analysis, and normality test, the data appears to be clean and suitable for the main analysis.

The content validity is examined by the experts' judgment in both academic and business fields. Before the formal distribution process, the questionnaire was examined using experts` judgement. The expert's evaluation proves the validity of the questionnaire.

For testing the reliability of the questionnaire, the most popular internal consistency reliability test using Cronbach's Alpha coefficient (α) was applied. According to Gliem and Gliem (2003), "the normal range of Cronbach's Alpha coefficient (α) is between (0.0) and (+1.0), with higher values reflecting a greater degree of internal consistency, also known as reliability." Gliem and Gliem (2003) stated that "the closer Cronbach's Alpha coefficient (α) is to (1.0), the greater the internal consistency of the items in the scale." George and Mallery (2003) came up with the following rules of thumb: "α > 0.9 (Excellent), α > 0.8 (Good), α > 0.7 (Acceptable), α > 0.6 (Questionable), α > 0.5 (Poor), and α < 0.5 (Unacceptable)" (p. 231). For Nunnally (1978), the Cronbach's Alpha coefficient greater than (0.7) is an indicator for sufficient scale reliability. The levels of the Cronbach Alpha that are considered acceptable is (0.7) and above (Burns R. B. & Burns R. A., 2009).

Table 5 shows the results obtained from performing the reliability analysis by utilizing IBM SPSS statistics software, version 26. In general, an Alpha coefficient (α) > (0.70) is considered highly reliable. Table 5 shows that, the Cronbach's Alpha (α) is (0.928), indicating the high reliability of the questionnaire instrument.

Table 5
Reliability Test

Variable	No. of Items	Cronbach's Alpha Coefficient
(DV) Audit Quality	12	0.928

The results show that Cronbach`s coefficient alpha for the scale used in this study is 0.928, indicating ta high level of internal consistency for the current study's scale (Hair *et al.,* 2007; Sekaran, 2003). This high level of internal consistency also indicates the content validity of the questionnaire instrument. As it is argued that as internal consistency reliability is an indirect way to test a content validity of an instrument (Sekaran 2003).

Frequency analysis was utilized to analyze the demographic information of the respondents (gender, age, education level, and experience).
Table 6 shows that most of the respondents of the sample are male with (95.5 %) while the female respondents are only (4.5 %). (149) respondents out of (156) respondents are male. On the other hand, only (7) respondents out of (156) respondents are female.

Table 6
Frequency Analysis of Gender

Gender	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Male	149	95.5	95.5	95.5
Female	7	4.5	4.5	100.0
Total	156	100.0	100.0	

Table 7 reflects the age frequency. The frequency distribution of this demographic variable shows that (13.5 %) of the respondents are aged less than 30 years; (33.3 %) of the respondents are aged 30 to 40 years; (39.7 %) of the respondents are aged 41 to 50 years; and (13.5 %) of the respondents are aged more than 50 years. The respondents are out of (156).

Table 7
Frequency Analysis of Age

Age	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Less than 30 years	21	13.5	13.5	13.5
30-40 years	52	33.3	33.3	46.8
41-50 years	62	39.7	39.7	86.5
More than 50 years	21	13.5	13.5	100.0
Total	156	100.0	100.0	

The educational level of the respondents is shown in Table 8 The frequency distribution of this demographic variable shows that (6 %) of the respondents have diploma degree; (44.2 %) of the respondents have bachelor's degree; (44.9 %) of the respondents have master's degree; and (10.3 %) of the respondents have PhD degree. The respondents are out of (156).

Table 8
Frequency Analysis of Educational Level

Educational Level	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Diploma	1	.6	.6	.6
Bachelor	69	44.2	44.2	44.9
Master	70	44.9	44.9	89.7
PhD	16	10.3	10.3	100.0
Total	156	100.0	100.0	

The experience of the respondents is shown in Table 9 The frequency distribution of this demographic variable shows that (9 %) of the respondents have less than (3) years of experience; (10.3 %) of the respondents have between (3) and (5) years of experience; (17.9 %) of the respondents have between (6) and (10) years of experience; and (62.8 %) of the respondents have more than (10) years of experience. The respondents are out of (156).

Table 9
Frequency Analysis of Experience

Experience	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Less than 3 years	14	9.0	9.0	9.0
3-5 years	16	10.3	10.3	19.2
6-10 years	28	17.9	17.9	37.2
More than 10 years	98	62.8	62.8	100.0
Total	156	100.0	100.0	

Finally descriptive statistics analysis was conducted. The descriptive statistics analysis of the variables can provide the researcher an elaborated overview about how the participants have responded to the questions in the questionnaire (Sekaran & Bougie, 2016). The descriptive statistics analysis comprises the mean and the standard deviation for the three independent variables and the dependent variable, which are described in the following sub-sections. Table 10 shows how the researchers calculated the verbal evaluation for the IBM SPSS statistics software, version 26 results of the descriptive statistics analysis.

Table 10
Verbal Evaluation

Verbal Evaluation	
Items Average Score	**Value of Verbal Evaluation**
From 1:00 to less than 1.79	Strongly Disagree
From 1.80 to less than 2.59	Disagree
From 2.60 to less than 3.39	Natural
From 3.40 to less than 4.19	Agree
From 4.20 to 5:00	Strongly Agree

Source: (Alonazi, Beloff, & White, 2020).

The 5-point Likert scale is used to evaluate all the audit quality. Table 11 shows a summary of the descriptive statistics analysis, which indicates that twelve items used to measure the audit quality (AQ) factor have a mean of 4.29 (Strongly Agree).

Table 11 shows that item No. (7) is ranked the first with a mean of 4.46 (Strongly Agree), and a standard deviation of (0.594). Item No. (5) is ranked the second with a mean of (4.40) (Strongly Agree), and a standard deviation of (0.650). In addition, item No. (2) is ranked the last with a mean of 4.18 (Agree), and a standard deviation of (0.647). According to the results, the overall mean of the audit quality items is (4.29), and the standard deviation is (0.455), which shows that the audit quality has a 'Strongly Agree' verbal appreciation.

Table 11
Descriptive Statistics of Audit Quality

No.	Items	N	Mean	Std. Deviation	Verbal Appreciation
1	Audit team on the level of supervisor or above in your auditing firm has adequate work experience in engaging a certain client.	156	4.20	.616	Strongly Agree
2	Audit team on the level of supervisor or above in your auditing firm has adequate work experience and expertise in certain specific industry.	156	4.18	.647	Agree
3	Your auditing firm is very responsive to client needs.	156	4.29	.590	Strongly Agree

4	All the team members have technical competency in applying the financial accounting standards and auditing standards.	156	4.22	.665	Strongly Agree
5	In all aspect related to client, the member of audit team never does activities which undermine his/her independence, either in fact or in appearance.	156	4.40	.650	Strongly Agree
6	All members of the audit team always complete their audit duties with a due professional care.	156	4.37	.559	Strongly Agree
7	Your auditing firm has a high commitment with the audit quality.	156	4.46	.594	Strongly Agree
8	All partners/managers in your auditing firm are actively involved in audit engagement.	156	4.22	.628	Strongly Agree
9	All members of the audit team complete the audit report carefully.	156	4.29	.568	Strongly Agree
10	All members of the audit team interact effectively with the audit committee during all the audit processes.	156	4.26	.589	Strongly Agree
11	All members of the audit team have high ethical standards.	156	4.37	.602	Strongly Agree
12	All members of the audit team implement professional skepticism during all the audit processes.	156	4.25	.597	Strongly Agree
	Audit Quality		**4.29**	**.455**	**Strongly Agree**

According to the results, the overall mean of the audit quality items is (4.29), and the standard deviation is (0.455), which indicate that the audit quality is high.

CONCLUSION

The aim of the current study is to examine the audit quality in Yemen. To achieve the objective of this study, quantitative research method was employed. The study was based on the survey method that applied a structured questionnaire for collecting the data from the targeted respondents. The study targeted the auditing firms in Yemen (365 firms) as the population, and the initial sample size, according to Krejcie & Morgan`s (1970) sample size formula, was (187) firms. Because of the current situation of war in Yemen, and difficulty to move travel to different governorates and cities, a thirty-one (31) firms those located outside of Sana`a were excluded. Therefore, the final sample consists (156) auditing firms in Sana`a.

To measure the audit quality, a 12-items questionnaire was adapted from Suyono (2015), and five-point Likert scale was applied. A survey questionnaire of (156) copies were distributed, and the collected data was analyzed using IBM SPSS statistics software, version 26.

To determine the level of audit quality of the auditing firms covered in this study, descriptive analysis was used. The results of the analysis revealed that, the overall mean of the audit quality items is (4.29), and the standard deviation is (0.455), which indicate that the audit quality is high. The study has implications in enhancing the understanding the audit quality in auditing firms in Yemen and developing countries.

Limitation and Future Research

There are some limitations of the current study that should be noted. The scope of the study was limited to investigating the audit quality in auditing firms in Yemen. Hence, there is a need for future researchers to expand the scope of the current study, i.e. to be conducted in other least developed countries to compare the findings. Additionally, this study was based on a quantitative method that applied a survey questionnaire for collecting the data. So, future research could apply a qualitative method. As well as, the current study adopted the cross-sectional design. Hence, the use of longitudinal approach is recommended as well. Moreover, the study has investigated the audit quality from the perspectives of auditors. Further study can include the perception of different users of financial statements such as shareholders, potentials investors, creditors, suppliers amongst others to have a better evaluation of audit quality in Yemen.

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