

The effect of academic education on employers' satisfaction and audit quality in Iran

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Abstract

Purpose – *The purpose of this paper is to examine the effect of academic education of auditors on the satisfaction of employees and the quality of audit reports.*

Design/methodology/approach – *In order to collecting data a questionnaire designed and developed among the auditors, managers, and professors in Iran during November 20, 2014.*

Findings – *The results of the study reveal that the inability to fully understand the audit report is one of the major problems of customers. For the audit firm, issues such as observation of accounting standards in financial statements, preparation of sufficient documents for the auditor, strong internal control, and understanding the limitations and problems of auditors were considered important.*

Originality/value – *To the best of the authors' knowledge the current paper is the first study which deals with the topic of the study in developing countries, especially Iran.*

Keywords *Academic education, Employer*

Paper type *Research paper*

1. Introduction

The increasing expansion and complexity of businesses, technological advancements, and the increasing share of small shareholders and conflict of interests are important factors that highlight the importance of audit quality. Many studies have been carried out to discover the driving factors of audit quality, and the research on audit quality has faced many problems due to the intangible nature of the concept (Hassas Yeganeh and Jafari, 2007).

Quality in the context of financial reporting and auditing is a multifaceted concept. Quality can refer to the content of the information provided by the employer and the manner in which they are presented (providing information so that the user will have sufficient understanding of the performance of the business), and it can also refer to the experience, knowledge, and expertise of the auditor.

The quality of financial reporting can play a significant role in reducing uncertainty. This is, in effect, the most important function of the accounting system and its output, i.e. financial reporting. Audit quality refers to the accuracy of the audit information provided to investors. According to Palmrose (1988), audit quality is the probability that financial statements prepared by management contain no material misstatements. Davidson and Neu (1993) regard audit quality as the ability of auditors to identify and bring to light material misstatements and manipulations in reported net income. Lam and Chang (1994), however, believe that audit service quality differs in different audit projects.