
How Far Has Audit Quality been Researched?

Muhamad Taqi*

Universitas Sultan Ageng Tirtayasa Indonesia

The audit has a significant function as an instrument of external corporate governance, and audit quality. Affect audit governance. The overall objective of the audit is to obtain reasonable assurance that the financial statements do not contain substantial misstatements due to fraud or error, to issue an audit report following auditing standards. This study aims to determine the development map of audit quality research that is indexed by Scopus and other reputable journals with the keyword "Audit Quality". The data analyzed were 893 selected publications. The development map of audit quality research was analyzed using the VOSviewer application program to find out the bibliometric map. The results showed that the number of publications on the development of audit quality research indexed Scopus from the last 5 years since 2017-2021 experienced a significant increase and the words most used by the author are audit quality, human, dan clinical audit.

Keywords: Audit Quality; Bibliometric; Scopus

OPEN ACCESS

ISSN 2775-4251 (Online)

*Correspondence:
Muhammad Taqi
muhammad.taqi@untirta.ac.id

Received: 2 October 2020
Accepted: 29 October 2020
Published: 31 December 2020

Citation:
(2020) How Far Has Audit Quality
been Researched?
Journal of Islamic Economic
Literature. 1.1.

INTRODUCTION

Corporate financial statements play an important role in supporting a country's sustainable economic growth. According to [Xiao et al., \(2020\)](#), the role of financial reports in supporting the growth of a country is to provide the information needed by various stakeholders in making decisions. Given the important role of financial statements, a quality audit is necessary to protect the public interest ([Knechel, 2016](#)).

Assessment as a practical activity can never be separated from the influence of several external and internal factors for the organization itself in the public sector ([Daryaei et al., 2020](#)). The uncertain conditions in which the entire evaluation process is developed are a prerequisite for changes to the assessment method, the assessment criteria, and the basis of the assessment. In control practice, a change in the assessment process is a prerequisite for changing the relationship between internal and external audits ([Cahan & Sun, 2015](#)). The responsibility for the interaction between internal and external auditors is the Head of Internal Audit, but also the Audit Committee and management of public sector organizations.

An audit has a significant function as an external corporate governance instrument, and audit quality reflects the effects of audit governance ([Francis, 2004](#)). The overall objectives of the audit are to obtain reasonable assurance that the financial statements do not contain substantial misstatements due to fraud or error, to issue audit reports following auditing standards, and to communicate with client management ([Ernstberger et al., 2020](#)). To achieve this goal, the primary audit work in modern risk-oriented auditing models requires auditors to identify, analyze, and respond to risks of material misstatement. Audit quality is defined as the combined probability that a major misstatement will be discovered and reported by the auditor, following the audit objectives ([DeAngelo, 1981](#)).

Detecting, correcting, and reporting material misstatements, as well as achieving audit quality, are the steps in the process of realizing audit quality. The focus of audit research is always on how to achieve audit objectives and improve audit quality. It should be noted that audit quality has become more attractive among other related audit themes as a result of its significant impact on the reliability of financial statements. Furthermore, better audit quality can be seen as a result of increased user confidence in financial statements. Thus, this study aims to identify and map research related to the development of audit quality research trends published by leading journals. The analyzed data consisted of 893 research publications from 2017 to 2021. This data will be processed and analyzed using the VOSviewer application to find out the bibliometric map of related research development.

LITERATURE REVIEW

Audit quality is defined as the probability that major misstatements will be discovered and reported by the auditor ([DeAngelo, 1981](#)), and is largely influenced by the independence and expertise of the auditor ([Serena & Karimulloh, 2021](#)). Previous audit quality research has mostly concentrated on audit output as measured by audit opinion or accounting quality ([Cahan & Sun, 2015](#); [Kowaleski et al., 2018](#); [Rajgopal et al., 2021](#)). However, we still know very little about the audit process, especially how it affects audit quality. This study analyzes the mechanism for realizing audit quality from the perspective of the audit process and audit output, adding to the growing literature on the determinants of audit quality.

Accepting business trust, organizing audit work, finding, analyzing, and responding to risks of material misstatement, and preparing audit reports are all part of the audit process ([Skinner & Srinivasan, 2012](#)). The overall audit objectives are to obtain reasonable assurance about whether the financial statements are not materially misstated due to fraud or error, to issue audit reports following auditing standards, and to communicate with client management ([Tepalagul & Lin, 2015](#)). To achieve this goal, the primary audit work in modern risk-oriented auditing models requires auditors to identify, evaluate, and respond to substantial risks of misstatement. The auditor collects audit evidence by applying the audit process to find material misstatements in the financial statements in auditing practice.

Auditing is a service delivery ([Daryaei et al., 2020](#)). From that work, what happens is the delivery of non-physical or intangible goods and only audit reports and audit fees have a form. The audit report is also used as evidence of the skill, effort, and time dedicated to producing the report and justifying the fee. The audit report cannot describe whether the audit activities have been carried out properly or not. Therefore, report users need someone who has professional skills to rely on, who has credibility because of their competence. If this cannot be met, the auditor will not be able to meet what is expected by users of the auditor's report ([Ghosh & Moon, 2005](#)).

When auditors find substantial misstatements, they talk to client management to correct the errors (audit adjustments) or they issue a modified audit opinion to reflect unadjusted material misstatements ([Lennox et al., 2014](#)). Detecting, correcting, and reporting material misstatements, as well as achieving audit quality, can be characterized as the process of realizing audit quality. Audit adjustments, audit opinions, and quality of audited financial statements can be made following the conceptual level audit stages above if they are converted into certain audit variables ([Behn et al., 2008](#)). Auditors should strive to complete a successful audit during the audit quality realization phase. Consequently, audit effort is an important

determinant of audit quality. As a result, there are three elements of the impact of audit efforts on audit quality: audit adjustment, audit opinion, and quality of audited financial statements.

RESEARCH METHOD

This study uses other research journals starting from 2017-2021 related to Audit Quality. These journals are obtained or accessed online from published journals. The methodology used in this research is a qualitative method approach with descriptive statistics of the literature study of 893 publications related to Audit Quality. The qualitative research method is a research method based on the philosophy of postpositivism which is used to examine the condition of natural objects, (as opposed to experimentation) where the researcher is the key instrument. The data collection technique is done by triangulation (combined), the data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalization (Sugiyono: 2008).

Then, this research was continued with bibliometric analysis. Bibliometric studies in information science are studies that can reveal patterns of document use, development of literature, or sources of information in a subject area. Bibliometrics includes two types of studies, namely descriptive studies, and evaluative studies. Descriptive studies analyze the productivity of articles, books, and other formats by looking at authorship patterns such as the gender of the author, the type of work of the author, the level of collaboration, the productivity of the author, the institution where the author works, and the subject of

the article. Evaluative studies analyze the use of literature made by counting references or citations in research articles, books, or other formats (Pattah, 2013).

Qualitative research is descriptive. The data analyzed is not to accept or reject the hypothesis (if any). The results of the analysis are in the form of a description of the observed symptoms and do not have to be in the form of numbers or coefficients between variables (Subana and Sudrajat: 2005). According to Wijaya (2013), descriptive statistics is a field of statistical science that studies the methods of collecting, compiling, and presenting a summary of research data. The data must be summarized properly and regularly, either in the form of tables, diagrams, or graphic presentations, as a basis for various decision-making (Wijaya: 2013). This research was processed using Ms. Excel.

This study uses a purposive non-probability sampling method. A purposive sample is a sample that has the aim of understanding certain information. This sample can be grouped into a decision sample (judgment) which selects sample members according to certain criteria based on records or research objectives to be achieved, and a quota sample, which is a sample selected based on a certain quota or category, which describes the dimensions of the sample. dimensions (proportions) of the population (Wijaya: 2013). The criteria referred to in this study are 893 publications related to the theme of Audit Quality in the 2017-2020 period.

For the stages in this bibliometric research, the following is a detailed description of the process and a description of each stage.

Table 1: Stages of research with bibliometric analysis

No	Stages	Stages
1	Selection of the object of analysis and scientific basis	(a) Determine the scientific and theoretical fields of the work (b) Limit work goals (c) Select the scientific basis on which the research of the article will be carried out
2	Search procedure	(a) Define search terms (b) Specify the engine for advanced search (c) Define search filter
3	Collecting and compiling data	(a) Choose a reference manager software (b) Define bibliometric analysis software (c) Download references from reference managers, bibliometric and electronic spreadsheet formats (d) Import files to reference manager software
4	Contextual analysis of scientific outputs to samples	(a) Analysis of the temporal volume of the selected journal (b) Analysis of selected articles citations (c) Analysis of the country of origin of the selected articles (d) Keyword analysis of the selected articles (e) Analysis of the scientific field of the selected articles
5		(f) Detailed (complete) keyword analysis

Citation network analysis performed by sample (g) Future direction research analysis (h) Classification of methodology & nature of articles

Source: Adjusted from Costa et al. (2017)

Then this journal was analyzed using VOSViewer software. VOSviewer is a program we developed for building and viewing bibliometric maps. This program is freely available to the bibliometric research community (see www.vosviewer.com). VOSviewer can display maps in a variety of ways, each emphasizing a different aspect of the map. It has functions for zooming, scrolling, and searching, which facilitates detailed examination of the map. The display capability by VOSviewer is especially useful for maps containing at least a large number of items (i.e., at least 100 items).

To build the map, VOSviewer uses the VOS mapping technique (Van Eck and Waltman 2007a), where VOS stands for similarity visualization. For previous studies where the VOS mapping technique was used, we refer to Van Eck and Waltman (2007b) and Van Eck et al. (in press). VOSviewer can display maps constructed using appropriate mapping techniques.

RESULTS AND DISCUSSION

Bibliometric Graphic Analysis

Bibliometrics is based on the calculation and statistical analysis of scientific output in the form of articles, publications, citations, patents, and other more complex indicators. It is an important tool in evaluating research, laboratory, and scientist activities, as well as scientific specialization and country performance. The report, after establishing the background for bibliometric development, presents the database from which the bibliometric was created, as well as the main indicators used.

To explore the results of the meta-analysis, this section will present a visual mapping chart of 893 journal publications with the theme of Audit Quality. The results of the keyword mapping analysis become the basis for mapping together important or unique terms contained in certain articles. Mapping is a process that enables one to recognize elements of knowledge and their configuration, dynamics, interdependencies, and interactions.

Related to bibliometrics, science mapping is a method of visualizing the field of science. This visualization is done by making a landscape map that can display topics from science (Royani, et al., 2013). The results of network visualization from 893-word map journals with the theme of Audit Quality are:

1. Bibliometric of Co-Authorship

In using the VOSViewer software, we found a bibliometric mapping of the author as shown in the following figure.

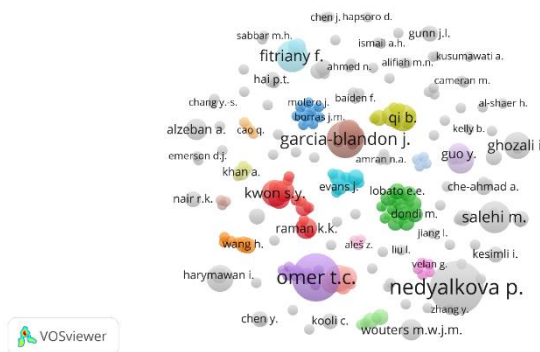


Figure 1: Co-authorship Authors

In general, each researcher has a different tendency. Some articles are indexed as a single author, others are co-authored with other researchers so that several clusters appear which are indicated with different densities. The name of the author whose circle is bigger indicates that they have done more research on Audit Quality.

Based on the picture above, the authors who do a lot of research on the theme of Audit Quality are Nedyalkova P., Omer T.C., Garcia-Blandon J.

2. Bibliometric of Co-authorship Organizations

The VOSViewer software can find a bibliometric mapping of the authors' organizations on the theme of Audit Quality related to Islamic economics and finance. The bibliometric mapping of the origin of the organization can be seen in the image below. Organizations that have larger shapes and darker colors indicate that many authors come from these organizations and produce journals on themes related to Audit Quality.

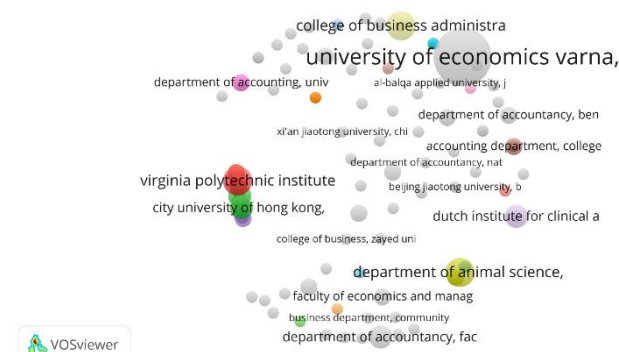


Figure 2: Co-authorship Organizations

The picture above shows the cooperation that exists between organizations in publishing journals with the theme of Audit Quality that are not related to each other. The Department of Animal Science, Oklahoma State University, and the Department of Animal Science are the organizations that publish the most journals on

the theme of Audit Quality, indicated by the largest circle and solid color.

3. Bibliometric of Co-authorship Countries

Furthermore, the visualization of the journal publisher mapping is illustrated in the bibliometric image of the journal source below. Based on the picture, it can be seen that several country clusters have emerged, most of which have published articles with the theme of Audit Quality.

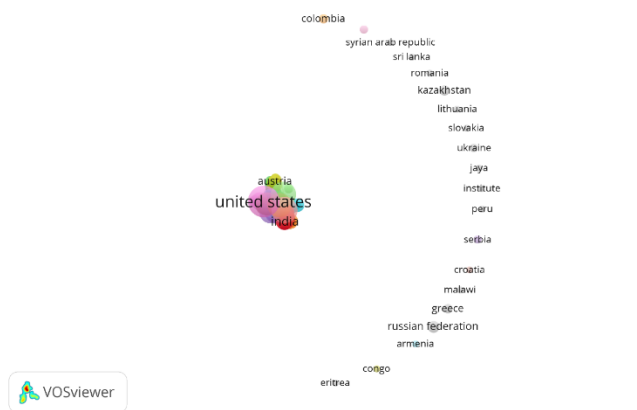


Figure 3: Co-authorship Country

Based on the picture above, the larger the circle of the publishing country, the more papers that country will publish. Based on the results obtained, the United States is the country that publishes the most papers on Audit Quality compared to other countries.

Co-occurrence Analysis

Next, bibliometric results will be displayed based on the sub-themes, namely all keywords, author keywords, and index keywords.

1. Bibliometric of Co-occurrence All Keywords

VOSviewer can also find a bibliometric mapping of the most used keywords in Islamic themes & sustainable development related to the Islamic economy. The bibliometric mapping of the keywords used can be seen in the image below. Keywords that have a larger form indicate that the word is used more in Islamic journals & sustainable development.

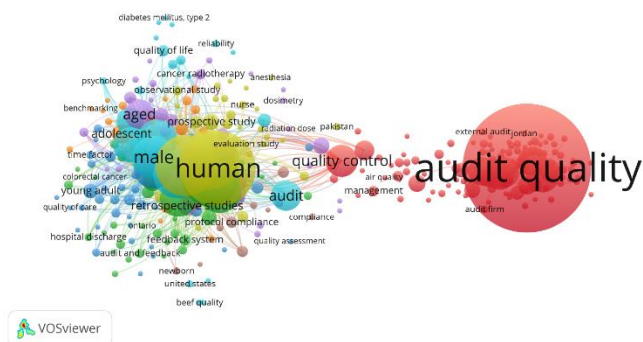


Figure 4: Co-occurrence All Keywords

This data can be used to find out the trend of keywords in recent years. The bibliometric analysis shows several keywords that are widely used in the research paper. The more keywords that appear, the wider the indication circle. Meanwhile, the line relationship between keywords shows how much they are related to other keywords.

Based on the results of the analysis using VOSviewer on keywords themed Islam & sustainable development, there are 8 clusters related to other keywords. Keywords that have the same color indicate a relationship that Audit Quality is Audit Quality.

2. Co-occurrence Authors Key Word

VOSviewer can also find a bibliometric mapping of the most used keywords by authors on Islamic themes & sustainable development related to Islamic economics. The bibliometric mapping of the keywords used can be seen in the image below. Keywords that have a larger form indicate that the author uses the word more in journals related to Audit Quality.

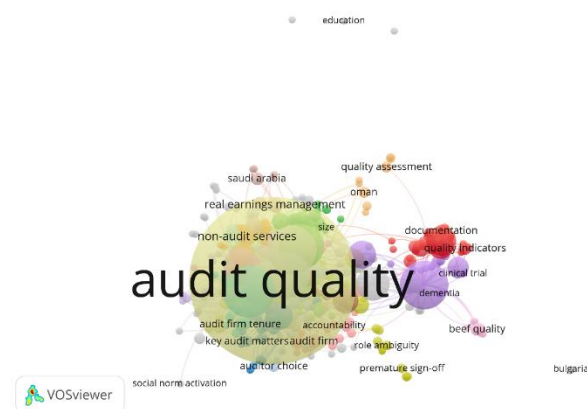


Figure 5: Co-occurrence Authors Key Word

Based on the results of the analysis using VOSviewer on keywords that are widely used by authors in the journal with the theme of Audit Quality, there are many clusters and are interrelated with other keywords. Keywords that have the same color indicate a very close relationship. The most widely used keyword by the author is audit quality.

3. Co-occurrence Index

This study also obtained results in the form of an index that is often used by the author and is interrelated in the theme of Audit Quality related to Islamic economics, as shown in the image below. Indices that have the same color show a very close relationship.

Based on the results obtained, the brighter the color, the newer the index used. The most widely used indexes in the Audit Quality theme are audit quality, human, and clinical audit.

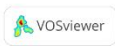
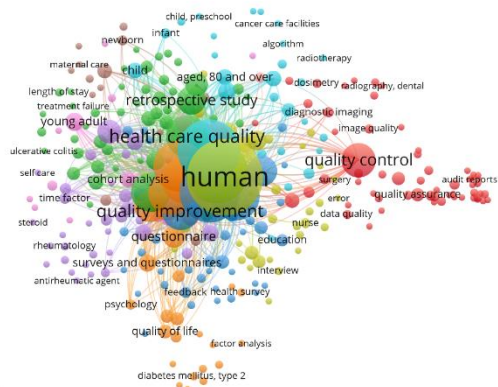


Figure 6: Co-occurrence Index

FINDINGS

Rank	Keyword by Occurrence	Authors with The Highest Publication	An institution with The Highest Publication
1.	Audit Quality	Nedyalkova P.	Department of Animal Science, Oklahoma State University
2.	Human	Omer T.C.	Agricultural Marketing Service-Usda, 1400 Independence Avenue.
3.	Clinical Audit	Garcia-Blandon J.	Animal & Dairy Science, University of Georgia, Athens, US.
4.	Article	Salehi M.	Beef Carcass Research Center – Department of Agricultural Sciences, West Texas
5.	Humans	Fitriany F.	Department of Animal Science, Texas A and M Agrilife Research, Texas A and M Universities
6.	Female	Myers I.A.	Department of Animal Science, Texas A and M Agrilife Research, Texas A and M Universities
7.	Total Quality Management	QI B.	Department of Animal Science, University of Nebraska at Lincoln
8.	Male	Mo P.I.I.	Department of Animal Science, Colorado State University
9.	Adult	Kwon S.Y.	Department of Animal Science, North Dakota State University, Frago
10.	Health Care Quality	Ghozali I.	Department of Animal Science, University of Florida, Gainesville

Rapid changes in various industries, as well as large-scale problems worldwide posed by economic globalization and information dissemination, characterize the current corporate climate (Stoel et al., 2012). Financial reporting has become necessary as a result of the recent separation of ownership, management, and control in commercial organizations. One of the key roles of corporate management is financial reporting, which allows them to take responsibility for their stewardship (Skinner & Srinivasan, 2012). As a result, the auditor's task is to plan and conduct the audit to obtain reasonable assurance that the financial statements are free from substantial

misstatement and to provide an opinion on the fair presentation of the financial statements (Xiao et al., 2020).

Several factors can affect audit quality, which is classified into two categories: auditor specifications and features of the audit process. As a result, such circumstances may have a direct impact on “audit opinions”, which are issued to demonstrate reasonable assurance about the reliability of the financial statements, increasing market confidence. The ability of the auditor to detect and identify material misstatements is characterized as audit quality (DeAngelo, 1981). Consequently, it includes the necessary professional

skills and behavior during the audit process, as well as the independence and objectivity of the auditor to ensure that the final result (audit report) reflects an appropriate opinion.

An auditor who has adequate education, expertise, training, and experience will be able to plan an audit program, verify evidence, and prepare reports independently (Tepalagul & Lin, 2015). That is, the auditor will only be independent if he has adequate expertise in doing his job and giving his opinion. On the other hand, an incompetent auditor is difficult to become independent because he does not have the main requirement to be independent, namely competence.

Carey & Simnett (2006) propose a theory of social contract ethics, where humans can be said to fulfill a contract with the public if they make moral decisions or choose good, positive, fair, and so on. If his work is valued and appreciated by the community, the auditor must adhere to ethics as a professional worker. The extent to which the auditor follows the truth, is honest, behaves well, maintains integrity, independence, works attentively, and is always aware of the relevance of professional values in every process of carrying out his functions is a measure of the auditor's ethical performance (Serena & Karimulloh, 2021).

This study adds to the audit literature and measures of audit quality. The findings of this study are expected to be useful for the development of the Public Accountant (PA) profession and improving the quality of audit services. Finally, the quality of audit services is predicted to improve transparency and quality of financial reporting, boost capital market efficiency, and boost global economic growth.

CONCLUSION

This research was conducted to find out the development map of research with the theme of Audit Quality during the 2017-2021 period from 893 published journal sources. The results show that papers published on this theme have been widely published in recent years. Visualization of bibliometric mapping found that the authors who conducted the most research were Nedyalkova P., Omer T.C., Garcia-Blandon J. The organizations that publish the most papers on the theme of the Department of Animal Science, Oklahoma State University, and the Department of Animal Science. Meanwhile, the country that publishes the most audit quality papers is the United States.

Our research also contributes to a better understanding of financial reporting. One of the key roles of corporate management is financial reporting, which allows them to take responsibility for their stewardship. Consequently, the auditor's task is to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from substantial misstatement and to provide an opinion on the fair presentation of the financial statements.

Furthermore, for academics and future researchers, bibliometric studies on Audit Quality should be reviewed using other, more updated databases. Further studies on this topic should focus on deeper investigations, which may include case studies of Audit Quality in the Islamic financial institution industry using qualitative data approaches and other more robust quantitative data.

REFERENCES

- Behn, B. K., Choi, J. H., & Rang, T. (2008). Audit quality and properties of analyst earnings forecasts. *Accounting Review*, 83(2), 327–349. <https://doi.org/10.2308/accr.2008.83.2.327>
- Cahan, S. F., & Sun, J. (2015). The Effect of Audit Experience on Audit Fees and Audit Quality. *Journal of Accounting, Auditing and Finance*, 30(1), 78–100. <https://doi.org/10.1177/0148558X14544503>
- Carey, P., & Simnett, R. (2006). Audit partner tenure and audit quality. *Accounting Review*, 81(3), 653–676. <https://doi.org/10.2308/accr.2006.81.3.653>
- Daryaei, A. A., Fattahi, Y., Hasani, R., & Sadeqi, H. (2020). Value of cash and accounting conservatism: The role of audit quality and firm growth. *Cogent Economics and Finance*, 8(1). <https://doi.org/10.1080/23322039.2020.1816281>
- Ernstberger, J., Koch, C., Schreiber, E. M., & Trompeter, G. (2020). Are Audit Firms' Compensation Policies Associated with Audit Quality? *Contemporary Accounting Research*, 37(1), 218–244. <https://doi.org/10.1111/1911-3846.12528>
- Francis, J. R. (2004). What do we know about audit quality? *British Accounting Review*, 36(4), 345–368. <https://doi.org/10.1016/j.bar.2004.09.003>
- Ghosh, A., & Moon, D. (2005). Auditor tenure and perceptions of audit quality. *Accounting Review*, 80(2), 585–612. <https://doi.org/10.2308/accr.2005.80.2.585>
- Knechel, W. R. (2016). Audit Quality and Regulation. *International Journal of Auditing*, 20(3), 215–223. <https://doi.org/10.1111/ijau.12077>
- Kowaleski, Z. T., Mayhew, B. W., & Tegeler, A. C. (2018). The Impact of Consulting Services on Audit Quality: An Experimental Approach. *Journal of Accounting Research*, 56(2), 673–711. <https://doi.org/10.1111/1475-679X.12197>
- Lennox, C. S., Wu, X., & Zhang, T. (2014). Does mandatory rotation of audit partners improve audit quality? *Accounting Review*, 89(5), 1775–1803. <https://doi.org/10.2308/accr-50800>
- Rajgopal, S., Srinivasan, S., & Zheng, X. (2021). Measuring audit quality. *Review of Accounting Studies*, 26(2), 559–619. <https://doi.org/10.1007/s11142-020-09570-9>
- Serena, A., & Karimulloh, K. (2021). Audit Tenure In Islamic Perspective: Analysis of Verses of the

- Qur'an and Al-Hadith. *Accounting and ...*, 1(2), 85–93. <https://doi.org/10.47153/afs12.912021>
- Skinner, D. J., & Srinivasan, S. (2012). Audit quality and auditor reputation: Evidence from Japan. *Accounting Review*, 87(5), 1737–1765. <https://doi.org/10.2308/accr-50198>
- Stoel, D., Havelka, D., & Merhout, J. W. (2012). An analysis of attributes that impact information technology audit quality: A study of IT and financial audit practitioners. *International Journal of Accounting Information Systems*, 13(1), 60–79. <https://doi.org/10.1016/j.accinf.2011.11.001>
- Tepalagul, N., & Lin, L. (2015). Auditor Independence and Audit Quality: A Literature Review. *Journal of Accounting, Auditing and Finance*, 30(1), 101–121. <https://doi.org/10.1177/0148558X14544505>
- Xiao, T., Geng, C., & Yuan, C. (2020). How audit effort affects audit quality: An audit process and audit output perspective. *China Journal of Accounting Research*, 13(1), 109–127. <https://doi.org/10.1016/j.cjar.2020.02.002>