Identification and Ranking of Factors Effects on Evaluation of Internal Controls of Vietnam Independent Auditors in Auditing the Financial Statements of Construction Enterprises

Dao Ngoc Ha

(Faculty of Accounting and Auditing, Thuong Mai University, Vietnam)

Abstract: On the basis of the system of research projects related to evaluate internal controls in the audited financial statements report and interviews with experts in the field of audit. The article has summarized the factors that can affect the Internal Audit assessment in the financial statements audit of construction enterprises conducted by independent audit of Vietnam. At the same time, to check the validity and reliability of the questionnaire for the identified factors, the article uses SPSS software to analyze the factor and Cronbach's alpha coefficients and perform regression analysis to find out the impact of each factor on the internal control assessment.

Key words: evaluation; construction enterprises; internal control; auditing financial statements

JEL codes: M

1. Introduction

With the strong growth in both production capacity and operation scale of construction enterprises, the risks that these enterprises face are also constantly increasing. To provide a comprehensive view of the financial situation of construction enterprises to related parties through the audit report, the auditors need to fully implement the entire audit process. Evaluation of internal control of construction enterprises is the work that auditors focus on first. Direct inspection of each object to detect violations is extremely difficult and risky due to the large amount of work, while the level of violations and the concealment of errors are very sophisticated. Therefore, it is very necessary to predict the possibility of errors to localize the audit and determine the audit focus. The appropriate assessment of the effectiveness of internal control will be the basis for determining the audit volume to avoid spread or misalignment affecting the quality and effectiveness of the audit of financial statements. To further improve the effectiveness of internal control assessment by independent auditors in auditing financial statements of construction enterprises. The article focuses on understanding the factors affecting the assessment of internal control. Rank the influence of each factor on the effectiveness of internal control assessment.

Dao Ngoc Ha, Master of Economics, Faculty of Accounting and Auditing, Thuong Mai University; research areas: accounting, auditing, finance. E-mail: daoha@tmu.edu.vn.

2. Literature Review

2.1 Internal Control

Auditors have long been aware of the impact of internal controls on a company's financial statements and have developed the skills to understand and evaluate them for audit purposes. From those perceptions, the concept of internal control has formed and gradually developed into a theoretical system of control issues in the organization, not only serving the work of auditors but also the most important factor in corporate governance. Currently, there are many different views on internal control, typically:

According to Committee of the United States National Council on Combating Fraud in Financial Statements: "Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance"

Internal control is designed, implemented and maintained to address business risks that could cause the entity to fail to achieve one of its objectives related to:

(1) Reliability of the financial reporting process;

(2) Operational efficiency and performance;

(3) Compliance with applicable laws and regulations.

The design, implementation, and maintenance of internal control may vary with the size and complexity of the entity.

According to the International Federation of Accountants (IFAC): An internal control system is a system of policies and procedures designed to achieve four goals: protecting the assets of an enterprise; ensure the reliability of information; ensure compliance with the law; ensure operational efficiency and management performance.

According to the British Association of Accountants (EAA): "The internal control system is a comprehensive control system with financial and diverse experience established by the Management Board to:

(1) Conduct the entity's business in an orderly and efficient manner.

(2) Ensure absolute compliance with the business line of the Board of Directors.

(3) Keep property safe.

(4) Ensure the completeness and accuracy of the data.

Individual components of Internal Control are considered tests or internal audits.

According to the American Institute of Certified Public Accountants (AICPA): Internal control includes the organization's plan and all recognized methods of coordination and measurement within the enterprise to ensure assurance secure their assets, check the suitability and reliability of accounting data, enhance operational efficiency, and encourage the implementation of long-term management policies.

According to Vietnamese Auditing Standard 315 (VSA 315) — Identify and assess the risks of material misstatement through knowledge of the entity and its environment: "Internal control is the process designed, implemented and maintained by those charged with management and other individuals to provide reasonable assurance about the entity's ability to achieve its objectives, ensuring the reliability of financial statements, ensuring operational efficiency and effectiveness, and in compliance with relevant laws and regulations". The term "control" means any aspect of one or more components of internal control.

2.2 Factors Affecting the Assessment of Internal Control

In research on audit quality in terms of the partners audited, makers and users of financial statements Carcello et al. (1992) showed that the factors affect the evaluation Internal Control and Risk consists of experience, professional qualifications, independence, and compliance with auditors' ethical standards. Rezaei et al. (1996) argue that the issues affecting the assessment of internal control during the investigation of control systems include: Inadequate university training in auditing; Confusion about the identification and assessment of internal controls; Lack of professional skepticism and lack of appropriate professional standards, fraud in management, insufficient internal control procedures for control purposes, time consuming to test the control system against with direct checks and ultimately lack of an adequate internal control system in most companies

Ghadimi (2004) when performing research auditing standards internationally and publications Internal Iran's assessment of internal control has concluded that there are no audit standards guidelines on assessing the effectiveness of internal control makes it difficult for the auditor to evaluate the effectiveness of internal control. Ge and McVay (2005) argue that companies with weak internal control systems often have complex business models, large scale and low profitability, low income, and lack of separation when performing the assignment of tasks or making mistakes in the account reconciliation when making the year-end report. In the same research direction, Doyle et al. (2007) in their study on the characteristics of companies with weak internal control systems also confirmed similar results as Ge and McVay. Sajjadi et al. (2005) studied the factors of auditor independence, using questionnaires, from the point of view of independent auditors, they believe that auditor independence factors that can affect the auditor's independence include: audit firm's audit committee, size and experience of audit firms, process size of the client company. Geiger et al. (2005) argue that drawing conclusions about the continuity of control activities will be influenced by many factors such as firm size, profitability, audit time, industry type, diversity. type of auditor and type of audit report in the previous year. Liu Xinmin (2005) in the study of the relationship between the company control mechanism and the way to choose the innovation option showed that the effectiveness of internal control has a positive relationship with the innovation of the entire operation of the company but has a negative relationship with the innovation of each part and each part of the enterprise. The results of the study by Ashbaugh-Skaife et al. (2006) show that auditors often have difficulty in understanding and evaluating the internal control system in units with complex activities and many changes in the organizational structure or the shortage of personnel for internal control. Abdul (2006), studied 297 companies over an 11-year period in Malaysia and found that in order to obtain a suitable audit report, the possibility of changing incompetent or weak auditors must be considered. Le Quang Binh (2006) said that in the period before the audit, the auditor must perform a preliminary assessment of the client's internal control system to estimate the level of control risk, audit risk, then decide to accept or reject the client's invitation to audit. To consider audit acceptability for clients, auditors often focus on assessing important information such as integrity of management, business complexity, size & organizational structure, the client's problems with legal authorities or the current business situation and the reason for the change of auditors.

Kym Boon et al. (2008) conducted a study on the factors affecting the evaluation of the quality of the audit program, the research team based on the factors in the study of Carcello et al. (1992) and Behn et al. (1997) and conducted a survey of auditors and financial professionals in New South Wales. The authors concluded that factors including level of business knowledge, experience of auditors, professional qualifications, independence and compliance with professional ethics are factors that can affect the effectiveness and quality of the process of

learning about controls and making judgments about required audit procedures. Vadie and Kouchaki (2008) in the study on assessing the effectiveness of internal control, said that the evaluation of internal control is ineffective and inappropriate by independent auditors resulting from the implementation of audit procedures. Using inadequate audit procedures will lead to a lack of evidence to be able to evaluate or draw conclusions about the effectiveness of the internal control system, thereby affecting the choice of audit method in the next stage.

Rajabi et al. (2008) looked at costs in the valuation of audit services, using correlational studies that showed a significant relationship between the cost and remuneration of audit services. Auditing firms that accept contracts with low fees will tend to reduce some audit procedures. Competition among audit firms has a negative effect on auditor independence, but the size of audit firms has the opposite direction. With the influence of competition among auditing firms, the acceptance of audits with lower fees is often applied, the auditors in this case will often focus on the more substantive test rather than tests of controls to provide a preliminary assessment of the internal control system as a basis for further audit procedures. In contrast, with large-scale auditing firms that already have stable clients, there will be a basis for auditors to fully comply with audit procedures from evaluating internal audit to substantive test.

Angella Amudo and Eno L. Inanga (2009) conducted a study evaluating internal control systems in public sector projects in Uganda. The evaluation model developed by Amudo and Inanga based on the internal control framework of COSO and COBIT includes: Independent variables are components of internal control with additional information technology variables according to COBIT and dependent variable is usefulness of the internal control system.

Ongeri et al. (2011), argue that a full assessment of internal control is essential, the authors' research results show that companies with weak internal control are often companies with complex operations, small size and less profit than those with good internal control.

Jameei (2012), in a study on the influence of management performance on independent audit opinion in Tehran listed companies. Considering the findings of the study, it can be seen that the level of confidence of client unit managers in the need and effectiveness of internal control will reduce the issuance of exception reports. Inadequate guidelines for evaluating internal control will also affect the independent auditor's opinion in selecting appropriate audit procedures.

Bani Mahd (2012) studied the effect of the effectiveness of internal control factors on the auditor's opinion. The study examined the impact of factors such as management performance, ownership change, privacy, company size, audit, choice of auditors, etc., and assumed that firm size, Frequent changes of management personnel will directly affect the effectiveness of internal control in the units.

Maham et al. (2012) in the investigation of barriers to internal control assessment in audit has presented a questionnaire consisting of 6 hypotheses and 27 designed questions. After collecting opinions, statistical tests were conducted and the results of the study showed that cost audit contract low, poorly trained, audit guidelines are not appropriate, the system unit traditional trade, inadequate cost of internal control assessment and poor professional training correspond to the most important barriers to internal control assessment in Iran's independent audit.

Rodgers (2015) in the study on "Corporate social responsibility with building a control system to ensure fraud reduction" said that it is necessary for units to build and perfect the internal control system to ensure operational efficiency as well as ensuring the request for providing truthful and reasonable information. The unit does not have independent control department will usually be difficult to ensure operational objectives than the other units.

Renu et al. (2017) suggest that auditors with skepticism are more likely to respond more strongly to negative evidence than to positive evidence to the same extent when evaluating internal control. set of customer units. For each different auditor when evaluating the elements of internal control with different complexity in each component can reduce the quality of decisions and each auditor can make completely different judgments for similar cases

2.3 Research Model Proposed

The proposed research model is based on the combined results from research and interviews with experts, the indicators for measuring concepts are based on the scales of previous researchers related to the context. research context and additions from qualitative studies. The research model for ranking factors affecting the assessment of internal control in the audit of financial statements of construction enterprises by independent auditors is shown as follows:
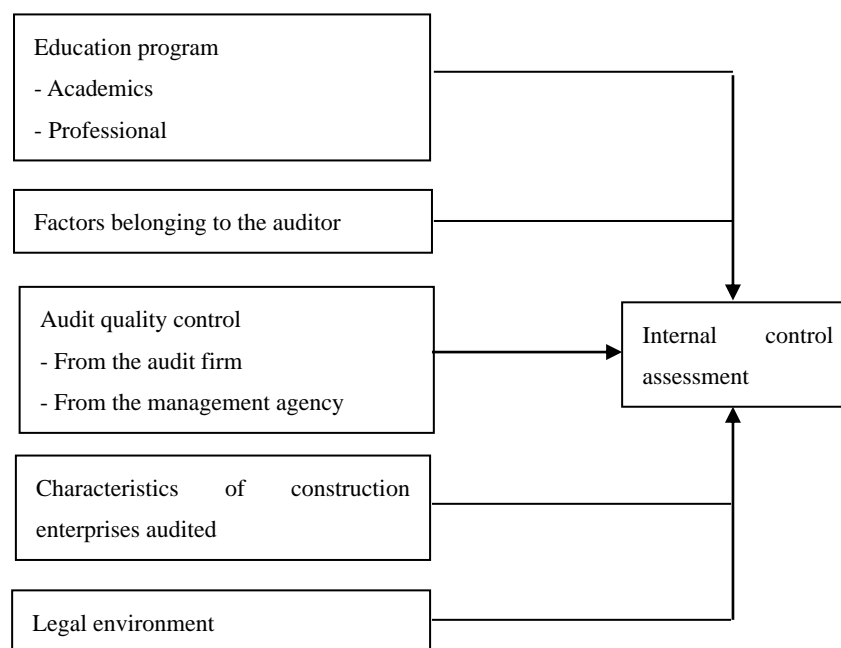
Figure 1   Research Model of Factors Affecting the Assessment of Internal Control in Auditing Financial Statements of Construction Enterprises

3. Research Methodology

3.1 Research Hypotheses

H1: The academic training program in Vietnam has an influence on the evaluation of the internal control system in the audit of financial statements of construction enterprises by independent auditors.

H2: The professional training program in Vietnam has an influence on the evaluation of the internal control system in the audit of financial statements of construction enterprises by independent auditors.

H3: Auditor factors affect the assessment of internal control system in the audit of financial statements of construction enterprises by Vietnam independent auditors.

H4: The quality control of the independent auditing company in Vietnam has an influence on the evaluation of internal control in the audit of financial statements of construction enterprises.

H5: The factors belonging to the quality control of the management agency have an influence on the assessment of the internal control in the audit of financial statements of construction enterprises by Vietnam independent auditors.

H6: The factors belonging to the characteristics of the construction unit have an influence on the assessment of the internal control system in the audit of financial statements of construction enterprises by Vietnam independent auditor.

H7: The legal environment has an influence on the evaluation of the internal control system in the audit of financial statements of construction enterprises by independent auditors.

3.2 Identify the Observed Variables and Scale

The article proposes a research model to rank the factors affecting the assessment of internal control through the modified use of the evaluation model of Maham (2012), Javad and Mohammad (2015). To match with the characteristics of the study in Vietnam, after the synthesis of factors affect the evaluation Internal Control through works published, the author has conducted up the scale rough and interviewed experts in the field about the relevance of the content of the identified factors and in-depth interviews with experts including auditors, directors of auditing firms, experts from the association of practicing auditors Vietnam and lecturers from Vietnamese universities teach auditing about factors that can affect the internal control assessment of construction enterprises of Vietnamese independent auditing firms to fully identify the factors that can affect the assessment of internal control

In this research, data gathering tool is the questionnaire made by researcher. Indicators and components of the questionnaire is shown in Table 1 Method of scoring in the questionnaire, is the 5 points LIKERT scale method. Completely agree score is option 5 and completely disagree score is zero.

Table 1   Method of Scoring in the Questionnaire

No	Encode	Measurement indicator
Academic training program		
1.	ATP1	The connection between the university teaching with the actual audit issues
2.	ATP2	System of university training programs in accounting majors
3.	ATP3	Mastery of university faculty actual audit issues related to internal control system assessment
4.	ATP4	Appropriate educational resources for professional auditing such as actual audit programs or audit software, etc.
Professional training programs		
5.	PTP1	The quality of the experts team in intensive training on understanding and evaluating the internal control system for auditors
6.	PTP2	Content of training program on professional issues for auditors
7.	PTP3	Quality of professional training programs for auditors
8.	PTP4	Duration of training program
Factors belonging to the auditor		
9.	FBA1	The auditor's expertise in the subject matter to be audited
10.	FBA2	Auditor independence
11.	FBA3	Compliance with professional ethics when conducting the audit of the auditors
12.	FBA4	Aware annual update knowledge of auditors
13.	FBA5	Certificate of Auditor
Factors belonging to the quality control of the audit firm		
14.	COAF1	Quality control process of auditing firms
15.	COAF2	Commitment to quality assurance before each audit

16.	COAF3	Sanctions for employees who do not fully perform the audit process
17.	COAF4	Employing incompetent staff and interns and not controlling their handling of issues that arise
18.	COAF5	Audit fee price
19.	COAF6	Size of audit firm
Factors under the control of the management agency		
20.	COMA1	Control content
21.	COMA2	Control process
22.	COMA3	Control frequency
23.	COMA4	Standards of inspection team members
Characteristics of audited construction companies		
24.	CACC1	Lack of effective internal audit or improper use
25.	CACC2	The extent to which client managers believe in the need and effectiveness of internal control
26.	CACC3	Continuous change in management or lack of stable management at the construction unit
27.	CACC4	Size and organizational structure of the management at construction uni
28.	CACC5	The complexity of the construction business
Legal environment		
29.	LE1	Completeness of legal documents and guidelines on internal control system assessment
30.	LE2	Regulations on grading scale of audit dossiers
31.	LE3	Regulations on the number of hours to update knowledge
32.	LE4	Sanctions and responsibilities of related parties

3.3 Research Sampling and Data Collection Methods

According to Hair et al. (1998), the survey sample size in quantitative research must be at least from 100 to 150. In the previous study, Gorsuch (1983) said that factor analysis needs at least 200 observe. According to Bollen (1989), to ensure information for quantitative analysis, the minimum sample size selected must ensure the principle that each observed variable must have 5 selected samples or each question needs 5 survey samples. Thus, the minimum sample size of the research model of the topic will be 32 variables * 5 = 160 because there are the same number of observed variables.

To improve the reliability of survey information, the study selected the largest sample for the models according to one of the above principles. Thus, the minimum sample size of both research models taken according to Gorsuch's point of view (1983) is 200 samples. In order to achieve the minimum sample size for each model as above, the author distributed 350 questionnaires to auditors at audit firms and lecturers majoring in auditing at Vietnamese universities. The results obtained the answers of 163 auditors at 48 auditing firms and 40 auditing lecturers at 13 Vietnamese universities.

3.4 Research Results

3.4.1 Descriptive Statistics Sample

The total number of valid votes collected for the research is 203 votes. Surveys obtained from Vietnamese auditing firms accounted for 46.8%, Vietnamese auditing firms that were members of international auditing firms accounted for 33.5% and 19.7% from lecturers at universities that teach auditing. The majority of the surveyed auditors are experienced people in Vietnamese auditing firms as well as member companies of international firms. Working time of the objects investigated in the audit firm also relatively long, only 11.7% were working under 1 year this ensures the answers has been collected is worth

3.4.2 Assess the Quality of the Scale

The results of the quality of the model's scales based on Cronbach's Alpha coefficient with 7 scales and 32 observed variables are shown in Table 2.

Table 2   Results of the Quality Assessment of the Scale

Factor	Cronbachs Alpha
Academic training program (ATP)	0.873
Professional training programs (PTP)	0.812
Factors belonging to the auditor (FBA)	0.83
Factors belonging to the quality control of the audit firm (COAF)	0.784
Factors under the control of the management agency (COMA)	0.827
Characteristics of audited construction companies (CACC)	0.860
Legal environment (LE)	0.750
Effectiveness of internal control assessment (EOICA)	0.875

Table 2 show that the indicators of the scales include: "Academic training program"; "Professional training programs"; "Factors under the control of the management agency"; "Characteristics of audited construction companies" and "Legal environment" are the total variable correlation coefficient > 0.3 should ensure satisfactory.

For the scale "Factors belonging to the auditor (FBA)", the indicator FBA5 has the correlation coefficient of the total variable = 0.205 less than 0.3, so this indicator is rejected and after being eliminated, the coefficient Cronbach's Alpha reached 0.847 > 0.5, so the scale after the type of variable is guaranteed to meet the requirements. Thus, it can be seen that when assessing the effectiveness of internal control assessment, the factor of degree or certificate is not the decisive factor.

For the scale of "Factors belonging to the quality control of the audit firm (COAF)", the COAF6 indicator has the total variable correlation coefficient = 0.292 less than 0.3, so this indicator is rejected and after being eliminated, the scale is accepted with Cronbach's Alpha coefficient reaching 0.805 > 0.5. Thus, the size of audit firms is not a measurement factor for the quality control of audits in general and the evaluation of the internal control system in particular. Auditing firms are all established under the provisions of law; controlled by the Ministry of Finance through the Department of Management and Supervision of Accounting and Auditing; Sample audit programs for operational sections have been developed and issued by the Ministry of Finance in conjunction with the Professional Association of Accountants and Auditors with detailed instructions for both large and small client businesses so that small-scale audit firms that have not yet been able to build their own audit program can apply the template of the issued sample audit program and then adjust it accordingly customers in general and construction companies in particular, so removing the observed variable COAF6 in Vietnam can be considered appropriate.

After verifying the quality of the scale, the research model includes 7 independent variables with 30 observed variables, reducing 2 observed variables compared to the original model.

3.4.3 Exploratory Factor Analysis Results

Table 3   Exploratory Factor Analysis Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.897
Bartlett's Test of Sphericity	Approx. Chi-Square	3147.912
	df	435
	Sig.	.000

Table 4   Test the Explanatory Level of Observed Variables

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.943	33.144	33.144	9.943	33.144	33.144	3.373	11.244	11.244
2	2.206	7.354	40.498	2.206	7.354	40.498	3.068	10.228	21.471
3	2.082	6.941	47.440	2.082	6.941	47.440	3.043	10.145	31.616
4	1.833	6.111	53.551	1.833	6.111	53.551	2.933	9.775	41.392
5	1.494	4.981	58.532	1.494	4.981	58.532	2.818	9.394	50.786
6	1.339	4.462	62.994	1.339	4.462	62.994	2.456	8.188	58.974
7	1.148	3.825	66.819	1.148	3.825	66.819	2.354	7.846	66.819
8	.857	2.857	69.676						
9	.786	2.621	72.297						
Extraction Method: Principal Component Analysis.									

Table 5   Rotated Component Matrix

Rotated Component Matrix[a]							
	Component						
	1	2	3	4	5	6	7
CACC5	.737						
CACC4	.736						
CACC2	.732						
CACC3	.709						
CACC1	.690						
ATP2		.809					
ATP4		.776					
ATP3		.775					
ATP1		.708					
FBA3			.876				
FBA2			.800				
FBA4			.756				
FBA1			.654				
COAF2				.769			
COAF3				.746			
COAF4				.669			
COAF1				.663			
COAF5				.569			
COMA4					.786		
COMA2					.776		
COMA1					.766		
COMA3					.749		
LE2						.743	
LE4						.697	
LE1						.694	
LE3						.648	
PTP2							.764
PTP1							.685
PTP3							.646
PTP4							.559

The results of the EFA analysis for the independent variables were divided into 7 groups (Table 5). The stats are as follows:

KMO = 0.897 so EFA analysis is consistent with research data (Table 3).

Sig. (Bartlett's Test) = 0.000 (sig < 0.05) shows that the observed variables are correlated with each other in the population and it is completely appropriate to use this data for EFA analysis (Table 3).

Eigenvalues = 1.148 > 1 represents the variation explained by each factor, only those factors with Eigenvalue greater than 1 are retained in the analytical model (Table 4).

Total variance extracted = 66.819% > 50% satisfactory, then it can be said that these 7 factors explain 66.819% of the variation of the data (Table 4).

Thus, through the evaluation of the quality of the scale and the EFA analysis, the topic identified 7 scales representing the factors affecting the objective of evaluating the internal control system with 30 observed variables.

3.4.4 Regression Analysis Results

Table 6 Summary of Regression Model Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.841[a]	.707	.696	.53751	1.801

a. Predictors: (Constant), LE, COAF, COMA, FBA, ATP, CACC, PTP

b. Dependent Variable: MTDG

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	135.918	7	19.417	67.205	.000[b]
	Residual	56.340	195	.289		
	Total	192.257	202			

a. Dependent Variable: MTDG

b. Predictors: (Constant), LE, COAF, COMA, FBA, ATP, CACC, PTP

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.588	.254		-6.258	.000		
	ATP	.123	.050	.124	2.468	.014	.599	1.669
	PTP	.289	.067	.229	4.337	.000	.538	1.859
	FBA	.192	.051	.194	3.788	.000	.576	1.737
	COAF	.260	.067	.193	3.905	.000	.613	1.630
	COMA	.184	.057	.143	3.244	.001	.776	1.289
	CACC	.200	.068	.154	2.935	.004	.545	1.834
	LE	.171	.058	.136	2.963	.003	.718	1.393

a. Dependent Variable: EOICA

According to Table 6, the Durbin Watson coefficient of the model is 1.801 (range from 1 to 3), showing no autocorrelation. Besides, the magnification of variance VIF of the variables in the model is less than 2, so it can be concluded that the variables included in the model do not have multicollinearity. Anova test with significance

level sig = 0.000 shows that the built multiple linear regression model is suitable for the data set and can be used.

The results of the regression analysis show that the coefficient R² (Adjusted R Square) = 0.696 means that 69.6% of the variation of the dependent variable that is the target of the evaluation of the internal control system is explained by the factors that are the independent variables. included in the model, the rest is explained by other factors that have not been studied.

The Coefficients section shows that all independent variables have Sig significance less than 5%, so 7 independent variables including ATP, DT, FBA, COAF, COMA, CACC and LE all have a statistically significant impact on the dependent variable, EOICA.

Standardized regression equation as follows:

EOICA= 0.124 ATP + 0.229 PTP + 0.194 FBA + 0.193 COAF + 0.143 COMA + 0.154 CACC + 0.136 LE

The impact of the variables in order from high to low will be:

PTP (0.229) → FBA (0.194) → COAF (0.193) → CACC (0.154) → COMA (0.143) → LE (0.136) → ATP (0.124)

4. Conclusion

The research focuses on determining factors affecting effects on Evaluation of Internal controls of Viet Nam Independent Auditors in Auditing the Financial Statements of Construction Enterprises. The results shows that there are 7 factors, which are that Academic training program; Professional training programs; Factors belonging to the auditor; Factors belonging to the quality control of the audit firm; Factors under the control of the management agency; Characteristics of audited construction companies and Legal environment. In which, the factor that has the strongest impact on the effectiveness of internal control assessment in auditing financial statements of construction enterprises at independent Vietnamese auditing firms is the Professional training programs element, the second is the factors belonging to the independent auditor, the third is Factors belonging to the quality control of the audit firm, the fourth is Characteristics of audited construction companies, the fifth is Factors under the control of the management agency, the sixth is Legal environment and the factor with the lowest influence on the effectiveness of internal control assessment belongs to the Academic training program.

References

Abu Thahir A., Abdul Wahid E. and Syed Mustapha Nazri S. (2006). "Auditorǧclient relationship: the case of audit tenure and auditor switching in Malaysia", *Managerial Auditing Journal*, Vol. 21, No. 7, pp. 724-737, doi: http://dx.doi.org/10.1108/02686900610680512.

Ahan K. and Takroosta M. (2012). "Identifying barriers to evaluate internal controls in the independent audit", *Iranian Journal knowledge of Auditing*, Vol. 12, No. 46, pp. 62-79, available online at: http://www.ensani.ir/storage/Files/20121210083949-9414-74.pdf.

Carcello J. V., Hermanson R. H. and McGrath N. T. (1992. "Audit quality attributes: The perceptions of audit partners, preparers and financial statement users", *Auditing: A Journal of Practice & Theory*, Vol. 11, No. 1.

Committee of Sponsoring Organizations (COSO) of the Treadway Commission (1992). *Internal Control —- Integrated Framework*, New York: AICPA.

Dahya J., Karbhari Y. and Xiao J. Z. (2003). "The supervisory board in Chinese listed companies: Problems, causes, consequences and remedies", Asia.

Dirsmith M. W. and Haskins M. E. (1991). "Inherent risk assessment and audit firm technology: A contrast in world theories", *Accounting, Organizations and Society*, Vol. 16, No. 1, pp. 61-90.

Doyle J., Ge W. and McVay S. (2005). "Determinants of weakness in internal control over financial reporting and the implications for earnings quality", working paper.

Doyle J. T., Ge W. and McVay S. (2007b). "Accruals quality and internal control over financial reporting", *The Accounting Review*, Vol. 82, No. 5, pp. 1141-1170.

Jameei R., Hashemi M. and HajiAbdi A. (2012). "The effect of managers' performance on the independent auditor's opinion on the companies listed in Tehran Stock Exchange", *Accounting and Auditing Review*, Vol. 19, No. 70, available online at: http://www.magiran.com/view.asp?Type=pdf&ID=1144146&l=fa.

Rezaei M. (1996). "Analysis of the independent auditors' reliance on internal controls and auditing firms", MS thesis.

Ghadimi M. (2004). "Evaluation auditing standards developed by professional associations and publications, internal and external validity of the internal control", thesis, Iran.

Lê Quang Bính (2006). "Completing the research and evaluation of the audited entity's internal octas system and the determination of materiality and risks in the state audit's audit activities", Vietnam Ministerial-Level Project 2006.

Geiger M. A., K, R., and Dasaratha V. R. (2005). "Recent changes in the association between bankruptcies and prior audit opinion auditing", *A Journal of Practice & Theory*, Vol. 24, No. 1, pp. 21-35, available online at: http://journal.seo.ir/page/download-WTlWcoGKtFs.artdl

Rajabi R. and Mohammadi Khashoee H. (2008). "Independent auditing agency costs and pricing", *Iranian Journal of Accounting and Auditing Review*, Vol. 53, pp. 35-52.

Vadiee M. and Kouchaki S. (2008). "Evaluate the effectiveness of internal control system from the perspective of independent auditors and its impact on auditing process", *Iranian Journal of Development and Investment*, Vol. 1, No. 2, pp. 127-147.