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Auditors' Perceptions of Reasonable Assurance the Effectiveness of the Audit Risk Model: Case from Iran

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Abstract

Despite the definition of the concept of logical confidence in auditing standards, the results from some studies conducted indicate a meaningful difference between perceptions this basic concept, by different auditors (Law, 2008, 180). The results from some researches also indicate that auditors' perceptions about the effectiveness of the audit risk model vary (which is based on auditing general principles on the basis of risk) (Arense, 2006, 148). In so doing, aiming at studying the proof for the above, mentioned hypotheses Iran's auditing setting; in this article we will study Iranian auditors' perceptions of reasonable assurance in auditing work and the effectiveness of the audit risk model and the impact of gender, education, official auditor certificate and job rank on this perceptions. The research methodology applied is descriptive - survey and statistical population includes independent auditors working in Iranian private auditing institutes in two ranks of partner and administrators where 269 people were chosen as samples applying accidental sampling (including 150 administrators and 119 institute partners). The required data has been collected through questionnaires and in order to analyze the collected data, inferring and descriptive statistical methods have been applied. The results indicate significant differences between the auditors' perceptions with different job rank, gender and qualified for official auditor certificate touching reasonable assurance in auditing work the effectiveness of the audit risk model.

Keywords: Reasonable Assurance, Audit Risk Model, Institute Partners, Auditing Administrators, Official Auditor Certificate, Gender, and Job Rank

Introduction

In every auditing work seeks to limit the possibility of issuing inappropriate deceleration in relation to fiscal lists including significant deviations and applying auditing risk model enables the auditors to take over this probability, which is termed auditing risk, also reasonable assurance in audit work can greatly influence the efficiency of auditing risk model. So one can say maintaining a high level of reasonable assurance and correct fiscal lists of significance are among the ultimate objectives of the auditors. Therefore, it is expected that, the firm partners be motivated to take in to consideration a high level reasonable assurance in auditing work. (Hassan Yeganeh and Kasiri, 2003).

Existing studies show that there is a remarkable difference between the auditors' perceptions with different job ranks regarding the reasonable assurance. Partners have more perceptions than other auditors. The gender variable doesn't influence the two dependent variables. The auditors who have official auditors certificate, have a higher level of reasonable assurance in audit work. There is no difference in evaluating auditors' perceptions based on their job ranks, gender and also having official auditor certificate in the influence and effectiveness of the audit risk model (Arense, 2006, 185).

According to Field' research (2005); audit risk model has had widespread applications on the part of the auditing experts regarding auditing, so the model is defined as follow:

$$\text{Auditing risk} = \text{Detection risk} * \text{inherent risk} * \text{control risk} \quad (1)$$

The objective of this model is evaluating auditing risk and the level of reasonable assurance. Thus, the variables of reasonable assurance and audit risk model maybe interrelated.

Arense (2006) believed that reasonable assurance is indeed the assurance and trust achieved by the auditor in the work. Dauber (2006) calls for commitment or reasonable assurance in auditors expressing regarding the effectiveness and efficiency of internal control on financial reporting. However, such a concept will directly influence the kind of auditing report submitted to the customers, either a standards auditing report contradictory auditing report. Also Law (2008) believed that some factors such as sampling, incidents after the date of the balance sheet and trading with dependent individuals can influence the auditors' perceptions of reasonable assurance regarding the soundness of financial statements.

Although the risk model assumes the three types of risk separately, the inherent and control risks are in the firm, which detection risk is to the auditors. The degree of administered content tests by auditors is a function of control and inherent risks level inside the firm (Law, 2008). These two risks are involved in the managerial responsibility and indicate the information system risk (Westemann, 2005).

Some of the research conducted indicates the current audit risk model which is confirmed by auditing standards; do not have the necessary efficiency and application. Danile (1998) and Strawser (2004) believe that the audit risk model is not compatible to the real judgments by auditors. Here with, a great deal of research has been conducted whose results have been contradictory. Yardley (2005) believes that the audit risk model. As a model based on probabilities, is a complicated model when it comes to interpretation. Dousenbury and et al (2005) state that the afore-mentioned model is nearly complicated and appears to be contradictory. So, studying what auditors really do is important. Some research has gone beyond this and believes that there needs to be a more complete audit risk model to overcome the environmental variations in the market (Khrwatt, 2008). All these

studies show that we should look at this notion from another perspective and make audit risk model more functional in auditing environment.

The current research focus on evaluating Auditors' perceptions of reasonable assurance in auditing work and the influence and efficiency of the audit risk model in Iran environment.

Literature Review

Modern auditing differs from auditing at the beginning of the 20th century. In the past auditing would mean defecting alteration and certificating the soundness of the records and accounting documents. While now days the basic meaning is commenting on the Fiscal lists being desirable. In other words the objective of auditing Fiscal lists is to enable the auditor to comment on whether or not the aforementioned lists have been provided according to the prevailing principles of accounting from every important aspect. Defecting alterations is still one of the trivial objectives of auditing since the existence of alterations or mistakes influences the auditors comment on the Fiscal lists effectively (Shabahang, 2007).

An independent auditor while working on an auditing work presents his/her own professional opinion on the conforming of the Fiscal lists of the businessman to the accounting accepted rules. Since dealing with all the accounting exchanges is not possible in a course of auditing the auditor bears the auditing risk to some extent, i.e. the important deviation cases may not be defecting and prevented by the internal control structure of the businessman and auditing content tests and so the auditor is subject to inappropriate comment on the Fiscal lists including important deviation (Khosh Tinat, 1998).

The auditing standards commission of US Experts Auditors' Assembly (1993) presented the auditing risk model to help the auditors in evaluating and managing auditing risk to present the risk of inappropriate comments on Fiscal lists including important deviation partially. In applying this model, the auditors need to evaluate the risks in different dimensions of the auditing work. These risks are aggregated in the auditing risk model from which the necessary level of the risk is detected and concluded to determine the methods of content tests. Thus, the auditing risk model provides a Framework for determining the nature timing and volume of the methods of content tests. Despite the acceptance and wide spread application of auditing risk model a number of the problems related to its application remain unsolved (the same source ,p.55).

Also ,the auditors use reasonable assurance in auditing work in order to comment on Fiscal lists although the Framework of reasonable assurance been defined in auditing standards its perceptions varies among different auditors (Allen 2005).

The standard auditing deceleration number 53 necessitates that auditing operation be designed in a way that reasonable assurance is derived from defecting alteration. Auditors have to always be suspicious regarding the presentation of correct information by the management and the collusion of the staff in an economy unit. They must pay special attention to the possibility of collusion and inappropriate presentation of the accounts by the management at the beginning of auditing (account manipulation) and as the work goes on they should evaluate the possibility of this account manipulation. After that some studies will be mentioned that are conducted in this field along with their results inside and outside the country.

Chang and Monro (2001) extended the previous research about marketing and psychology which indicate more precise decision making of the woman in complicated problem in a research named; the influence of gender and the complexity of the auditing work on the auditor's judgment.

In this research 159 participants including 101 men and 58 woman were assessed who hah an average age of 24 and the auditing experience from 1 to 108 months [with an average age 19.6 month where no difference was observed among the men & women participants regarding age work experience and auditing and all of them had graduated from high profile universities and were working in auditing Fiscal and tax services institutions. Having been trained for 4 days [which was performed in 3 weeks] including analysis methods analyzing the risk and the methods of auditing assets the participants needed to judge regarding working with variable complexities (from high to low) which were carried out alongside the trainings. The result was so that the men were more precise than women in works with low complexities and the women judged more precisely in works with high complexities.

Libby et al. (2001) studied the auditing risk model the result of whose research shows that the existing auditing risk model has the limitation of inherent and control risks also the existing model does not work into account the quality of auditing evidence and this model does not conform to the auditor's real judgments.

Johnstone and Bedard (2003) analyzed and evaluated risk management in decision acceptable by the customer in the US and concluding that companies manage risks via appointing specialized auditing personnel so according to this research an auditing firm is encouraged to maintain a high level of reasonable assurance.

Elias (2004) investigated the auditor's different attitudes based on having the official auditor's certificate where the result indicate that the auditors having official auditor's certificate have high moral values and more reasonable assurance in their job.

Dusenbury et al. (2004) studied the interdependency between the parts of auditing risk model. Having used an experimental approach in this research various evaluations of inherent control and detection risks. The results indicated this point that the auditor's perception of one part of the risks influences their perception of another part of the risk. One of the other results was that inherent risk affects control and detection risks.

Tacket (2004) investigated the different perception of auditors with different job ranks the result of which showed that official auditors in higher job ranks have a higher perception of logical certainty compared to the auditors related to lower job ranks.

Schelluch and Gay (2006) studied the certainty provided by the reports from the auditors on Fiscal information and the results suggested that the users of Fiscal lists really know that auditing can not provide an absolute reasonable assurance that there is no incorrect Fiscal list.

Philip Law (2008) researched about auditors' perception of reasonable assurance in auditing works and the effectiveness of auditing risk model where the results showed that there exists a signification difference between auditors' perceptions with different job ranks regarding reasonable assurance in auditing works. Compared To other auditors' partners have higher reasonable assurance. The variable of gender dose not influences the two dependent variables. Auditors with an official auditing certification have a higher level of perception of reasonable assurance. There are no differences between the evaluation of auditors' perception based on their job ranks gender and having the official auditing certification regarding the impact and effectiveness of the auditing risk model.

Ittonen (2010) investigated the effects of auditors' gender and expenses where the results show that the women auditors' effort is lower than the maximal reasonable assurance.

Ruhnke and Lubitzsch (2010) studied the factors determining the maximal reasonable assurance to provide different services and the results indicated that to determine the factors of maximal reasonable assurance there are limitation that can be modified by the characteristics of auditing works.

Hardis et al. (2011) investigated the effects of gender on judgment decision making and the behavior of the auditors and resulted that men auditors have different judgment from women auditors in evaluating in complicated auditing matters that can influence their decision making.

Research Methodology

The methodology of this research is a field one. Individual interviews and using questionnaires are among the commonest methods to gather data in field studied.

Two methods have been applied to gather information for this research. First for the sake of topic and research establishment the information has been gathered through library research. In order to collect data questionnaires including 7 general and 31 specialized questions have been designed for whose designing auditing standards conforming to the instruction of the auditing organization have been used. The questionnaire is made up two parts the first of which consists of individual specifications as age gender education work experience in auditing the official auditing certificate and job rank. In the second part questions related to reasonable assurance in auditing works and the effectiveness of auditing risk model have been presented.

For the final verification of the questionnaire first and in the testing stage 20 questionnaires were distributed and collected among the statistical population from which the sample of the research has been chosen. After analyzing data the final coefficient is calculated using Cronbach Alpha. The resulted Cronbach Alpha coefficient of this research is 0.8031.

Since no research has been conducted on the topic of the current research so far the viewpoints of the specialized professors have been used for structural validity test.

Hypotheses and Research Variables

In order to reach the research objectives and answer the research questions the following hypotheses have been proposed:

Hypotheses 1: There is a difference between partners' and auditing administrators' perception touching reasonable assurance in auditing works.

Hypotheses 2: There is a difference between partners' and auditing administrators' perception touching the effectiveness of the auditing risk model.

Hypotheses 3: Auditors with higher education have better perception of reasonable assurance in auditing works than those with lower education.

Hypotheses 4: From gender point of view there is a difference between auditors' perceptions of reasonable assurance in auditing works.

Hypotheses 5: From gender point of view there is a difference between auditors' perceptions regarding the effectiveness of the auditing risk model.

Hypotheses 6: There is a difference between auditors' perceptions touching reasonable assurance in auditing works between those with and without the official auditing certificate.

Hypotheses 7: There is a difference between auditors' perception touching the effectiveness of the auditing risk model between those with and without the official auditing certificate.

Hypotheses 8: Auditors' job ranks gender and having the official auditing certificate have got mutual impact on auditors' perception of reasonable assurance in auditing works.

Hypotheses 9: Auditors' job ranks gender and having the official auditing certificate have got mutual impact on the effectiveness of the auditing risk model.

The variables of this research are divided into dependent and independent ones. Independent variables include gender the official auditing certificate and job rank. And reasonable assurance together with the effectiveness of the auditing risk model is dependent variables.

Statistical Population Sampling Methodology and Sample Volume

The statistical population in this research includes the independent auditors of the official auditing institutions in Iran from the two job ranks of partner and administer. The statistical population includes 171 institution i.e. 569 partners and 684 administers according to the information cited in the official society of Iranian accountants. Applying the simple accidental sampling method the volume of the 2 job ranks of partner and administer has been set 269 people as follows:

$$n = \frac{\left[Z_{\frac{\alpha}{2}} \right]^2 \times p \times q \times N}{(N-1) \times \epsilon^2 + \left[Z_{\frac{\alpha}{2}} \right]^2 \times p \times q} \quad (2)$$

Where:

N = the size of the statistical population

n = the size of the sampling volume

P=success ratio

q= failure ratio

y=the standard variable of normal distribution

ε = Estimation error

The volume of the sample in partner rank can be estimated as follows:

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5 \times 569}{568 \times (\%8)^2 + \left[(1.96)^2 \times 0.5 \times 0.5 \right]} = 119 \quad (3)$$

p = 0.5 q = 0.5 $Z_{\frac{\alpha}{2}} = Z_{\%25} = 1/96$ N = 569

The volume of the sample in supervisor can be estimated as follows:

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5 \times 684}{683 \times (\%8)^2 + \left[(1.96)^2 \times 0.5 \times 0.5 \right]} = 150 \quad (4)$$

p = 0.5 q = 0.5 $Z_{\frac{\alpha}{2}} = Z_{\%25} = 1/96$ N = 684

Descriptive Data of Research Variables

The descriptive data of research provided by SPSS software includes age gender education field of study job rank job experience and the official auditing certificate that have been presented in table 1 through 7.

Table 1. Job rank * Sex Cross tabulation

			Sex		Total
			male	female	
Job rank	copartner	Count	66	53	119
		% with job rank	55.50%	44.50%	100%
	administrator	Count	90	60	150
		% with job rank	60%	40%	100%
Total		Count	156	113	269
		% with job rank	58%	42%	100%

Table 2. Job rank * Education Cross tabulation

			Education				Total
			phd	ma	ba	other	
Job rank	copartner	Count	6	20	92	1	119
		% with job rank	5.04%	16.81%	77.31%	0.84%	100%
	administrator	Count	10	39	98	3	150
		% with job rank	6.67%	26%	65.33%	2%	100%
Total		Count	16	59	190	4	269
		% with job rank	5.95%	21.93%	70.63%	1.49%	100%

Table 3: job rank * Field Cross tabulation

			Field			Total
			accounting	management	economic	
Job rank	copartner	Count	68	26	25	119
		% with job rank	57.14%	21.85%	21.01%	100%
	administrator	Count	94	34	22	150
		% with job rank	62.67%	22.67%	14.67%	100%
Total		Count	162	60	47	269
		% with job rank	60.22%	22.30%	17.47%	100%

Table4. Job rank * Age group Cross tabulation

			Age group				Total
			20-30	30-40	40-50	more than 50	
Job rank	copartner	Count	28	69	14	8	119
		% with job rank	23.50%	58%	11.80%	6.70%	100%
	administrator	Count	72	62	13	3	150
		% with job rank	48%	41.30%	8.70%	2%	100%
Total		Count	100	131	27	11	269
		% with job rank	37.20%	48.70%	10%	4.10%	100%

Table5. Job rank * Work acquaint Cross tabulation

			Work acquaint				Total
			5-10	10-15	15-20	20& more	
job rank	copartner	Count	29	67	15	8	119
		% with job rank	24.40%	56.30%	12.60%	6.70%	100%
	administrator	Count	71	64	12	3	150
		% with job rank	47.30%	42.70%	8%	2%	100%
Total		Count	100	131	27	11	269
		% with job rank	37.20%	48.70%	10%	4.10%	100%

Table6. Job rank * accounting certificate Cross tabulation

			Accounting certificate		Total
			yes	no	
job rank	copartner	Count	43	0	43
		% with job rank	100.00%	0.00%	100.00%
	administrator	Count	0	226	226
		% with job rank	0.00%	100.00%	100%
Total		Count	43	226	269
		% with job rank	16.00%	84.00%	100%

Table 7. Job rank

		Frequency	Percent	Valid Percent	
Valid	copartner	119	44.20%	44.20%	44.20%
	administrator	150	55.80%	55.80%	100%
	Total	269	100%	100%	

According to the statistics presented in data outputs the following points can be inferred:

- Regarding gender; most of the partners (55.5%) and administers (60%) are men.
- 77.3 percent of the partners and 65.3 percent of administers are at BA level of education.

- Regarding their field of study; 57.1 percent of the partners and 62.7 percent of administrators have accounting degrees.
- Most of the partners are from 30-40 years old (58%) and most of the administrators are from 20-30 years old (48%).
- Regarding job work experience; most of the partners are in the 10-15 years group and a majority of the administrators are in the 5-10 years group.
- Regarding job rank; 44.2% of the selected sample are partners and 55.8% are administrators.
- All partners (100%) have official auditing certificate and all the administrators have no official auditing certificate (100%).

The Results of Testing the Hypotheses and Analyzing Data

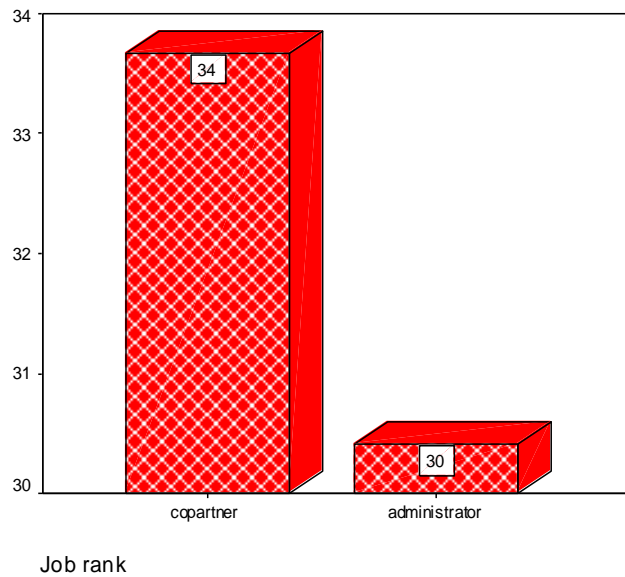
To test the hypotheses first Levin test (to compare the variance of different groups from the statistical population) and then the T-test (to compare the mean in different groups) were used. In hypotheses 3 the one-sided variance analysis test was used. Then the results of testing the hypotheses will be clarified.

The Results of Testing the Hypotheses 1

The results of testing the hypotheses 1 are presented in table 8. As you can see according to the Levin test; since the significant level (sig) is more than 5% ($0.427 > 5\%$) has been appointed the variances of the two groups are equal. According to the results of the T-test since the significant level is less than 5% ($0 < 5\%$) it can be said that there is a difference between partners' and administrators' perception regarding reasonable assurance in auditing works and according to the following diagrams compared to administrators partners have a better perception in this regard.

Table 8. Independent Samples Test

		Levene's Test for equality of Variance		t-test for Equality of Means				95% Confidence interval of the Difference		
		F	Sig.	t	df	sig.(2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Reasonable assurance	Equal variance assumed	.633	.427	4.198	266	0	3.2389	.77157	1.71970	4.758
	Equal variance not assumed			4.699	66.489	0	3.2389	.68927	1.86288	4.614

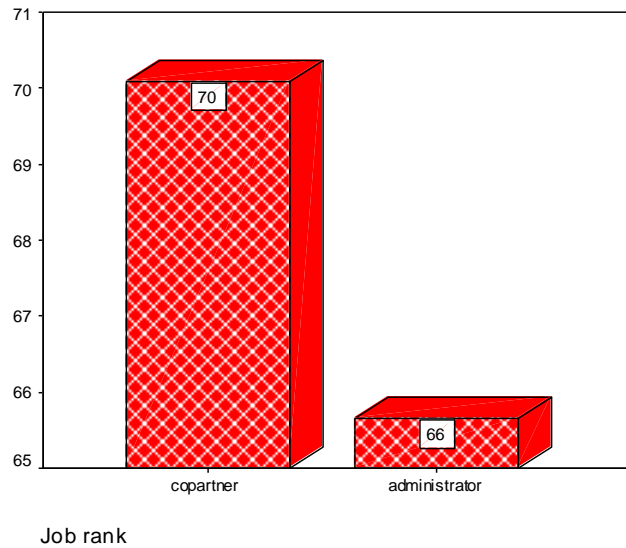


The Results of Testing the Hypotheses 2

The results of testing the hypotheses 2 are presented in table 9. As you can see according to the Levin test; since the significant level (sig) is more than 5% ($0.092 > 5\%$) the variances of the two groups are equal. According to the results of the T-test since the significant level is less than 5% ($0.001 < 5\%$) it can be said that there is a difference between partners' and administrators' perception regarding the effectiveness of the auditing risk model and according to the following diagrams compared to administrators partners have a better perception in this regard.

Table9. Independent Samples Test

		Levene's Test for quality of Variance		t-test for Equality of Means				95% Confidence interval of the difference		
		F	Sig.	t	df	sig. (2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Audit risk model	Equal variance assumed	2.857	0.092	3.238	267	0.001	4.4337	1.36941	1.73752	7.12994
	Equal variance assumed			4.061	77.357	0	4.4337	1.09171	2.26001	6.60745



The results of testing the hypotheses 3

For hypotheses 3 first the variance consistency test and then the one-sided variance test have been used. The results of testing the hypotheses 3 are presented in table 10 and 11. As you can see according to the variance consistency test; since the significant level (sig) is more than 5% ($0.382 > 5\%$) the variance between the groups is consistent and according to the results of the one-sided variance test (presented in table 11) since the significant level is less than 5% ($0.003 < 5\%$) it can be said that there is a significant difference between different groups of auditors' regarding educational degree and auditors with higher levels of education have a better perception of reasonable assurance in auditing works compared to those with lower levels of education.

Table 10. Test of Homogeneity of Variances

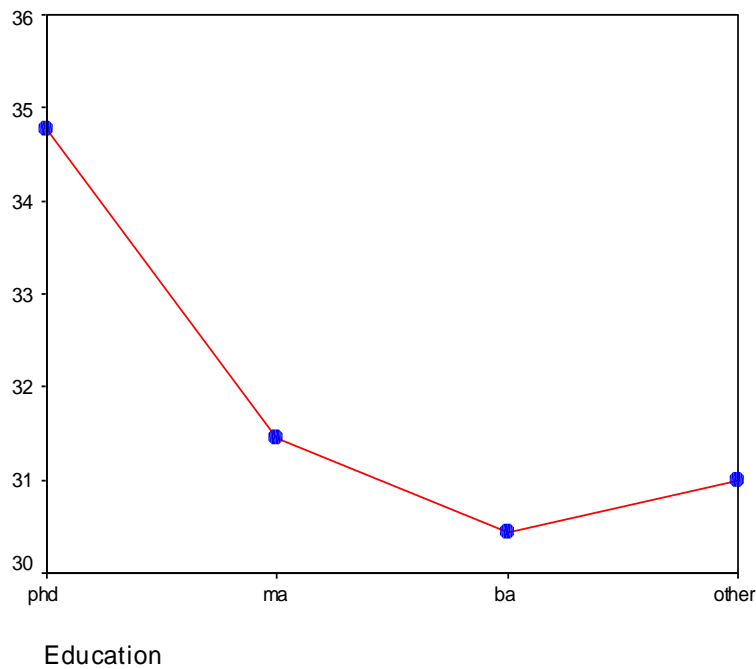
Reasonable assurance

Leven statistic	df1	df2	sig.
1.012	3	265	0.382

Table 11. Anova

Reasonable assurance

	Sum of Squares	df	Mean Square	F	sig.
Between Groups	312.909	3	104.303	4.751	0.003
Within Groups	5817.887	265	21.954		
Total	6130.796	268			

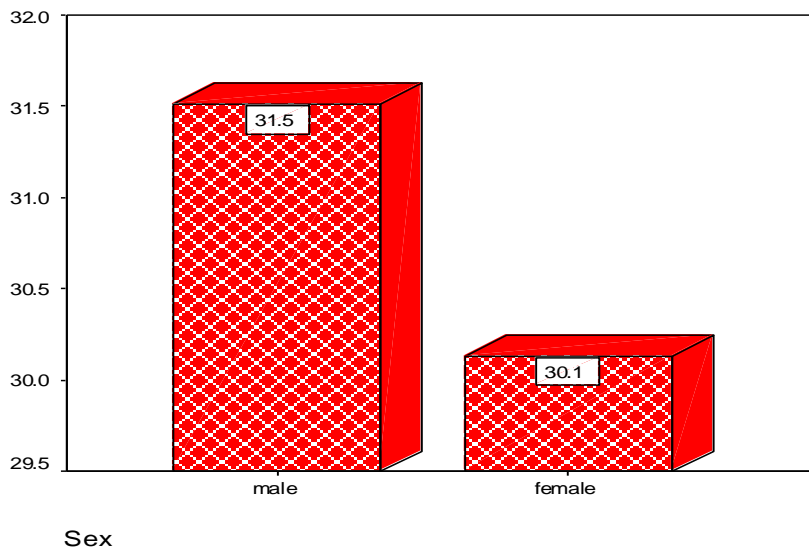


The results of testing the hypotheses 4

The results of testing the hypotheses 4 are presented in table 12. As you can see according to the Levin test; since the significant level (sig) is more than 5% ($0.832 > 5\%$) it can be stated that the variances of the two groups are equal and according to the results of the T-test since the significant level is less than 5% ($0.019 < 5\%$) there is a difference between auditors' perception of reasonable assurance in auditing works regarding their gender and based on the following diagram compared to women men have a better perception in this regard.

Table12. Independent Samples Test

		Levene's Test for equality of variance		t-test for Equality of Means					95% Confidence interval of the difference	
		F	Sig.	t	df	sig. (2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Reasonable assurance	Equal variance assumed	0.045	0.832	2.356	267	0.019	1.3801	0.58588	0.22654	2.53362
	Equal variance not assumed			2.31	223.374	0.022	1.3801	0.59733	0.20296	2.5572

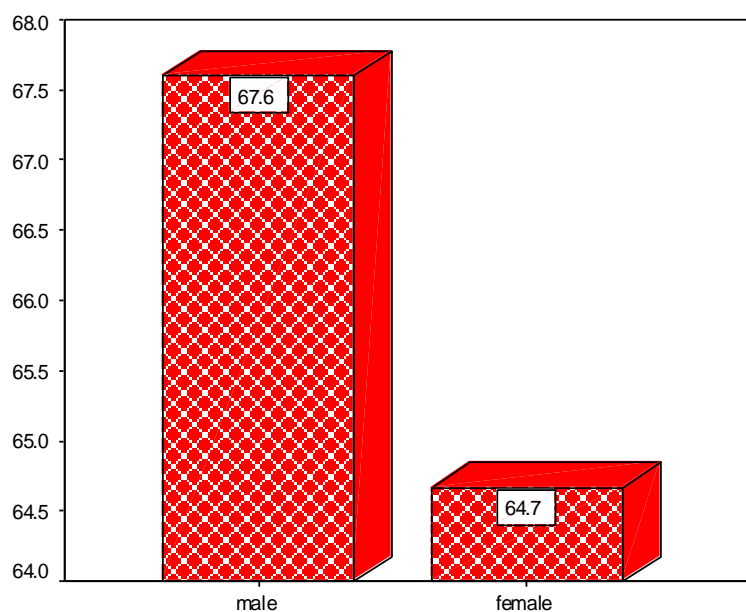


The results of testing the hypotheses 5

The results of testing the hypotheses 5 are presented in table 13. As you can see according to the Levin test; since the significant level (sig) is more than 5% (0.395> 5%) the variances of the two groups are equal and according to the results of the T-test since the significant level is less than 5% (0.004<5%) there is a significant difference between auditors' perception of the effectiveness of the auditing risk model regarding gender and in accordance with the following diagram compared to women men have a better perception in this regard.

Table13. Independent Samples Test

		Levene's Test for equality of Variance		t-test for Equality of Means					95% Confidence interval of the difference	
		F	Sig.	t	df	sig. (2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Audit risk model	Equal variance assumed	0.726	0.395	2.879	267	0.004	2.9388	1.02081	0.9289	4.9487
	Equal variance not assumed			2.803	215.941	0.006	2.9388	1.04863	0.8719	5.00571



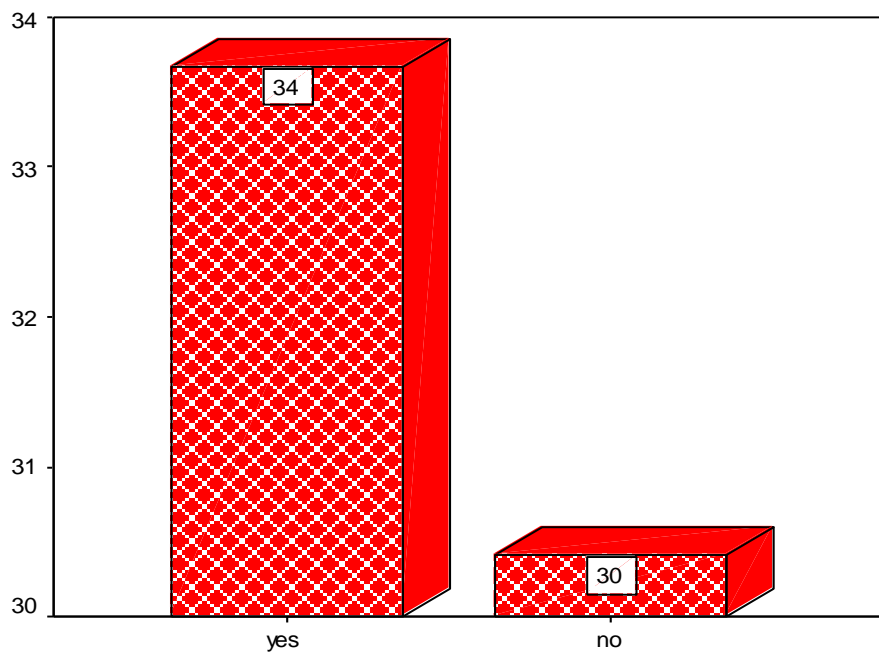
Sex

The Results of Testing the Hypotheses 6

The results of testing the hypotheses 6 are presented in table 14. As you can see according to the Levin test; since the significant level (sig) is more than 5% ($0.417 > 5\%$) the variances of the two groups are equal. Based on the results of the T-test since the significant level is less than 5% ($0.0 < 5\%$) it can be claimed that regarding reasonable assurance in auditing works there is a difference between the perception of auditors with and without the official auditing certificate and in accordance with the following diagram compared to those without the official auditing certificate auditors with the official auditing certificate have a better perception.

Table14. Independent Samples Test

		Levene's Test for quality of Variance		t-test for Equality of Means					95% Confidence interval of the difference	
		F	Sig.	t	df	sig. (2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Reasonable assurance	Equal variance assumed	0.662	0.417	4.228	267	0	3.2629	0.77183	1.74327	4.78256
	Equal variance not assumed			4.735	66.412	0	3.2629	0.68905	1.88735	4.63848



Accounting certificate

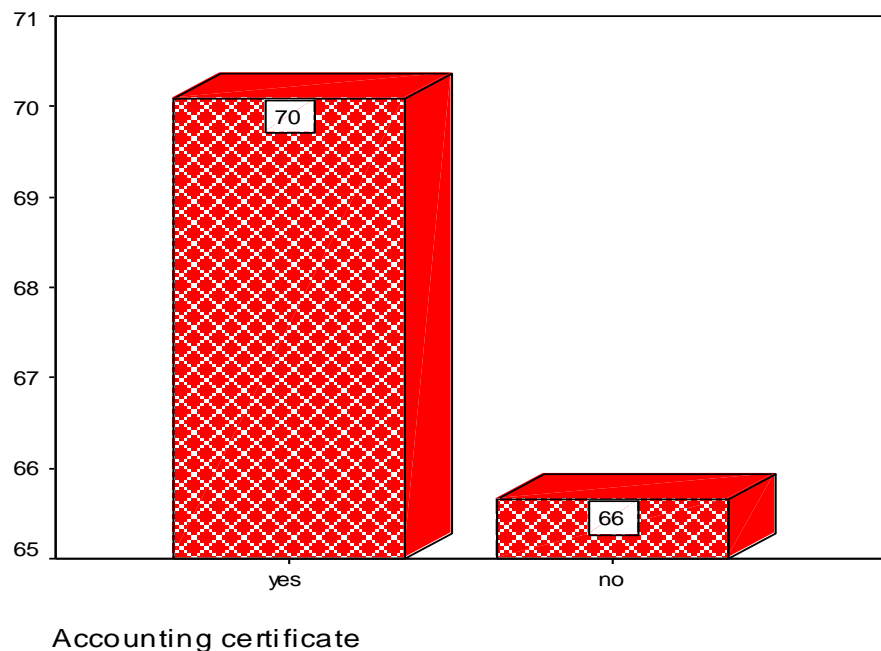
The results of testing the hypotheses 7

The results of testing the hypotheses 7 are presented in table 15. As you can see according to the Levin test; since the significant level (sig) is more than 5% (0.092> 5%) the variances of the two groups are equal. And according to the results of the T-test since the significant level is less than 5% (0.001<5%) it can be said that there is a difference between the perception of official auditors and

auditors without the official auditing certificate regarding the effectiveness of the auditing risk model and based on the following diagram compared to auditors without the official auditing certificate official auditors have a better perception.

Table15. Independent Samples Test

		Levene's Test for quality of Variance		t-test for Equality of Means					95% Confidence interval of the difference	
		F	Sig.	t	df	sig. (2-tailed)	Mean Difference	Std. Error Difference	lower	upper
Audit risk model	Equal variance assumed	2.857	0.092	3.238	267	0.001	4.4337	1.36941	1.73752	7.12994
	Equal variance not assumed			4.061	77.357	0	4.4337	1.09171	2.26001	6.60745



The results of testing the hypotheses 8

The results of testing the hypotheses 8 are presented in table 16 and 17. According to the results of testing the hypotheses 8 and the multi-variable test from among the mutual influences of the variables only the influences of gender and job rank are significant (according to 17). Based on the results of the variance consistency test; since the significant level is more than 5% ($0.123 > 5\%$) the variance is equal among the groups and according to the results of the one-sided variance test; since the appointed significant level is less than 5% ($0.044 < 5\%$) it can be said that auditors' job ranks and gender can mutually affected the auditors' perception of reasonable assurance in auditing works.

Table 16. Leven's Test of Equality of Error Variances

	F	df1	df2	sig.
Reasonable assurance	3.647	7	261	0.123

Test the null hypothesis that the error variance of the dependent variable is equal across groups

a. Design:

Intercept+SEX+CPA+JOB RANK+SEX*CPA+SEX*JOB RANK+CPA*JOB RANK+SEX*CPA*JOB RANK

Table 17. Tests of Between- Subjects Effects

Source	Dependent Variables	Type III Sum of Squares	df	Mean Square	F	sig.	Partition Eta Squared
Corrected Model	Reasonable assurance	1062.704	7	151.815	7.818	0	0.173
Intercept	Reasonable assurance	202350.475	1	202350.475	10420.78	0	0.976
SEX	Reasonable assurance	188.745	1	188.745	9.72	0.002	0.036
CPA	Reasonable assurance	239.393	1	239.393	12.328	0.001	0.045
JOB RANK	Reasonable assurance	204.92	1	204.92	10.553	0.001	0.039
SEX*CPA	Reasonable assurance	0.432	1	0.432	0.022	0.882	0
SEX*JOB RANK	Reasonable assurance	21.427	1	11.427	9.588	0.044	0.032
CPA*JOB RANK	Reasonable assurance	0.398	1	0.398	0.02	0.886	0
SEX*CPA*JOB RANK	Reasonable assurance	1.885	1	1.885	0.097	0.756	0
Error	Reasonable assurance	5068.091	261	19.418			
Total	Reasonable assurance	263525	269				
Corrected Total	Reasonable assurance	6130.796	268				

a. Rb Squared= .173(Adjusted R Squared= .151)

The results of testing the hypotheses 9

The results of testing the hypotheses 9 are presented in table 18 and 19. According to the results of the multi-variable test from among the mutual influences of the variables only the influences of gender and the official auditing certificate are significant (see table 19). The results of the variance consistency test indicate that the variance in all groups is equal since the significant level is more than 5% ($0.082 > 5\%$). According to the results of the one-sided variance test; since the significant level is less than 5% ($0.01 < 5\%$) it can be said that gender and the official auditing certificate have mutual influences on the effectiveness of the auditing risk model.

Table 18. Leven's Test of Equality of Error Variances

	F	df1	df2	sig.
Audit risk model	5.623	7	261	0.082

Test the null hypothesis that the error variance of the dependent variable is equal across groups

a. Design:

Intercept+SEX+CPA+JOB RANK+SEX*CPA+SEX*JOB RANK+CPA*JOB RANK+SEX*CPA*JOB RANK

Table 19. Tests of Between- Subjects Effects

Source	Dependent Variables	Type III Sum of Squares	df	Mean Square	F	sig.	Partitio n Eta Squared
Corrected Model	Audit risk model	6742.038	7	963.148	20.85	0	0.359
Intercept	Audit risk model	948023.572	1	948023.572	20522.84	0	0.987
SEX	Audit risk model	308.841	1	308.841	6.686	0.01	0.025
CPA	Audit risk model	1914.055	1	1914.055	41.436	0	0.137
JOB RANK	Audit risk model	1490.867	1	1490.867	32.274	0	0.11
SEX*CPA	Audit risk model	422.796	1	422.796	7.658	0.01	0.101
SEX*JOB RANK	Audit risk model	4.085	1	4.085	0.088	0.766	0
CPA*JOB RANK	Audit risk model	84.194	1	84.194	1.823	0.178	0.007
SEX*CPA*JOB RANK	Audit risk model	30.72	1	30.72	0.665	0.416	0.003
Error	Audit risk model	12056.527	261	46.194			
Total	Audit risk model	1203667	269				
Corrected Total	Audit risk model	18798.565	268				

a. Rb Squared= .359 (Adjusted R Squared= .341)

Conclusion and Recommendations

The findings of the research confirm that the partners' average reasonable assurance is more than administrators i.e. there is a difference between partners' and administrators' perception of the concept of reasonable assurance and partners have a better perception of this concept than administrators. This result conforms to the results of the researches by Tacket (2004) Alen (2005) Arens et. al (2006) and law (2008).

The information from the analyses also show that partners have a higher perception of the effectiveness of the auditing risk model than the auditing administrators and this difference is significant. The results of this section conform to Laws' results (2008). Also auditors with higher

education have a higher perception of reasonable assurance in auditing works which conforms to the results of Laws' research (2008).

The results of the research indicate that men have a higher perception of reasonable assurance in auditing works and the effectiveness of the auditing risk model which conforms to the results of Chung and Manor (2001) and Hardis (2009). Also compared to auditors without the official auditing certificate official auditors have a higher perception of reasonable assurance in auditing works and the effectiveness of the auditing risk model and this result conforms to the findings of the Elias(2004) and Law(2008).

The findings of the research suggest that from among the mutual influences of the variables only the mutual influence of gender and job rank is significant i.e. as gender varies the influence of job rank varies too. So the higher job rank the higher reasonable assurance in auditing works for men but the opposite for women so it can be said that the factor of job rank doesn't have the same influences in all the levels of the factor of gender. The result of Law's research (2008) has also proved this and also the result shows that from among the mutual influences of the variables only the mutual influences of gender and the official auditing certificate is significant i.e. as gender varies the influences of the official auditing certificate varies too so it can be said that the official auditing certificate doesn't have the same basic influence in all the levels of gender factor. The result of Law's research (2008) has also proved this.

With regard to the results of this research in which the importance of reasonable assurance and the effectiveness of the auditing risk model has been proved both from partners' and administrators' points of view, the need to investigate and study more about the enhance meat and operational the auditing risk model and increasing reasonable assurance about the auditors' reports is apparent which meets the demands of administrators (when they want to rely on the auditing risk model for planning and carrying out auditing tests) and also fulfills the expectations of the partners in this regard (in order for a better performance of their duty and efficiency of the operation).

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