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Review of the Mandatory and Optional Auditors

Shaban Mohammadi   Ali Mohammadi
Department of Accounting, Quchan Branch, Islamic Azad University, Quchan, Iran

Abstract
Review of the mandatory and optional Auditors Auditing profession moves in narrow path so that any slight deviation from this path will lead to job injury. Auditor's changed in recent years research has become an important field of this article are some of the reasons for the mandatory and voluntary chang of auditors will look into it.
Keywords: Auditor,Audit voluntary Change, Company Size, Audit Fees

Introduction

The auditor considers the impact that this change may have on auditor independence is important. This is because of the attention of many researchers in recent years, scientific and regulatory bodies to be attracted. Regulations requiring companies to disclose the reasons for the change of auditor and audit provisions for periodic changes in the companies listed on the stock exchange situation, Demonstrate the importance of this issue for users of accounting information. The auditor of the two aspects are discussed.

1.Forced change of auditor

Large financial reporting scandals in the world, headed by Enron scandal led to legislation in the form of Audit voluntary change was Sarbynz. The most important of the provisions of this Act relating to auditor independence and audit quality. These regulations include restrictions on the provision of services to clients Ghyrhsabrsy audit, increased responsibility of the Audit Committee, The Supervisory Board and the mandatory public accounting firms audit partners every job after a period of five consecutive years. Mozart and honor, in his treatise on the philosophy of the audit, the auditor should not, however, change periodically, but have acknowledged the existence of a long relationship, causing doubts about the independence of the auditor. According to Haley, and Kim, forced to change auditors, leading to increased independence and increase the confidence and trust of investors. Moore and colleagues also acknowledge that changes periodically Bazrmn means to preserve the independence of auditors and address the conflicts of interest in the ownership and management. Audit voluntary change thing that should be noted is that the issue of limiting auditor tenure of considerable dimensions. The first dimension is related to auditing and other changes, including changes periodically audit staff and partners, especially in the category of managers and supervisors in charge of the audit is Several studies carried out in this policy, the partner in charge of the work and show the superiority of the audit team based institutions change of the audit. Although the concepts of knowledge, according to the decision, taken in the first year of the audit client costs, including the costs of lost and should not be considered in the decision process of auditing the following years, Auditors are the costs involved in decision making and thus tendThat their employers at least to the extent that they can depreciate the cost of the first year, Auditors maintain revenue in the first year and may contribute to a new employer for the year is lower than the costs of This is done in the hope of compensation during the years after. From the economic point of view, it seems that the term of office is not acceptable so long audit and auditors periodically change resulted in the increase of impartiality and independence. The mandatory audit, auditors are in a superior position to resist the pressures and demands of the directors and auditors at the same time allows to have a more objective judgment. The term of office of the auditor long led to his interest to keep the client and the opinions of clients in the reporting process, leading to a loss of independence and impartiality will. From the perspective of the proponents of mandatory auditor, the auditor's term of office extended Reduce the level of independence and impartiality and undermine the quality of audits to depletion of carefully controlled tests and content of the auditor's adaptation to the conditions of the environment is accounted for. On the other hand, opponents of mandatory auditor believes that the auditor has the following costs:

Increased audit risk and reduce the effectiveness of the audit process
Increased costs Audits
Reduce the reliability of the management of successive changes of auditor
Reduce the level of confidence in the accounting profession, because of suspicion about the fading of professional and ethical values of the auditing profession.

2.Audit voluntary change

Several factors have been identified for the occurrence of replacement auditors. The most important of these factors on two related factors and factors related to the entity's auditor is classified**.**

Factors related to the characteristics of the audit:

Audit fees: Despite economic problems to a certain level of quality audit services, is expected to cost employers are looking for an institution to impose them. When the current auditor of the Company on the Company's cost of audit institutions to change the possibility that the client becomes. One of the motivations for the audit of listed companies on the Stock Exchange of audit fees is high. Therefore, it is inappropriate to demand fees from the previous audit, the auditor may be due to changes made by an entity

The auditor's opinion

Paragraphs explain audit report negative impact on the stock price. A positive relationship between firm's willingness to change and get the auditor's opinion in the years before the change is not accepted. Therefore, it is likely that the company issued a conditional statement about them, they proceeded to change their auditors. Research and Layz Johnson (1990) and Wu and Chaykv (2001) indicated that there was a significant relationship between the auditor and the auditor's opinion.

Audit quality: According to researchers, companies are asking for a certain level of audit services that depend on proximity and alignment of interests, ownership and management. More incentives to companies that demonstrate their commitment to responsible for any misuse, Mmvlamvssat larger audit and validate their choice. The typical corporate auditors are elected from among the institutions where the industry is famous. In a survey by the Symvnyk and Stein (1986) was based on the findings, researchers have argued that the reputation of audit firms in an industry basis is important to choose the auditor. Thus, the inverse relationship between the auditor and the auditor's knowledge there. **Factors associated with the entity:**

Client management: The management of a company will change when the new management may want to use the set of accounting methods Easily to the demands of its people. If auditors prior to the expectations of the new managers are oblivious likely to be replaced by new management. On the other hand, there is the possibility that the new management of dissatisfaction or disagreement over the previous audit services, audit fees, change its auditors.

Company size

the research conducted in 1991 found that Palmrvs the size of firms is larger than the number of contracts and employment agencies also added. This could oversee the management and supervision of the creditors to property ownership and management is faced with more problems. Auditors need to have more autonomy that could change the outcome of the auditors of the company. In addition, the company increased the amount of assets requires auditors to audit the validity of the increased probability increases.

The complexity of the entity:

certainly increases the complexity of corporate performance monitoring is more difficult and requires auditors to be felt. Because of the complexity of enterprise applications, numerous subsidiaries, Palmrvs (1991) proved that there is a significant relationship between the number of units and the auditor.

Financial position of the entity:

Schwartz's research (1985) shows that financial firms tend to live in poor conditions of Svdafza accounting procedures used to obtain the financial position of the company, they look good. The adoption by the auditors in accordance with the wishes of directors and will be issued by the auditor's opinion is unfit. On the other hand, managers are aware of the fact that the issue of non-compliant report to decrease stock prices and reduced support from there creditors. Therefore, managers will be looking for a solution in search of a new auditor to their demands are imposed.

The most important factor in the opportunity of earnings:

Opportunities may be indicative of the earnings potential of disagreement with the auditor and the auditor as a result of an underlying mentality is starting. Research Haley (1985), Dvfand (1992) and Wu and Chaykv (2001) confirm this. There is a positive relationship between earnings and the opportunities of the corporate auditors verified. Die (1991) also showed differences between the client and the auditor may lead to a change of auditor to audit quality is the same or lower quality.

Conclusion:

Possibility of lawsuits against auditors due to lack of adequate auditing standards That due to the lack of sufficient knowledge about the problems related to the specific risks of new clients is higher in the early years of audit work. When the probability is high plainness report and director of the alternative possibility that the auditors issued an unqualified report, the auditor shall be replaced. The discretionary accruals in companies that were required to change their auditors to the company that has changed its auditors were lower. The companies that are financially in bad condition tendThereby increasing their profit accounting procedures to portray good financial position of the company. Therefore, in accordance with the wishes of the directors, auditors may issue a comment or even unfit by the auditors. The team will be looking for a solution in search of a new auditor to impose their will upon them. The results show that the probability of large employers auditor at less than the small proprietors. Auditor may change employers Balansbt growth in clients with low growth is more likely to change employers auditor with poor financial situation of the clients with good financial position, the greater the. Factors that affect the auditor's efforts to identify effective by Iranian companies. The results of this study indicate that factors such as an increase in the fees requested by the auditor as a positive, low quality of services provided by the auditor, positive, positive changes in client management, business unit size (measured by the amount book assets) to a negative rate of return on capital negatively associated with the likelihood of auditor change in Iranian companies. The results of this study provided by the issuance of the auditor's report,

Increased sales of the client company, the high proportion of long-term debt of the client, the high proportion of short-term debt and capital increase by the auditee to the auditor's client does not show a significant relationship. Investors should also be sensitive to the reasons for the change of auditor firms and the possible consequences of these changes in terms of their own decisions.

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