Investigating the Effect of Audit Quality (Expertise, Tenure, Auditor Size) on the Probability of Renewal of Financial Statements of Companies Submitted in Tehran Stock Exchange

Mohammad Mehdi Bakhshi Pour

MA. Department of Accounting, Shams Gonbad Higher Education Institute, Golestan, Iran.

ABSTRACT

The purpose of the study is to investigate whether the quality of the audit in the current period has an effect on the possibility of resubmitting of financial statements in the upcoming period. For this purpose, the relationship between the factors affecting the quality of the audit in the current period and the possibility of renewing the presentation of comparative figures of financial statements in future periods for companies submitted in Tehran Stock Exchange was investigated. In order to test the research hypotheses after the initial data collection, a sample of companies operating in different industries was surveyed over 105 year-firm during a nine-year period (2001-2009). Excel was used to calculate and classify the research variables. Then, hypotheses were teste using the multiple logistic regression analysis available in SPSS. To examine the quality of audit, three variables auditor's tenure, specialty and audit size were employed. In general, the results of the research indicate that increasing the quality of the audit in the current period will reduce the probability of resubmitting of financial statements in future periods. Also, the results reveal that among the criteria of audit quality, there is a significant relationship only between the auditor's tenure and the possibility of resubmitting of financial statements of financial statements of companies listed on Tehran Stock Exchange.

Keywords: *Audit Quality, Audit Tenure, Financial Statements, Logistic Regression.*

Corresponding author: Mohammad Mehdi Bakhshi Pour
e-mail✉: mohammadbakhshipour5@gmail.com

1. INTRODUCTION

All companies that have been recently bankrupt in the United States had a history of resubmitting their financial statements. In most cases, the resubmitting financial statements reflects complications in the internal control system and the company's strategic system. Resubmitting airs a sense of uncertainty about corporate governance credentials and reporting systems, especially at a time when resubmitting might reflect mistrust in financial reporting of previous periods. In fact, the resubmitted financial statements presented and signal the non-reliability of past financial statements and their low quality .

Research Purposes

Overall Objective:

A review of the effective factors in the quality of auditing in the current period, on the possibility of need for resubmitting financial statements in future periods

Minor objectives

- Investigating the effect of the size of the audit firm on the probability of resubmitting financial statements
- Investigating the effect of the auditor's tenure on the probability of resubmitting financial statements
- Investigating the effect of auditors' expertise in the industry on the possibility of resubmitting financial statements

Research Hypotheses

Main hypothesis: Increasing the quality of auditing in the current period reduces the probability of resubmitting financial statements in future periods.

- First minor hypothesis: audit tenure has a negative relationship with the probability of resubmitting financial statements.
- Second minor hypothesis: the expertise of auditor has a negative relationship with the possibility resubmitting financial statements.
- Third minor hypothesis: The size of the auditor has a negative relationship with the possibility of refinancing the financial statements.

Statistical Population of the research

The statistical population of this research included the companies listed in the Tehran Stock Exchange. The reason for choosing such a statistical population is due to the accessibility to the data available on the financial statements of the companies listed to the stock exchange. In this research, the study sample was selected through a systematic elimination method of the statistical population, such that the statistical sample is consisted of all companies in the statistical population that meet the following criteria:

1. The end of their fiscal year is March 20 (29th of Esfand), without any alteration to their fiscal year
2. The company is not an active company in the field of financial activities, including investment companies, banks, insurance companies and financial institutions.
3. The data needed to calculate the research variables belongs to the period from 2002 to 2009.
4. The company has not undergone a 6 month trading hiatus.

2.   RESEARCH METHODOLOGY

This research employs deductive reasoning based on the applied purpose and. In terms of purpose, this research should be considered applied. In terms of its research design, this research is quasi-experimental, using a post-event approach. This research is descriptive in nature, which is based on the real information of financial statements of the company.

Method for Testing Hypotheses

To test the main hypothesis, model (1) is used.

Model 1:

$RESTATE = b_0 + b_1 AUDSIZE + b_2 TENURE + b_3 EXPERT + b_4 AUDSIZE*TENURE$

$SIZE \ b_5 \ GROWTH + b_6 \ LEVERAGE + b_7 \ FINRAISED + b_8 \ FINNEED + b_9$

Testing the First Minor Hypothesis

In order to test the first hypothesis of the research, model (2) was used:

Model 2:

$RESTATE = b_0 + b_1 \ TENURE + b_2 \ GROWTH + b_3 \ LEVERAGE + b_4 \ FINRAISED + b_5 \ FINNEED + b_6 \ SIZE$

Testing the Second Minor Hypothesis

In order to test the second minor hypothesis of the research, model (3) is used:

Model 3:

$RESTATE = b_0 + b_1 \ EXPERT + b_2 \ GROWTH + b_3 \ LEVERAGE + b_4 \ FINRAISED + b_5 \ FINNEED + b_6 \ SIZE$

Testing the Third Minor Hypothesis

In order to test the third minor hypothesis of the research, we use the model (4):

Model 4:

$RESTATE = b_0 + b_1 \ AUDSIZE + b_2 \ GROWTH + b_3 \ LEVERAGE + b_4 \ FINRAISED + b_5 \ FINNEED + b_6 \ SIZE$

Background Research:

Lobo and Zhao (2013) investigated the inconsistency between theoretical predictions and empirical findings in a study entitled "The relationship between auditor's effort and falsification of financial statements"; they reported a negative and strong relationship between audit effort and re-issuance of annual reports.

Ittrag et al. (2012) examined the relationship between re-issuance of revenue in the financial statements and accounting conservatism. The results of their research showed that the level of conservatism increases in the period following the period of increasing profit. In their cross-sectional analysis, they concluded that in the period of profound profitability, the conservatism of the tested companies is less than the conservatism of the controlling companies, and in the period after the profit margin, the conservatism of the tested companies is greater than the conservatism of the control companies.

Alberring et al. (2012) reviewed changes in the growth of companies after the resubmitting accounting presentation in their research entitled "The effect of renewing the provision of accounting on the growth of the company". The results of the research indicated that after the presentation of accounting, companies' growth decreases, especially the growth rate of investments that are financed from outside the company.

In a research study, Bodrecher et al. (2011) investigated the effect of stock trading by informed individuals on market responses to refinement. They found that managers and other informed individuals can adjust the market response to refinancing their financial statements through their transaction type. Their research suggests that if the company's executives were in general at the seller's position in aggregate, the market showed a more negative reaction to the renewing of the offer than when the managers around the date of the announcement of the renewal of the offer of profits, in total, the buyer Have been.

Elliott et al. (2011) examined the use of video media to reduce the negative consequences of renewing profits. Their results indicated that the use of these media usually influences the perception of users of the integrity and integrity of management, and affects their investment decisions. Their findings also indicated that when the CEO accepted the renegotiation and apologized in the media, investors would be more trustworthy for executives than they would have been to apologize for managers in the media and in print.

Widman & Hendricks (2010) investigated the direct measurement of accruals quality in a research entitled "Accruality Quality of the Renewal Company." The findings of the research indicated that the estimation errors of working capital accruals on average in the period before the renewal of presentation of financial statements are significantly close to zero, so that the absolute value of the estimated errors in the period after the renewal of the offer to a reasonable amount Pay attention to the period of non-disclosure of financial statements.

Crawth and Scholin (2009) used the Fama and French three-factor model to investigate the relationship between repricing and information risk. Their research findings indicate that the resumption of profitability leads to increased information risk, which leads to a price response in the short run and, on the other hand, increases the company's capital cost.

Ferdinand et al. (2009), in a research entitled "The role of the auditor's tenure and expertise in the auditing industry in the quality of profit," show that a shorter tenure is associated with lower profit quality. The results of this research show that, whenever the expertise in the auditor industry is low, then the relationship between the length of the auditor's tenure and the higher profit quality will be stronger and vice versa.

Logor (2008) examines whether firms report more conservative over the past 3 years after the renegotiation announcement and whether the increase in conservatism is related to the size of debt contracts and rewards. These results show that refinement companies experience significant increases in their conservatism within three years after the announcement of renewal. In addition, both the level and the change in contingent conservatism after renewal are higher for companies whose debt contracts and rewards are more important.

Tandlou and Australia (2008) have investigated the relationship between audit quality and profit management in European countries. The result of the research suggests that there is a link between earnings management and audit quality, as well as high quality auditing in countries that have a consistent tax base. Limit (decrease) in profit management.

Chambers & Pine (2008), in a study entitled "Audit quality and unusual accruals", showed the relationship between audit quality and accruals reliance, and then proves the relationship between audit quality and unusual accruals. The results of this research show that the amount of operational returns associated with accruals is a negative relationship with audit quality. The low audit quality leads to an increase in accrual accruals related to operating returns.

Conductors (2005), in a study entitled "Quality of Audit and Earnings Management for Companies Involved in Public Stock Shares" by selecting 4 large audit firms as quality auditors and comparing profits in companies audited by these four companies with profits in other companies by non-profit Four companies have been audited to investigate the relationship between audit quality and Earnings management before and after the public offering of shares, and concluded that, firstly, in such companies profits management occurs. In the other hand, there is a significant relationship between earnings management and audit quality, so that The higher the quality of the audit The focus is on profit management in these companies.

Palmrose et al. (2004), with 403 companies surveyed, concluded that firms would face a fall in stock prices of around 9% over a two-day period. In their own investigation, they discontinued fraudulent and misleading presentations, stating that the negative reaction to the price of the stock was more severe than the announcement of renewal for renewal of fraudulent statements. They argue that a renewing of a presentation that results from an auditor's performance or attributable to the company would be less negative and, conversely, refinancing from the Stock Exchange offers less negative returns.

Woodland and Reynold (2003) investigated the relationship between direct and indirect criteria for low audit quality and concluded that economic costs are low in relation to the quality of the audit, but evidence that the size of the audit firm, the duration of the auditor's tenure, or Auditor's expertise in industry with low audit quality is not found.

Holtansen and Watts (2001) investigated the conservatism in the long-term period of 1992-1999 using the Basu benchmark. They concluded that the increase in conservatism in the late 20th century could be slightly justified by standardization.

Nikbakht and Rafiee (2012) searched for a model for forecasting renewed presentation in Iran. The results of the research indicate that there was a strong correlation between refinancing of financial statements and profitability, financial leverage, change in company management and auditor's change. In addition, the findings of this research showed no significant relationship between capital increase, management reward and company size with the occurrence of refinancing of financial statements.

Rahimian et al. (2011), in the research entitled "The role of institutional owners in the audit quality of listed companies in Tehran Stock Exchange", provides the role of institutional owners in audit quality. Research findings suggest that companies with higher levels of institutional ownership have higher audit quality, while the focus of institutional ownership has reduced audit quality.

Namazi et al. (2011) investigated the relationship between audit quality and earnings management in a research entitled "Investigating the relationship between audit quality and earnings management of listed companies in Tehran Stock Exchange". Their findings show that there is a positive and meaningful relation between earnings management and auditor's size, a positive but not significant relationship, and also between earnings management and auditor's tenure.

Sajjadi and Arabi (2010) investigated the relationship between audit quality and earnings management in a study entitled "Effect of audit quality on earnings management". It was concluded that audit quality reduces the amount of discretionary accruals and profit management.

Bozorg-Asl and Shayaste-Mand (2010) investigated the relationship between the duration of the auditor's tenure and earnings management. The result of this study is that with the increase in the duration of the auditor's business, profit management is likely to increase, both in terms of decreasing and in order to increase profits.

Namazi and colleagues (2009) investigated the relationship between audit quality and earnings management of companies accepted in Tehran Stock Exchange. The findings of the research show that there is a positive and significant relationship between earnings management and the auditor's period, and there is a positive, but not significant relationship between earnings management and auditor's size.

Hassas-Yegane and Azinfar (2010) investigated the relationship between audit quality and auditor's size (audit firm) in the research entitled "The relationship between audit quality and audit firm size". This research suggests a significant and inverse relationship between the audit quality and auditor's size of the audit firm.

In a study entitled "Investigating the Relationship Between Auditor's and Profit Management", Karami et al. (2010) examined the relation between the auditor's tenure and the amount of earnings management. Therefore, according to the findings of this research, it can be said that the long-term relationship between the worker and the auditor increases the flexibility of management in the use of discretionary accruals, but it is more used to reduce (conservative) earnings.

Kordlor and Seyyedi (2008) examined the relationship between independent auditors and the type of auditor's opinion on earnings management in a study entitled "The role of independent auditors in reducing voluntary accruals." The findings of the research show that only the type of audit firm is related to the voluntary commitment.

3. RESEARCH FINDINGS:

Descriptive Statistics

Table 1. Descriptive information of variables

Variable	median	Mean	Std. Deviation	Skewedness	Kurtosis
SIZE	121.0000	193.9100	220.47149	1.549	2.304
LEVERAGE	.7360	.7386	.17105	3.124	21.448
FINRAISED	.1760	.2604	.39465	4.787	27.691
TENURE	0.6	0.5866	0.3224	-0.587	-0.7409

AUDSIZE* TENURE	0	0.2602	0.3843	0.9082	-0.9711

In some variables, the mean and median are close, in which case the distribution of variables is symmetric. All variables have a relative symmetry. Also, the stretch of all variables is more than normal stretch. (The kurtosis and skewness of the normal distribution is zero).

Analysis of the nature of the variables and characteristics of the research variables

Chi-square analysis:

The research hypotheses of this test are as follows:

H0: There is no significant relationship between dependent variables and independent variables.

H1: There is a significant relationship between dependent variables and independent variables.

The results of this test are presented for the first and second regressions respectively in Tables 2 and 3. These tables include chi-square statistics, degree of freedom, and significant level.

Table 2. Chi-square analysis for the main hypothesis model

Model	Degree of Freedom	Wald Statistic	Significance level
Regression	1	279.197	0.000

Table 3. Chi-square analysis for the first minor hypothesis model

Model	Degree of Freedom	Wald Statistic	Significance level
Regression	9	279.197	0.000

Table 4. Chi-square analysis for the second minor hypothesis model

Model	Degree of Freedom	Wald Statistic	Significance level
Regression	9	36.345	0.000

Table 5. Chi-square analysis for the third minor hypothesis model

Model	Degree of Freedom	Wald Statistic	Significance level
Regression	9	36.345	0.000

As can be seen, the Wald statistics for regression of the model of original hypothesis and the first, second and third minor hypotheses are 46.760 and 345.36, respectively, and the significance level of the Wald statistics zero for both. H0 assumption, in that there is no regression line at 95% confidence level or 5% error, is declined. Therefore, the aforementioned test confirms the model's accuracy.

Considering that the results of logistic regression analysis are the same for both dependent variable calculation and their correlation coefficient is equal to 0.6, one of the results is used for the final analysis.

Test of Research Hypotheses

Main Hypothesis

In order to test the first hypothesis stating that increasing the quality of auditing in the current period, it reduces the likelihood of re-issuance of financial statements in future periods, we have used stepwise multiple logistic regression, the results of which are presented in Table 6.

H0: Increasing the quality of auditing in the current period does not reduce the probability of a future re-issuance of financial statements in future periods.

H1: Increasing the quality of auditing in the current period reduces the probability of a future re-issuance of financial statements in future periods.

Table 6. Testing the main hypothesis

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
TENURE	-1.477	.351	17.738	.000
AUDSIZETENURE	1.211	.291	17.368	.000
FINRAISED	-.446	.279	2.550	.110
GROWTH	-.330	.213	2.408	.121
EXPERT	-.262	.296	.785	.376
SIZE	.000	.000	.598	.439
LEVERAGE	.157	.514	.094	.760
FINNED	.009	.310	.001	.978
AUDSIZE	.207	.857	.058	.810

Given that the significance level of the TENURE variable, which is equal to the logarithm, is the number of years the client has audited by an audit firm, and AUDSIZE * TENURE in Table 6 is less than 0.05, and the beta coefficient is also negative for the TENURE variable. Although the two other criteria for the quality of the audit, EXPERT and AUDSIZE, are significantly more than 0.05. The H0 assumption in that increasing the quality of auditing in the current period does not reduce the likelihood of re-issuance of financial statements in future periods, and the negative and significant relationship between these two variables during the auditor's period of audit and the possibility of renewal of the presentation of the face There are financial statements and the main hypothesis of the research is confirmed.

Testing the first minor hypothesis

In order to test the first minor hypothesis based on the audit tenure, the auditor has a negative relationship with the possibility of refinancing the financial statements. We employ a multiple logistic regression stepwise, the results of which are presented in Table 7.

H0: There is no significant negative relationship between audit tenure and the probability of re-issuance of financial statements.

H1: There is a significant negative relationship between audit tenure and the probability of re-issuance of financial statements.

Table 7. Testing first minor hypothesis

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
TENURE	-1.477	.351	17.738	.000
FINRAISED	-.446	.279	2.550	.110
GROWTH	-.330	.213	2.408	.121
EXPERT	-.262	.296	.785	.376
SIZE	.000	.000	.675	.411
LEVERAGE	.141	.514	.075	.784
FINNED	.011	.310	.001	.972

Since the meaningful level of the TENURE variable is less than 5% and the beta coefficient is negative, H0 assumption, in that there is no significant relation between the two variables, is dismissed, and thus there is a negative and significant relationship between auditor's tenure and the possibility of reissuance financial statements, and the second hypothesis of the research is confirmed.

Second minor hypothesis test

In order to test the second hypothesis, stating that there is a significant negative relationship between the industry's specifics of the industry and the possibility of reissuance of financial statements, we have used stepwise stepwise multiple logistic regression, the results of which are presented in Table 8.

H0: There is no significant negative correlation between the auditor's industry expertise and the probability of re-issuance of financial statements.

H1: There is a significant negative correlation between the auditor's industry expertise and the probability of re-issuance of financial statements.

Table 8: Second minor hypothesis test results

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
EXPERT	-.182	.290	.392	.531
FINRAISED	-.391	.272	2.073	.150
GROWTH	-.282	.209	1.823	.177
FINNED	.032	.308	.011	.918
SIZE	.000	.000	.930	.335
LEVERAGE	.446	.514	.754	.385

Since the significance level of the EXPERT variable representing the size of the audit firm is more than 5%, the assumption of H0, in that there is no correlation between the two variables, is dismissed and thus the second minor hypothesis is accepted.

Third minor hypothesis test

In order to test the third hypothesis, in that there is a significant negative relationship between the size of the auditor and the possibility of reissuance of financial statements, we use multiple step logistic regression, the results of which are presented in Table 9.

- **H0:** There is no significant negative correlation between the auditor's size and the probability of re-issuance of financial statements.
- **H1:** There is a significant negative correlation between the auditor's size and the probability of re-issuance of financial statements.

Table 9: Third minor hypothesis test

Variables Std. error	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
AUDSIZE	.582	.218	7.107	.008
FINRAISED	-.407	.278	2.132	.144
GROWTH	-.302	.209	2.074	.150
FINNED	.038	.308	.015	.901
SIZE	.000	.000	1.049	.306
LEVERAGE	.385	.515	.559	.455

Although the significance level of the variable AUDSIZE that represents the size of the audit firm is less than 5%, but with regard to the positive beta coefficient, the assumption of H0 is confirmed by the absence of a negative and significant relationship between the two variables, and a negative and significant relationship There is no difference between the two variables of the size of the auditor and the possibility of

renewal of the presentation of the financial statements and the third sub-hypothesis of the research is rejected.

Also, in order to investigate the effect of being opportunistic or not refinancing the financial statements of the above mentioned models, we will first examine, based on whether or not there is a refinement of the financial statements, the results of which are summarized below.

Table 10: Chi-square for the model of the first main hypothesis based on the opportunistic nature of the financial statements renewal

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
AUDSIZE	-384.998	3.810E4	.000	.992
AUDSIZETENURE	-21.172	11.936	.000	.854
FINRAISED	2.169	3.161E4	.000	1.000
GROWTH	43.859	2.652E4	.000	.999
FINNED	3.689	2.457E4	.000	1.000
SIZE	235.136	7.030E4	.000	.997
LEVERAGE	736.930	5.103E4	.000	.988
EXPERT	-46.206	5.113E4	.000	.999

Considering that the significance level of the variable TENURE, AUDSIZE * TENURE, EXPERT and AUDSIZE is greater than 0.05, there can be no significant relationship between audit quality and the opportunistic nature of financial statements re-issuance.

Table 11: Chi-square for the model of the first main hypothesis based on the non-opportunistic nature of the re-issuance of financial statements

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
AUDSIZE	-3.057	1.935	2.497	.114
AUDSIZETENURE	.034	.936	-.172	.172
FINRAISED	.074	2.652	.001	.978
GROWTH	.393	1.673	.055	.814
FINNED	-.806	2.724	.088	.767
SIZE	-42.556	5.684E4	.000	.999
LEVERAGE	3.178	4.997	.404	.525
EXPERT	-16.126	3.1813E4	.000	.996

Considering that the significance level of the variable TENURE, AUDSIZE * TENURE, EXPERT and AUDSIZE is greater than 0.05, there can be no significant relationship between audit quality and the non-opportunistic nature of financial statements re-issuance

Table 12. Chi-square analysis for the first minor hypothesis model based on opportunistic re-issuance of financial statements

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
AUDSIZE	.582	.218	7.107	.008
GROWTH	-.172	.936	.034	.854
FINNED	-.407	.278	2.132	.144
SIZE	-.302	.209	2.074	.150
LEVERAGE	.038	.308	.015	.901
FINRAISED	.000	.000	1.049	.306

Given that the significance level of the AUDSIZE variable is less than 0.05, it can be concluded that there is a significant

relationship between the expertise of the audit firm and the opportunistic nature of the re-issuance of financial statements.

Table 13. Chi-square analysis for the second minor hypothesis model based on opportunistic re-issuance of financial statements

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
TENURE	.259	1.615	.026	.873
GROWTH	1.564	2.857	.299	.584
FINNED	-13.750	11.727	1.375	.241
SIZE	7.207	7.482	.928	.335
LEVERAGE	3.107	4.864	.408	.523
FINRAISED	7.709	6.044	1.627	.202

Given that the significance level of the TENURE variable is greater than 0.05, it can be concluded that there is no significant relationship between the expertise of the audit firm and the Non-opportunistic nature of the re-issuance of financial statements.

Table 14. Chi-square analysis for the third minor hypothesis model based on opportunistic re-issuance of financial statements

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
EXPERT	-.822	2.373	.120	.729
GROWTH	-.288	1.582	.033	.856
FINNED	-.262	2.576	.010	.919
SIZE	-41.615	5.684E4	.000	.999
LEVERAGE	1.417	4.095	.120	.729
FINRAISED	.909	2.446	.138	.710

Given that the significance level of the EXPERT variable is greater than 0.05, it is safe to say that there is no significant relationship between the expertise of the audit firm and the opportunistic nature of the re-issuance of financial statements.

Table 15. Chi-square analysis for the first minor hypothesis model based on non-opportunistic re-issuance of financial statements

Variables Std. error	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
TENURE	.280	.910	.094	.759
GROWTH	.334	.344	.941	.332
FINNED	-.448	.542	.683	.409
SIZE	-42.556	5.684E4	.000	.999
LEVERAGE	.932	.749	1.549	.213
FINRAISED	.361	.407	.783	.376

Given that the significance level of the AUDSIZE variable is greater than 0.05, it is safe to say that there is no significant relationship between the expertise of the audit firm and the Non-opportunistic nature of the re-issuance of financial statements.

Table 16. Chi-square analysis for the second minor hypothesis model based on non-opportunistic re-issuance of financial statements

Variables Std. error	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
TENURE	.027	.567	.002	.962
GROWTH	.347	.342	1.025	.311
FINNED	-.449	.542	.688	.407
SIZE	-22.536	3.384E4	.000	.999
LEVERAGE	.972	.742	1.717	.190
FINRAISED	.350	.409	.731	.393

Given that the significance level of the TENURE variable is greater than 0.05, it is safe to say that there is no significant relationship between the expertise of the audit firm and the Non-opportunistic nature of the re-issuance of financial statements.

Table 17. Chi-square analysis for the third minor hypothesis model based on non-opportunistic re-issuance of financial statements

Variables	Unstandardized coefficients		Wald statistic	Sig. level
	Beta	Std. error		
EXPERT	-.471	.421	1.250	.264
GROWTH	.334	.342	.957	.328
FINNED	-.464	.544	.727	.394
SIZE	-25.536	2.884E4	.000	.997
LEVERAGE	.894	.741	1.457	.227
FINRAISED	.374	.401	.867	.352

Given that the significance level of the EXPERT variable is greater than 0.05, it is safe to say that there is no significant relationship between the expertise of the audit firm and the Non-opportunistic nature of the re-issuance of financial statements.

4.   DISCUSSION AND CONCLUSION:

The results of the research show that there is a significant relationship between audit quality criteria only between the auditor's tenure and the possibility of refinancing the presentation of financial statements in the listed companies in Tehran Stock Exchange. Based on the results, and given the significant negative relationship between The length of the auditor's period of accounting and the possibility of renewal of the presentation of the financial statements can be stated. With the increase of the auditor's period of accountability, the possibility of renewal of presentation of financial statements decreases, which can be attributed to improving the technical ability of the auditor to identify the deviations with the importance and better understanding of the economic unit. Also, there is a significant relationship between AUDSIZE * TENURE and the possibility of resubmitting financial statements. The results are consistent with the studies conducted by Cohen Commission (1978, 1988) as the results of these studies indicate that adverse audits in short periods of time over courses Longer is more common. And contrary to the research findings of Hoiles (1978) and Shockley (1981), the results of these studies indicate that a longer tenure will result in a strong financial commitment between the auditor and the client, as well as an attitude of lucidity in the auditor for the audit of the financial statements. Also, with regard to the above mentioned results, it is clear that there is no significant

relationship between the ratio of industry expert's expertise and the possibility of renewal of presentation of financial statements. There is also a significant relationship between AUDSIZE * TENURE and the possibility of refinancing financial statements. These results are in contradiction with the results of studies by Carlesleau et al. (1992) and Etemadi et al. (2009). The results of this research show that with the increasing expertise of the auditor in a particular industry, the auditor will be able to provide higher quality audits. One of the reasons for the inconsistency of the results of the present research with the above research can be the difference in the standard that has been set as the representative of the quality of audit. In the above research, the concept of profit management has been used as a benchmark for the quality of audit, while in the present study the concept of refinancing financial statements has been used to evaluate audit quality.

The findings of this research indicate that there is no significant relationship between the size of the audit and the possibility of re-issuance of financial statements, but there is a positive and significant relationship between the size of the audit and the possibility of re-issuance of financial statements and, given the positive nature of the beta coefficient, the possibility of re-issuance of financial statements is higher in companies whose auditors are an audit firm. On the other hand, there is no significant relationship between the other independent variables and the possibility of renewal of financial statements presentation. The results are consistent with the results of the Yeganeh and Azinfam (2010) while being contrary to the research of Di Angelo (1981). Hassas Yeganeh and Azinfam (2010) concluded in their research there is a reciprocal relationship between audit quality and the size of the auditor (audit firm) in Iran, which confirms some of the results of the present research as, according to theoretical foundations, it is assumed that increased audit quality reduces re-issuance of financial statements in future periods. This can be explained by the specific definition set out in internal investigations for the size of an audit firm. Also, given the results of the present study, the size of the company is a major contributor to the probability of refinancing the financial statements in the coming periods and, on the other hand, has audited the major audit firm of these large companies. There is a positive and significant relationship between the size of the auditor and the possibility of refinancing the presentation of financial statements.

REFERENCES

1. Anderson, K.L., and T.L. Yohn. 2002. The effect of 10-K restatements on firm value, information asymmetries, and investors' reliance on earnings. Working paper. Georgetown University.
2. Balsam, S., Krishnan, and J.S. Yang.2003. Auditor industry specialization and earnings quality: A Journal of Practice and Theory22(2): 71-97.
3. Bozorg-Asl, M. and the ShayasteMand, H. R. (2010). "The Relationship Between the Term of the Auditor's Business and the Management of Profit." Quarterly Journal of the Stock Exchange, Vol. 4, No. 13, pp. 233-213.
4. Carcello, J. V., and Nagy, A. L. (2004). "Client size, auditor specialization and fraudulent financial reporting". Managerial Auditing Journal, Vol. 19, pp. 651-668.
5. Dechow, P. M., W. Ge, C. R. Larson, and Sloan, R. G. (2011). "Predicting Material Accounting Misstatements". Contemporary Accounting Research, Vol. 28, pp. 17-82.
6. Ebrahimi Kurdlor, A., and Seidi, S. A. (2008). "The role of independent auditors in reducing optional accruals". Accounting and Auditing Reviews, No. 54, pp. 3-14.
7. Geiger M.A. and Raghunandan K, (2002). "Auditor tenure and audit reporting failures", Auditing: A jornal of Practice & Theory, Vol.21, Issue 1, pp. 67-78.
8. Hassas-Yegane, Y. and Maghsudi, O. (2010). "The effect of professional behavior and experience on audit judgment quality". Official Accountant Monthly, New Period, No. 9, p. 49-57.
9. Hassas-Yegane, Y. and Valizadeh A. (2012). "Investigating the Effect of the Auditor's Specialty on Financial Reporting and Capital Markets Reaction". No. 19, pp. 43-64.
10. Hogan, C. E., and D. C. Jeter. 1999. Industry specialization by auditors. Auditing: A Journal of Practice and Theory 18(1):1-17.
11. Hribar, P. Kravet, T. and Wilson, R. (2010). "A New Measure of Accounting Quality Working paper. University of Iowa and University of Texas at Dallas".
12. Johnstone, K. M. and Bedard, J.C. (2003). "Risk Management in Client Acceptance Decisions". The Accounting Review, Vol. 78, pp. 1003-1025.
13. Karami, Gh., Bazrafshan, A., and Mohammadi, A. (2011). "The Study of the Relationship Between Auditor's Duration and Earnings Management." Journal of Accounting Knowledge, Year 2, No. 4, pp. 65-82.
14. Krishnan, G. V. 2005. The association between big 6 auditor industry expertise and the asymmetric timeliness of earnings. Journal of Accounting, Auditing and Finance 20(3): 209-228.
15. Lennox, C. and Pittman, J, A. (2010). "Big Five Audits and Accounting Fraud. Contemporary". Accounting Research, Vol. 27, pp. 209-247.
16. M, D. Brady, I. Lavelle, and Palmeri, C. (2002). "Accounting in Crisis. Business Week.". January, Vol. 28, pp. 44-48.
17. Matsumura, E. M. and Tucker, R. (1992). "Fraud Detection: A Theoretical Foundation". The Accounting Review, Vol. 67, pp. 753-782.
18. Namazi, M., Bayazidi, A., and Jabarzadeh, S. (2011). "Investigating the Relationship Between Audit Quality and Profit Management of Companies Accepted in Tehran Stock Exchange". Journal of Accounting Research, Third Year, No. 9, pp. 60-78.
19. Nikbakht, M. and Rafiee, A. (2012). "Modeling the Factors Affecting the Renewal of Presentation of Financial Statements in Iran". Journal of Accounting Knowledge, No. 9, pp. 175-206
20. Palmrose, Z-V.and Richardson, V.J. and Scholz, S. (2004). "Determinants of market reactions to restatement announcements". Journal of Accounting and Economics, Vol 37, pp. 59-89.

21. Rahimian, N., Rezapour, N., Akhzari, H. (2011); "The Role of Ownership Ownership in the Audit Quality of Listed Companies in Tehran Stock Exchange", Audit Knowledge, No. 45, pp. 68-81.

22. Romanus, R, N. and Maher, J, J .and Fleming, D, M. (2008). "Auditor Industry Specialization and Accounting Restatements". The Accounting Review, Vol., pp. 389-413.

23. Sajjadi, S. H., and Arabi, M. (2010). "The Effect of Audit Quality on Profit Management." Official Journal of Accounting, No. 12, pp. 104-108.

24. Shockley, R.,1981. Perceptions of auditors' independence: an empirical analysis, The Accounting Review 56, 785-800.

25. Wilson, W.M(2008), "An empirical Analysis of the Decline in the information content of earning following Restatements", the Accounting Review.