World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

THE IMPACT OF AUDITOR CHARACTERISTICS ON THE QUALITY OF FINANCIAL REPORTS, TAKING INTO ACCOUNT THE ROLE OF THE COMPANY'S STRATEGY-CASE STUDY OF COMPANIES LISTED ON THE IRAQI STOCK EXCHANGE

Dr.Siraj Razrazooqi abbas
College of Administration and Economics, Wasit University, University State Iraq, University City Wasit, University City Postal Code **52001**
Researcher Email
abbas@uowasit.edu.iq
https://orcid.org/0009-0006-9074-6026

Article history:

Received: 14th February 2025
Accepted: 11th March 2025

Abstract:

This study examines the relationship between auditor characteristics and financial reporting quality, considering the role of company strategy. The statistical population of this research includes all companies listed on the Iraqi Stock Exchange. Using systematic elimination, 35 companies were selected for the period from 2009 to 2021. The research hypotheses were tested using a multivariate regression model based on combined data. The results indicate that auditor rotation has a positive effect on financial reporting quality. Additionally, the results show that business strategy positively influences the relationship between auditor rotation and financial reporting quality.

Keywords: Financial Reporting Quality, Auditor Rotation, Business Strategy

INTRODUCTION

The role of accounting information quality in capital markets has always been of significant importance to market participants and researchers. Many studies have emphasized that improving financial reporting quality reduces information risk, increases investor confidence, enhances financial market performance and liquidity, and ultimately reduces the expected return (Barth et al., 2019). Financial reporting quality refers to the ability of financial statements to convey information relevant to the company's operations and, specifically, to predict expected cash flows to investors (Biddle et al., 2009). In other words, the usefulness of financial statements for investors, creditors, managers, and other related parties can be attributed to the quality of the provided information. High-quality financial reporting facilitates more informed decision-making by investors and helps direct these investments towards optimal resource allocation (Core, 2008).

Auditors, by applying accounting and auditing standards, seek to enhance financial reporting quality and ensure the reliability of accounting information. Many empirical studies on auditing services indicate that auditor characteristics such as expertise and tenure positively correlate with financial reporting quality. Longer tenures are expected to improve auditor learning of client-specific knowledge. Hsu and Moon (2005) argue that auditors with specialized knowledge of client operations, accounting systems, and internal control structures can better detect financial statement errors and distortions. An auditor's ability to identify the client's environment reduces fraud and distortion, thereby improving financial reporting quality (Soroushyar, 2022).

Business strategy refers to how companies compete in an industry or competitive market (Olson et al., 2005). Similar or different strategies within the same industry can create competitive advantages. Yuan et al. (2016) argue that a company's business strategy can moderate the relationship between auditor industry expertise and discretionary accruals. Chen et al. (2017) found that a company's business strategy can influence the type of auditor's report. Bentley et al. (2013) showed that a company's business strategy affects financial reporting quality and audit fees. Therefore, it is expected that business strategy influences the relationship between financial reporting quality and auditor tenure.

Strengthening the position of accounting information as a valuable resource in the capital market is crucial for accountants, managers, and auditors involved in the preparation and validation of accounting information. Therefore,

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

this study aims to answer the question: Does business strategy affect the relationship between financial reporting quality and auditor rotation?

Theoretical Foundations

Financial reports are the final product of the financial reporting process, which includes the creation, dissemination, assurance, and use of financial information by the users of these reports. The process starts with implementing financial reporting standards to prepare financial reports and extends to assurance, dissemination, and use of these reports. Users need useful information for judgment and decision-making in the capital market and for evaluating contractual terms and managerial stewardship. The usefulness of information refers to the quality of information, and the quality of financial statements is a specific aspect of information quality (Francis et al., 2006). The quality of financial statements indicates how fairly they represent the underlying economics of the company (DeFond and Zhang, 2014).

The quality of financial statements is one of the most effective tools for demonstrating company performance and shareholder value. Therefore, all companies are expected to best represent shareholder value. However, some companies may misrepresent unfavorable conditions. Providing attractive information for interested parties improves the quality of investor decisions. Hence, improving financial reporting quality focuses on increasing shareholder value (Beest et al., 2018).

Nevertheless, data processing in financial reports can be misused to inflate stock values and make investments appear more attractive. Management tends to manipulate earnings (financial reporting) and mislead interested parties seeking useful information. They can exploit their position and power for personal gain at the expense of shareholders, although managers are expected to always present the true state of earnings to help shareholders predict future profits (Biddle and Hillary, 2006).

A significant portion of existing literature in accounting research indicates that financial reporting plays a vital role in reducing agency problems (Bushman and Smith, 2003). For instance, accounting information directly affects managerial compensation contracts and is the primary source for shareholders to monitor managers. Additionally, financial accounting information is essential for market oversight of companies. Therefore, if financial reporting reduces agency problems, it can improve project selection and reduce financing costs by enhancing shareholders' ability to monitor managers. The role of financial statement quality in national and economic systems significantly influences investor and stakeholder decisions. Low-quality financial reporting will lead to suboptimal resource allocation. Many factors can affect the quality of financial statements, including auditing and auditor rotation (Azizkhani et al., 2019).

Given the importance of auditing as a corporate governance oversight mechanism and following scandals at large companies like Enron and WorldCom, and the increased emphasis on corporate governance, the Sarbanes-Oxley Act (2002) was enacted in the United States, the origin of major financial scandals. In other countries, similar regulations were established, such as the Higgs and Smith Reports (2006) in the UK and the Dey Report (1994) in Canada. In Iran, recent economic transformations, including increased privatization and the development of capital markets, have highlighted corporate governance as an oversight mechanism.

Independent auditors play a crucial role in validating financial statements and protecting investor rights. High-quality auditing reduces information asymmetry and agency problems among stakeholders, improving financial reporting quality. Research indicates that higher-quality auditing enhances the accuracy of accounting information, allowing investors to more confidently analyze a company's financial condition and performance. Companies seek reputable auditors to signal that their financial information is of high quality (Azizkhani et al., 2019).

The primary objective of auditing is to determine whether the information presented in financial statements fairly reflects performance and financial condition. Auditor tenure can impact this objective, as longer tenures may lead to increased client dependency and reduced financial reporting quality. However, opponents argue that auditors can gain substantial experience and knowledge of the client's operations and processes over time, enhancing financial reporting quality (Chen et al., 2008). DeFond and Zhang (2014) reviewed the literature on auditor tenure and concluded that previous research indicates that longer tenures can improve financial reporting quality. Recent studies have also shown that extended auditor tenure can enhance financial reporting quality (Patterson et al., 2019).

Business strategy is crucial for a company's development and dictates its growth trajectory over time. Some companies adopt conventional industry strategies to avoid risk and progress steadily, while others employ various strategies to accept higher risks and create wealth for shareholders (Chen, 2021). Previous empirical evidence suggests that auditor expertise in the early years of auditing a client is limited, potentially leading to failures in detecting significant errors and distortions (Ghosh and Moon, 2005). However, as the auditor-client relationship extends, auditors can rely less on management estimates and become more independent due to the specialized knowledge they acquire. Carcello and Nagy (2004) found that longer auditor tenures reduce the likelihood of fraudulent financial reporting. Generally, previous research indicates that auditors gain informational and knowledge benefits over time. Therefore, auditor tenure leads

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

to a better understanding of the client's business strategy, enabling auditors to evaluate accounting policies and procedures more effectively and improve financial reporting quality (Soroushyar, 2022).

RESEARCH BACKGROUND

Krishnan et al. (2021) examined the impact of different stages of the company life cycle on financial reporting quality, measuring quality using match quality. Their results showed that match quality is lower during introduction, growth, and decline stages compared to maturity. Additionally, incorrect financial reporting was higher during introduction, growth, and decline stages. Habib and Hasan (2020) investigated the impact of business strategy on financial reporting readability, finding that diverse business strategies negatively affect readability. Bajra and Kudz (2018) studied the impact of audit committees on financial reporting quality, showing that the effectiveness and competence of audit committees positively correlate with financial reporting quality. Conversely, the presence of audit committees negatively impacts financial reporting quality. Kasendi (2016) examined the impact of audit committees on financial reporting quality, demonstrating that audit committee independence improves financial reporting quality, and audit committees with financial expertise positively correlate with financial reporting quality.

Research Hypotheses

Based on the theoretical foundations, the research hypotheses are formulated as follows:

1. Auditor rotation positively affects financial reporting quality.
2. Business strategy positively affects the relationship between auditor rotation and financial reporting quality.

RESEARCH SIGNIFICANCE

One of the critical factors in investor decision-making is suitable and relevant information. Today, the transparency and quality of financial information, which form the basis for economic decision-making by investors, creditors, and other users, are vital. Financial reporting, as an information system, is the most important source for external parties, especially shareholders and investors, to obtain necessary information. The tangible manifestation of financial reporting is the financial statements. Financial statements should be free from any errors to enable investors to make optimal decisions and drive capital towards the market. Hence, examining factors influencing financial reporting quality is crucial.

Furthermore, agency problems arise from conflicts of interest between managers and shareholders. Similar conflicts exist between controlling shareholders (majority shareholders) and minority shareholders. Such conflicts lead to agency problems, ultimately resulting in agency costs transferred to the company and its stakeholders. In this context, agency costs stemming from owners' efforts to control managers are often significant. On the other hand, managers also want to prove their responsibility towards shareholder interests and their efforts to increase shareholder wealth. Therefore, both groups (owners and managers) are inclined to use independent auditing services as an efficient solution to limit managerial discretion in contractual relationships.

Financial statements provide a substantial portion of the information needed by investors and company creditors. Based on this trust in financial statements, auditors' roles become crucial. Auditing financial statements is essential because audited financial statements assure investors and creditors of the reliability and dependability of the information. Therefore, auditing financial statements can create economic added value for a company.

The research aims to provide useful results for the following entities and individuals:

- Government and policymakers can use the findings to determine necessary changes in current policies.
- Iraq Stock Exchange as the regulatory body for listed companies.
- Standard-setters for accounting and auditing.
- Managers and others involved in preparing financial statements for companies listed on the Iraq Stock Exchange.
- Domestic and foreign shareholders (owners) as the primary users of accounting information, investors, creditors, and other stakeholders.
- Financial analysts and brokers.
- Universities and higher education institutions and researchers.

RESEARCH METHODOLOGY

The statistical population of this research includes all companies listed on the Iraq Stock Exchange between 2009 and 2021. Additionally, data for 2008 was collected to calculate research variables. Systematic elimination sampling was used, and companies meeting the following criteria were included:

- The fiscal year ends in December for comparability.
- The fiscal year has not changed during the study period.
- All necessary research data is available.
- The company is not a financial intermediary (banks, investment, and leasing companies).

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

Based on these criteria, 35 companies were selected. Excel software was used for data collection and preparation, and EViews software was used for model estimation.
Research variables include dependent, independent, moderating, and control variables, with measurement methods explained below.

Dependent Variables
The dependent variable in this study is financial reporting quality. To measure financial reporting quality, the accruals quality metric is used. For this purpose, the Dechow and Dichev (2002) model, as described in equation (1), is utilized. Financial reporting quality is equal to the negative of the standard deviation of the residuals from equation (1) from year t−1 to t−3.
Equation (1):
$WC_{i,t} = \beta_0 + \beta_1 CFO_{i,t-1} + \beta_2 CFO_{i,t} + \beta_3 CFO_{i,t+1} + \varepsilon_{i,t}$
Where:

- WCi,tWC_{i,t}WCi,t: Working capital accruals for company i in year t, calculated using equation (2).

Equation (2):

$WC_{,t} = \Delta CA_{i,t} - \Delta C_{i,t} - \Delta CL_{i,t} + \Delta STD_{i,t}$
In this equation:

- ΔCAi,t : Change in current assets for company i from year t−1 to year t;
- ΔCi,t : Change in cash for company i from year t−1 to year t;
- ΔCLi,t : Change in current liabilities for company i from year t−1 to year t;
- ΔSTDi,t : Change in short-term debt for company i from year t−1 to year t.
- CFOi,t: Cash flow from operations scaled by the book value of total assets at the end of the year for company i.

Independent Variable: Auditor rotation, measured by the number of years the auditor has audited a client.
Moderating Variable: Business strategy, measured using six criteria:

1. Marketing intensity: ratio of selling expenses to sales.
2. R&D intensity: ratio of intangible assets to sales.
3. Capital expenditure intensity: ratio of fixed assets to the number of employees.
4. Machinery innovation: ratio of net property, plant, and equipment to gross property, plant, and equipment.
5. Overhead efficiency: ratio of administrative expenses to sales.
6. Financial leverage: ratio of total liabilities to total book value of assets.

Control Variables:

- Company size (Size): natural logarithm of the total book value of assets.
- Financial leverage (Lev): ratio of total liabilities to the total book value of assets.
- Profitability (Roa): ratio of net income to the total book value of assets.
- Liquidity ratio (QR): ratio of current assets to current liabilities.

Equation (3) tests the first hypothesis using a regression model based on panel data:

Equation (3)

$FRQ_{i,t} = \beta_0 + \beta_1 ATE_{i,t} + \beta_2 Size_{i,t} + \beta_3 Lev_{i,t} + \beta_4 Roa_{i,t} + \beta_5 QR_{i,t} + \varepsilon_{i,t}$

- $FRQ_{i,t}$: Financial reporting quality of company i in year t
- $ATE_{i,t}$: Auditor rotation for company i in year t
- $Size_{i,t}$: Size of company i in year t
- $Lev_{i,t}$: Financial leverage of company i in year t
- $Roa_{i,t}$: Profitability of company i in year t
- $QR_{i,t}$: Liquidity ratio of company i in year t

If the coefficient β1 is positive at the 95% confidence level, the first hypothesis of the research is not rejected.
To test the second hypothesis of the research, a regression model based on panel data is used, as shown in equation (4).
Equation (4)

$FRQ_{i,t} = \beta_0 + \beta_1 ATE_{i,t} + \beta_2 DS_{i,t} + \beta_3 ATE_{i,t}*DS_{i,t} + \beta_4 Size_{i,t} + \beta_5 Lev_{i,t} + \beta_6 Roa_{i,t} + \beta_7 QR_{i,t} + \varepsilon_{i,t}$

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

Where:

- $DS_{i,t}$: Business strategy of company i in year t

If the coefficient β3\beta_3β3 is positive and less than the 5% error level at the desired confidence level (95%), the second hypothesis of the research is not rejected.

Research Findings

Descriptive Statistics

The descriptive statistics for the research variables are presented in Table 1. Each variable has 350 observations.

Table 1. Descriptive Statistics of Research Variables

Symbol	Mean	Minimum	Maximum	Median	Standard Deviation
FRQ	-0.237	-0.8642	-0.000005	-0.123	0.5291
DS	0.0268	0.0005	0.3215	0.023	0.0246
Size	14.907	10.660	20.464	14.777	1.550
Lev	0.6484	0.009	9.457	0.5884	0.616
Roa	0.1155	-0.821	0.470	0.0968	0.215
QR	7.317	0.0014	2.358	1.359	15.046

The results show that the mean (median) financial reporting quality (FRQ) of the companies is -0.237 (-0.123), with the highest profitability (Roa) being 0.470 and the lowest being -0.821. The mean and median company size (Size) are 14.907 and 14.777, respectively. The average profitability indicates that the sample companies have an 11% return on assets. The standard deviation for business strategy (DS) is 0.0246, and the standard deviation for the liquidity ratio (QR) is 7.317, indicating that business strategy has the least variability, while the liquidity ratio has the most variability.

RESULTS OF THE FIRST HYPOTHESIS TEST

The results of the first hypothesis test are reported in Table 2. Based on the F-Limer and Hausman tests, the model is fitted using panel data with fixed effects. According to the first hypothesis, it is expected that auditor rotation positively affects financial reporting quality.

The results show that the significance level of the auditor rotation variable (0.0001) is less than the desired error level of 5%. Therefore, it can be concluded that there is a significant relationship between auditor rotation and financial reporting quality. Furthermore, the coefficient for the auditor rotation variable (0.0169) is positive. This means that auditor rotation leads to an increase in financial reporting quality. Based on the above, at the 95% confidence level, the first hypothesis of this study is not rejected.

The variance inflation factor (VIF) values indicate no multicollinearity problem among the independent variables in equation (3). The significance of the Fisher statistic (5.414) indicates the overall significance of equation (3). Additionally, the significance of the likelihood ratio statistic indicates the presence of heteroscedasticity in the disturbance term of equation (3). To address the heteroscedasticity problem, the generalized least squares (GLS) method is used in this study.

Table 2. Results of the First Hypothesis Test

$FRQ_{i,t} = \beta_0 + \beta_1 ATE_{i,t} + \beta_2 Size_{i,t} + \beta_3 Lev_{i,t} + \beta_4 Roa_{i,t} + \beta_5 QR_{i,t} + \varepsilon_{i,t}$					
VIF	**p-value**	**t-statistics**	**Standard Error**	**Coefficient**	**Variable**

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

-	0/0000	-4/947	0/0386	-0/1913	β_0
1/18	0/0001	4/0620	0/0041	0/0169	ATE
1/03	0/3097	-1/0165	0/0028	-0/0028	Size
1/15	0/5684	0/5706	0/0076	0/0043	Lev
1/06	0/7456	-0/3246	0/0195	-0/0063	Roa
1/05	0/0000	5/907	0/000003	-0/000002	QR
0/0000		5/414	Fisher Statistic (overall model significance)		
0/0004		1/597	F-Limer Statistic		
0/0040		29/715	Hausman Statistic		
2/229			Durbin-Watson Statistic		
0/3655			Adjusted R-Squared		
0/000		815/23	Likelihood Ratio Statistic		

Results of the Second Hypothesis Test

The results of the second hypothesis test are reported in Table 3. Based on the F-Limer and Hausman tests, the model is fitted using panel data with fixed effects. According to the second hypothesis, it is expected that business strategy positively influences the relationship between auditor rotation and financial reporting quality.

The significance level of the interaction term between auditor rotation and business strategy (0.0021) is less than the desired error level of 5%. Therefore, it can be concluded that there is a significant relationship between the interaction of auditor rotation and business strategy with financial reporting quality. Furthermore, the coefficient for the interaction term between auditor rotation and business strategy (0.4669) is positive. This means that business strategy enhances the effect of auditor rotation on financial reporting quality. Based on the above, at the 95% confidence level, the second hypothesis of this study is not rejected.

Table 3. Results of the Second Hypothesis Test

$$FRQ_{i,t} = \beta_0 + \beta_1 ATE_{i,t} + \beta_2 DS_{i,t} + \beta_3 ATE_{i,t}*DS_{i,t} + \beta_4 Size_{i,t} + \beta_5 Lev_{i,t} + \beta_6 Roa_{i,t} + \beta_7 QR_{i,t} + \varepsilon_{i,t}$$

VIF	p-value	t-statistics	Standard Error	Coefficient	Variable
-	0/0002	-3/806	0/0526	-0/2002	β_0
1/18	0/0000	-9/966	0/0029	0/0292	ATE
3/25	/0050	2/815	0/0523	-0/1474	DS
2/14	0/0021	3/083	0/1514	0/4669	ATE*DS
2/63	0/5708	-0/5672	0/0037	-0/0021	Size
1/03	0/3759	0/8860	0/0075	0/0067	Lev
1/15	0/9360	-0/0803	0/0182	-0/0014	Roa
1/06	0/0000	-5/821	0/0000003	-/000002	QR
0/0000		5/0211	Fisher Statistic (overall model significance)		
0/0006		1/578	F-Limer Statistic		
0/0000		34/716	Hausman Statistic		
2/115			Durbin-Watson Statistic		
0/3484			Adjusted R-Squared		
0/0000		786/24	Likelihood Ratio Statistic		

The variance inflation factor (VIF) values indicate no multicollinearity problem among the independent variables in equation (4). The significance of the Fisher statistic (5.0211) indicates the overall significance of equation (4). Additionally, the significance of the likelihood ratio statistic indicates the presence of heteroscedasticity in the disturbance term of equation (4). To address the heteroscedasticity problem, the generalized least squares (GLS) method is used in this study.

Discussion and Conclusion

The primary role of financial reporting is to effectively convey financial information to external parties in a credible and timely manner. One of its main objectives is to provide necessary information for evaluating the performance and

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

profitability of an economic entity. To achieve this goal, financial information must be presented in a way that allows for the assessment of past performance and is useful in evaluating profitability and predicting future activities. High-quality financial reporting facilitates more informed decision-making by investors and helps direct investments toward optimal resource allocation. Therefore, financial information must be of high quality to be useful for economic decision-making. Users of accounting information can utilize high-quality accounting information for economic decisions. Hence, the Accounting Standards Board has established financial reporting quality based on normative accounting standards, and companies are required to comply with these standards. Identifying factors that affect financial reporting quality is crucial. This study examines the impact of auditor characteristics on financial reporting quality, considering the role of business strategy.

The results of the first hypothesis test indicate that auditor rotation leads to an increase in financial reporting quality. This finding is consistent with Soroushyar (2022). Additionally, the results of the second hypothesis show that business strategy enhances the effect of auditor rotation on financial reporting quality. These findings also align with Soroushyar (2022).

Practical Recommendations

Given that auditor rotation improves financial reporting quality, it is recommended that company shareholders enhance supervisory mechanisms and monitor auditor rotation activities to protect the company's capital. Investors are advised to consider auditor rotation when making decisions related to buying and selling shares. Furthermore, audit firms are recommended to consider the company's business strategy alongside other factors when assessing client risk and planning audit operations.

Suggestions for Future Research

Future researchers are encouraged to explore the following topics:

- The impact of managerial ability on the relationship between auditor rotation and financial reporting quality.
- The relationship between auditor rotation and financial reporting quality, considering commercial credibility and information asymmetry conditions.
- The effect of internal audit rotation on financial reporting quality.
- The impact of internal audit unit characteristics on financial reporting quality.

REFERENCES

1. Azizkhani, m , daghani, r, & greg s. (2019). Audit firm tenure and audit quality. *International journal of accounting*, 25(4).
2. Bajra, U. Codez, S. (2018). Audit committees and financial reporting quality: *The 8th EU Company Law Directive perspective, Economic Systems*, 42 (1): 151-163.
3. Barth, M.E., Li, K. and McClure, Ch. (2019). Evolution in Value Relevance of Accounting Information. Stanford University Graduate School of Business Research Paper. *Working paper* No.3512, 17-24.
4. Beest, F. V., Braam, G., & Boelens, S. (2009). Quality of Financial Reporting: Measuring Qualitative Characteristics. NICE Working Paper, Nijmegan Center for Economics (NICE).
5. Bentley, K.A., Omer, T.C. and Sharp, N.Y. (2013), "Business strategy, financial reporting irregularities, and audit effort", Contemporary Accounting Research, Vol. 30 No. 2, pp. 780-817.
6. Biddle, G. and G. Hilary. (2006). Accounting quality and firm level capital investment. *The Accounting Review*, 81: 963–982.
7. Biddle, G. C., Hilary, G. and Verdi, R. S. (2009). How does financial reporting quality improve investment efficiency? *Journal of Accounting and Economics*, 48(2), 112-131.
8. Bushman, R.M. and Smith, A. (2003), "Transparency, financial accounting information, and corporate governance", Economic Policy Review, Vol. 9, pp. 65-87.
9. Carcello, J.V. and Nagy, A.L. (2004). Client size, auditor specialization and fraudulent financial reporting. *Managerial Auditing Journal*, Vol. 19(5), 651.
10. Chen, C. (2021). The impact of deviant strategy on corporate innovation performance: the moderating role of equity incentives and market competition", 6th International Conference on Financial Innovation and Economic Development (ICFIED 2021), March, Atlantis Press, pp. 235-239.
11. Chen, C.Y., Lin, C.J. and Lin, Y.C. (2008). Audit partner tenure, audit firm tenure, and discretionary accruals: does long auditor tenure impair earnings quality?. *Contemporary Accounting Research*, 25(2), 415-445.

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 44, March, 2025
ISSN: 2749-3628,

12. Core, J. E., Guay, W. R. & Verdi, R. (2008). Is Accruals Quality a Priced Risk Factor? *Journal of Accounting and Economics*, 46(1), 2–22.
13. Dechow, P.M. and Dichev, I.D. (2002), "The quality of accruals and earnings: the role of accrual estimation errors", The Accounting Review, Vol. 77 s-1, pp. 35-59.
14. DeFond, M. and Zhang, J. (2014). A review of archival auditing research. J*ournal of Accounting and Economics*, 58, 275-326.
15. Francis, j., Olsson, P., and Schipper, K. (2006). Earnings Quality. Foundation and Trends in Accounting, 4 (1), 259-340.
16. Ghosh, A. and Moon, D. (2005). Auditor tenure and perceptions of audit quality. *The Accounting Review*, Vol. 80(2), 585-612.
17. Habib, A. and Hasan, M.M. (2020), "Business strategies and annual report readability", Accounting and Finance, 60(3), 2513-2547.
18. Krishnan, G, Myllymaki, E & Nagar, N. (2021). Does financial reporting quality vary firm life cycle. *Journal of Business Finance & Accounting*, 48(5-6), 954.987.
19. Kusnadi, Y. (2016). Audit committees and financial reporting quality in Singapore. *Journal of Business Ethics*, 139 (1), 197–214.
20. Olson, E.M., Slater, S.F. and Hult, G.T.M. (2005), "The performance implications of fit among business strategy, marketing organization structure, and strategic behavior", Journal of Marketing, Vol. 69 No. 3, pp. 49-65.
21. Patterson, E.R., Smith, J.R. and Tiras, S.L. (2019). The effects of auditor tenure on fraud and its detection. *The Accounting Review*, Vol. 94(5), 297-318.
22. Soroushyar. A. (2022). Auditor characteristics and the financial reporting quality: the moderating role of the client business strategy. *Asian Journal of Accounting Research.*
23. Yuan, Y., Lu, L.Y., Tian, G. and Yu, Y. (2020), "Business strategy and corporate social responsibility", Journal of Business Ethics, Vol. 162 No. 2, pp. 359-377.