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DETERMINING THE FACTORS AFFECTING THE AUDIT QUALITY OF VIETNAMESE-LISTED COMPANIES

ABSTRACT

The development of the financial market requires transparency and honesty of financial information. Information in financial reporting will directly or indirectly affect the rights or decisions of investors. Independent auditors have a very important role in assessing the honesty and reasonableness of financial reporting of enterprises, but there are still risks. This article focuses on determining factors affecting audit quality in Vietnamese listed companies, in the context of many cases related to the quality of audits of financial reporting of listed companies on the Vietnamese stock exchange in 2023. The article uses quantitative research methods and multivariate regression analysis. Through survey data, the article identifies 5 factors affecting the quality of audits of Vietnamese listed companies, including: Size of the audit firm; Level of expertise of auditors; Quality control procedures at the audit firm; Auditing fees; Scope of services provided by the audit firm. From the findings of the study, the article makes some recommendations to improve the quality of financial statement audits of companies on the Vietnamese stock exchange.

Keywords: audit firms, audit fees, audit quality, listed companies, Vietnam

JEL Classification: M40, M42, D22, D23

INTRODUCTION

Auditing plays a very important role in the global economy and has a direct impact on businesses. Auditors provide an objective opinion on financial reporting. This is important for users of financial reporting because it ensures that the data published is measurable and available. Audit quality is not only largely influenced by the qualifications of auditors, but rather by other factors including the internal control systems of businesses, which may have different roles, and the auditing firm size. However, some small and medium audit firms claim that size does not affect audit quality because it does not affect the selection of auditors.

DeAngelo (1981a) was the first researcher to identify that the quality of a financial statement audit is the capacity to detect material errors in the financial reporting of the audited entity and communicate them by audit reports. In which, the capacity to detect material errors depends on the auditor's experience; reporting errors depends on the auditor's independence from the client company. Palmrose (1988), Hung & Dung (2022), Bradshaw (2001) and many researchers all believe that the quality of an audit is understood as the capacity of auditors to detect and report material errors presented in the financial reporting of the audited entity. The quality of financial statement audits is viewed from many different perspectives and there is always a gap in the level of requirements of users for audit quality. In the author's opinion, the quality of financial reporting audits will be ensured when auditors comply with professional standards in accounting and auditing, processes, and auditing procedures established by the auditing company throughout the audit process, thereby being able to detect and report errors that still exist in financial statements, ensuring the reliability of information in financial statements.

After the economic crisis of 2008, the function and influence of auditing on capital markets has been more firmly established and people have tried to define the quality of

audit. In the United Kingdom, the Financial Reporting Council issued The Audit Quality Framework in 2008. Australia published Audit Quality in 2010. In addition, accounting and auditing professional regulatory bodies have implemented a number of policies and regulations to improve audit quality, including the ban by the United States Securities and Exchange Commission on auditing firms when performing non-audit services in 2000 and the rapid implementation of the Sarbanes-Oxley Act after the collapse of Enron.

The corporate bond issuance violations that occurred at Tan Hoang Minh Group and Van Thinh Phat in Vietnam in 2023 were effectively assisted by a series of independent auditing companies and veteran auditors, thereby distorting audit results, covering up the weak financial situation and circulating cash flow to successfully issue, appropriating more than 40 trillion VND of investors. Many economic cases are related to the quality of audits at Vietnamese-listed companies on the stock market. From this situation, the article wants to find out the factors affecting the quality of audits, thereby finding solutions to improve the quality of financial reporting audits for Vietnamese-listed companies on the stock market.

According to the Department of Accounting and Auditing Management and Supervision (Ministry of Finance of Vietnam), as of May 2024, there were 221 auditing companies, of which 23 were members of international auditing firms, 13 were members of associations and 1 was a representative liaison firm. In 2023, 3 auditing companies dissolved and terminated their auditing services, and 1 auditing company was suspended from providing auditing services due to poor audit service quality inspection results and serious errors, namely Dong Nam Auditing Company Limited. In 2023, the Ministry of Finance of Vietnam imposed administrative sanctions on 21 auditing companies and 3 practising auditors. At the same time, the Ministry of Finance of Vietnam also organized inspections and supervision of auditing service quality and compliance with the law for auditing companies. Of the 9 audited companies, 2 were rated as satisfactory, 6 were unsatisfactory, and 1 was poor. Of the 62 audited files, 16 were rated as satisfactory, 26 were unsatisfactory, and 20 were poor, with serious errors. As a result, the Vietnamese Ministry of Finance decided to temporarily suspend 17 auditors who seriously violated auditing standards.

Although policies are put in place, the evidence and clues regarding factors that can enhance or reduce the quality of audits are not convincing and certain. Studies also provide empirical evidence on the factors that are considered to affect the quality of audit, significantly the importance of audit team and audit firm attributes in impacting the quality of audit as auditors directly involved in the audit process. In the stock market, businesses have to compete very fiercely, and accordingly, the quality of audits has become an important issue for CEOs who want to improve business quality as well as increase confidence in financial statements for investors in the market. Therefore, this study aims at the following three specific objectives: Analyzing the current status of audit quality of listed enterprises on the Vietnamese stock market; Building an econometric model to find out the factors affecting audit quality; Proposing solutions to improve the audit quality of listed enterprises on the Vietnamese stock exchange.

The study employed SPSS 20 software on information and data collected from 180 auditors of various types of auditing firms that audited Vietnamese listed companies. The effect of internal factors of auditing firms on audit quality is also investigated in the context of auditing in Vietnamese listed companies.

This article is structured as follows. Section 2 provides the literature review. Section 3 describes the details of the research methodology. Section 4 indicates key results, then Section 5 sets out some key recommendations of the study.

Abbreviations.	
VACPA	Vietnam Association of Certified Public Accountants
VSA	Vietnamese Standards on Auditing
SEC	Securities and Exchange Commission
NAS	Non-audit services
SOX	Sarbanes-Oxley Act

LITERATURE REVIEW

There is a view that to evaluate audit quality, it is necessary to evaluate the level of satisfaction of users with the quality of audit services. Users include audited companies, investors, banks, customers, suppliers and state management agencies. Thus, audit quality is understood as the level of satisfaction with the objectivity and reliability of audit opinions of users of audit services, at the same time having comments to improve the effectiveness of financial management and accounting of the client company within a predetermined time and appropriate fees (Palmrose, 1988).

For the audited entity (client company), the quality of the financial statement audit is guaranteed when the auditor is able to respond and share with the client, helping them receive opinions on the objectivity and honesty of the information on the audited financial statements, ensuring that errors on the financial statements are detected and reported and at the same time receiving the auditor's advice to help them improve the accounting system as well as the internal control system in the client company itself (Salehi et al., 2020; Chen et al., 2013; Bradshaw, 2001).

For investors and management agencies, financial statement audit is of quality when they see the reliability, honesty and reasonableness of the audited financial statements, through which they can make correct economic decisions or appropriate management and operational decisions (Bilal & Komal, 2018; Ramlah et al. 2018; Lam and Chang, 1994).

From the perspective of auditors and independent auditing companies, the quality of financial statement audits is guaranteed when auditors fully comply with professional standards, comply with auditing processes and procedures established by the auditing company, meet the needs of customers in consulting, thereby enhancing reputation with customers while ensuring the company's profit goals (Puspitasari et al., 2019; Shaw, 2020; DeAngelo, 1981b).

Many other typical studies on the factors influencing audit quality were conducted by Francis, (2004), Boon et al. (2007), Boon et al. (2005) and August Duff (2004) also implied many individual factors or groups of factors that affect the quality of audit. There are many external factors that affect audit quality: the factors that relate to the needs of the economy as market demands, and socio-economic level; Economic mechanism factors including the group of factors Economic objectives, Economic policies, and Quality management organization (Hung and Dung, 2023).

In the research results of August Duff (2004), the factors determining the quality of financial reporting audits of companies are considered in terms of auditing technical and the field of service aspects. The results show that factors belonging to the auditor as an audit team include independence, capacity, and experience. The factors belonging to the auditing firm such as reputation, size, responsiveness, and non-audit services all have important impacts on the quality of the audit. Audit quality does not only depend on the size of the auditing firm. On the other hand, the quality of audits in large auditing firms and small auditing firms is assessed equally from the perspective of financial statement users (financial analysts) in the studies of Rose et al. (2019), Persellin et al. (2018) and the American Institute of Certified Public Accountants (American Institute of Certified Public Accountants, 1992-2002). Nowadays, many other studies have shown that the size of the auditing firm is one of the big factors affecting the quality of audits like studies by Amin et al. (2018), Balsam et al. (2003), De Angelo (1981a), De Angelo (1981b), Neu (1993), Simunic et al. (2011).

AIMS AND OBJECTIVES

The purpose of the research is to identify the factors that affect the audit quality of Vietnamese listed companies and measure the level of influence of factors affecting the quality of audit.

METHODS

This study will use both qualitative and quantitative research methods. Qualitative research methods are used to generalize and describe factors affecting audit quality and supplement quantitative research results. The role of qualitative methods is to design questionnaires and in-depth interviews. The results of in-depth interviews with experts will be processed to obtain a questionnaire that is suitable for the research objectives. Quantitative methods are used to survey and collect data, and then SPSS 20.0 software is used to analyze the data. Data are evaluated using Cronbach alpha reliability, EFA factor analysis, regression analysis, correlation analysis and finally hypothesis testing to assess the impact of the factors on the quality of audits at listed companies in Vietnam.

Hypothesis development

Researchers De Angelo (1981b), Lennox (1999), Shu (2000), and Dye (1993) all believe that bigger auditing firms will have a higher quality of audit than medium and small auditing firms. Based on the above analysis, the authors propose the 1st research hypothesis:

- *H1: The larger the audit firm size, the higher the quality of audit at listed enterprises.*

According to Kwon (1996), and Balsam et al. (2003) while auditors have an in-depth knowledge of the specialized field in accounting, auditing and related fields, they will be able to assess the reasonableness of accounting estimates. The presentation and disclosure of financial information will be considered seriously by auditors in the material aspect,

thereby creating pressure on customers to comply with accounting principles. According to Simunic (2011), in order to expertise in a specific industry, auditing firms have to invest in technology, techniques, physical facilities, personnel and quality control to improve the quality of audit services. Neu et al. (1993) in their study pointed out that Specialized audit firms account for about 34% of the audit fees in the entire industry. Along with that, Gary et al. (1992) asserted that the market share of specialized audit firms is directly proportional to quality control. Maletta (1996) believes that in each different field of manufacturing, business or service industry, there are always specific audit risks. Therefore, the author proposes the second hypothesis as follows:

- *H2: The higher the level of expertise of auditors, the higher the quality of audit services of listed enterprises.*

In the study of Gary et al. (1992), it was shown that quality control has a positive effect on audit quality. Audit firms with an effective quality control system will be likely to perform appropriate audit steps. Based on previous studies, the author proposes hypothesis number 3:

- *H3: The tighter the quality control system in audit firms, the higher the quality of audit at listed enterprises.*

In his study, DeAngelo (1981b) pointed out that the relationship between audit costs and economic relationships with clients can reduce auditor independence, thereby leading to a decrease in audit quality. Kwon (1996), and Neu (1993) provided further evidence that auditing firms often reduce audit fees for the first year. Similar to these studies, the author proposed hypothesis number 4 with the following statement:

- *H4: The higher the audit fee, the higher the quality of audit at listed enterprises.*

Scheiner (1984), and Beck et al. (2002) concluded that the provision of non-audit services such as tax consultants, and internal control consultants can increase the economic relationship between audit firms and clients. From there, the author proposed hypothesis 5 for the study as follows:

- *H5: The more non-audit services an audit firm provides to clients, the lower the quality of audit at listed enterprises.*

Research Model

According to previous research, an assessment based on the audit technique will provide a more detailed and insightful view of the level of influence of each factor that can affect an audit. Assessment based on the auditing company will identify and study the factors affecting the audit of the auditor. Based on the common characteristics of listed enterprises, the author chooses to assess factors affecting audit quality based on the auditing company to clarify the independence of the auditor group impacting the quality of audited financial reporting. The author identifies the factors impacting the quality of audit as: Audit company size, Auditor's level of expertise in each audit area, Quality control procedures, Audit fees and Scope of audit services provided. The research model is presented in Figure 1.

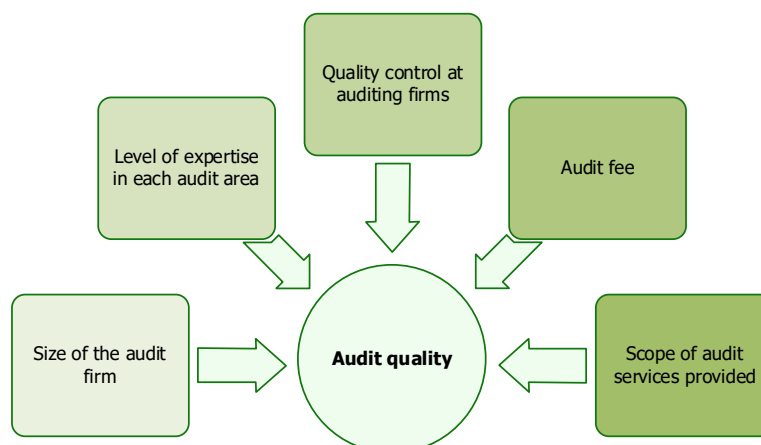


Figure 1. Research Model.

The research model in this article is as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + u, \quad (1)$$

In which Y is audit quality; $X_1 - X_5$ are factors affecting audit quality.

The basis for determining these groups of factors is based on the summarizing of studies on the system of the factors affecting the quality of financial statement audits for listed companies, mainly from the studies mentioned above. At the same time, combined with the analysis of the current status of financial reporting audits of Vietnamese listed companies on the stock market in recent times. The authors present Table 1 of factors.

Table 1. Summary of factors affecting audit quality.

Code	Factor	Measurement Indicator
X1	Size of the audit firm	4
X1.1	Years of operation	
X1.2	Number of annual clients	
X1.3	Number of auditors	
X1.4	Equity size	
X2	Level of expertise in each audit area	5
X2.1	Auditors are knowledgeable about the Vietnamese accounting system, Vietnamese accounting standards (VAS), Vietnamese auditing standards (VSA)	
X2.2	Auditors have practicing certificates such as Vietnam Certified Public Accountants, ACCA, Australia CPA...	
X2.3	Auditors attend annual professional knowledge update classes	
X2.4	Auditors are able to assess risk and perform risk assessment when conducting an audit	
X2.5	Auditor has experience auditing listed companies on the Vietnamese stock market	4
X3	Quality control at auditing firms	
X3.1	Your audit firm currently has a quality control process for an audit	
X3.2	Your audit firm now has an audit quality control department	
X3.3	Your audit firm currently has a quality control department that monitors the quality of an audit	
X3.4	Your audit firm regularly conducts quality control reviews of audits	3
X4	Audit fee characteristics	
X4.1	Audit fee	
X4.2	Financial statement completion time	3
X4.3	Feedback from previous clients	
X5	Scope of audit services provided	
X5.1	The audit firm only provides audit services	3
X5.2	The audit firm provides non-audit services	
X5.3	The audit firm provides multiple services to the same clients	
Total indicators		19

Research Data

The data in this study was collected using a questionnaire surveying 200 auditors using a convenience sampling method. In the direct form: The survey form was sent directly to auditors when they attended a knowledge supplementary course as prescribed by the Vietnam Association of Certified Public Accountants organized in 2023. The time for sending and collecting the survey form directly was carried out continuously from August 2023 to October 2023. The form was sent via email, using the Electronic Questionnaire Design Form on Google Docs and collecting the form via Google Docs' automatic summary table (for cases where it was not possible to submit directly). The result after distributing the form was only 180 valid forms, of which 126 forms were sent directly (accounting for 70%), and 54 forms were sent indirectly via Google Docs (accounting for 30%). The response form has high reliability, suitable for data analysis using SPSS 20 and AMOS software.

The rating scale is designed with 5 levels:

- Completely disagree.
- Disagree.
- Neutral.
- Agree.
- Completely agree.

The survey results after being synthesized and analyzed will show the suitability of the factors, and at the same time assess the level of influence of each factor on the audit quality of enterprises listed on the Vietnam Stock Exchange.

RESULTS

Number of experts interviewed: 10 people. The authors interview 2 financial officers from important agencies (1 officer from the Ministry of Finance, and 1 officer from the Securities Exchange Commission), 3 people from the Vietnam Association of Accountants and Auditors, 3 people from auditing firms and 2 people from university lecturers on accounting and auditing. The proposed questionnaire was presented for experts to discuss and give their opinions on the appropriateness of measuring observed variables. After summarizing the results of the in-depth interviews, the author created a questionnaire to send to students attending the auditor training course organized by the Vietnamese Association of Practicing Auditors in 2023. The research sample is auditors who work for 42 companies that the Vietnamese State Securities Commission has approved to be qualified to audit listed enterprises in the fiscal year 2023.

The number of questionnaires received is 185 out of a total of 200 questionnaires sent. Of the total number of questionnaires received, 5 were inappropriate or incomplete. The results obtained from the above auditors show that 100% of the auditors have been approved by the Securities Commission to be qualified to audit listed enterprises more than twice. The auditors participating in the survey belong to auditing companies with diverse sizes and types. Thus, it can be ensured that the answers are reliable and of good quality.

The results received are shown in Figure 2.

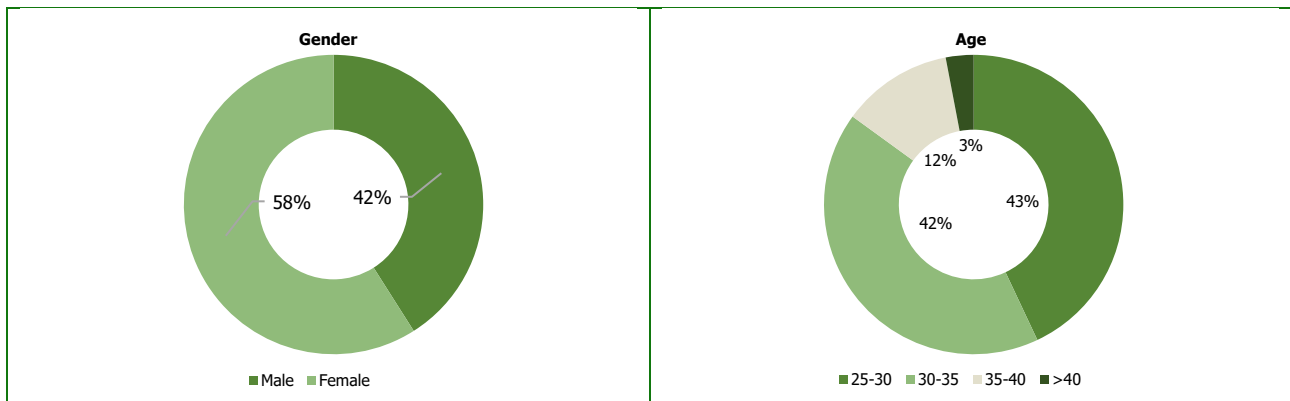


Figure 2. Survey sample characteristics.

Table 2 shows the descriptive analysis of the observed variables.

Indicator	Code	Min	Max	Mean	Standard Deviation
Years of operation	X1.1	2	5	3.18	1.001
Number of annual clients	X1.2	2	5	3.69	0.936
Number of auditors	X1.3	1	5	2.67	1.228
Equity size	X1.4	2	5	4.05	0.832
Auditors are knowledgeable about the Vietnamese accounting system, Vietnamese accounting standards (VAS), Vietnamese auditing standards (VSA)	X2.1	2	5	3.48	0.899
Auditors have practising certificates such as Vietnam Certified Public Accountants, ACCA, Australia CPA...	X2.2	2	5	3.89	0.810
Auditors attend annual professional knowledge update classes	X2.3	2	5	3.96	0.739
Auditors are able to assess risk and perform risk assessment when conducting an audit	X2.4	1	5	3.09	0.965
Auditor has experience auditing listed companies on the Vietnamese stock market	X2.5	2	5	3.72	0.741
Your audit firm currently has a quality control process for an audit	X3.1	2	5	3.78	0.961
Your audit firm now has an audit quality control department	X3.2	1	5	2.58	0.925
Your audit firm currently has a quality control department that monitors the quality of an audit	X3.3	2	5	3.62	0.881
Your audit firm regularly conducts quality control reviews of audits	X3.4	1	5	3.00	0.914
Audit fee	X4.1	1	5	2.99	0.909
Financial statement completion time	X4.2	2	5	3.56	0.761
Feedback from previous clients	X4.3	1	5	2.73	0.868
The audit firm only provides audit services	X5.1	1	5	2.59	1.119
The audit firm provides non-audit services	X5.2	2	5	3.29	0.895
The audit firm provides multiple services to the same clients	X5.3	1	5	2.95	0.986

In Table 2, the variables X1.2, X1.3, X1.4, X2.1, X2.2, X2.4, X31, X3.3, X3.4, X5.2 have an average greater than 3. That is, according to the auditors participating in the survey, these variables have a stronger influence on the quality of financial reporting audits at Vietnamese companies listed on the stock exchange.

In Table 3, the majority of auditors believe that "Years of operation" (X1.1), "Number of annual clients" (X1.2) and "Number of employees" (X1.3) will have a great influence on audit quality. This is completely understandable because when an auditing company has a long history and a large number of annual customers, it means that it has undergone many audits and can affirm its position throughout the process of formation and development, it will create a greater trust for customers and with many years of auditing experience, it will help auditing companies to easily detect material errors in financial statements. At the same time, a large "number of employees" (X1.3) will help auditing companies increase the number of members in audits, reducing audit time and many members participating will help analyze financial statements or parts to be divided into smaller parts, do it more thoroughly and quickly detect errors in financial statements.

The results of the variables also show that the surveyed auditors all acknowledge that "Auditors are knowledgeable about accounting and auditing standards" (X2.1), "Auditors participating have CPA certificates or international practice certificates" (X2.2) and "Auditors have experience auditing at listed company clients" (X2.3) have the highest impact on audit quality. This means that if auditors have experience auditing the financial statements of listed companies, it will create conditions for audit quality to be improved. Thus, auditors' accumulation of auditing experience through audits is considered important to ensure audit quality.

In addition, the observed variable audit time represents the appropriateness of the time to conduct an audit on a client. If the audit time is arranged appropriately, it will avoid causing waste for auditing firms and client businesses, and also avoid reducing audit quality due to time pressure for auditors (Table 3).

Table 3. Results of testing the model. (Source: data analysis results on SPSS 20)

Factors	Code	Cronbach's Alpha	N
Size of the audit firm	X1	0.918	4
Level of expertise in each audit area	X2	0.822	5
Quality control at auditing firms	X3	0.899	4
Audit fee	X4	0.928	3
Scope of audit services provided	X5	0.959	3
Total			19

Information about KMO and Bartlett test will be presented in Table 4 KMO and Bartlett test as follows.

Table 4. KMO and Bartlett test. (Source: data analysis results on SPSS 20)

KMO coefficient		0.784
	Chi-square value	1989.855
Bartlett test	Df	171
	Sig.	0.000

In Table 4, there is:

KMO coefficient = 0.784 > 0.5 proves that factor analysis is suitable for the research data.

The result of the Bartlett test is 1989.855 with a significance level of Sig. = 0.000 < 0.05. So, the observed variables are not correlated with each other in the overall model. The hypothesis that the model is inappropriate will be rejected. So, the data used for factor analysis is completely suitable, the information will be presented in Table 5. Rotated component matrix^a results.

Table 5. Rotated component matrix^a results. (Source: data analysis results on SPSS 20)

Indicator	Code	Factors				
		1	2	3	4	5
The audit firm only provides audit services	X5.1	.961				
The audit firm provides non-audit services	X5.2	.938				
The audit firm provides multiple services to the same clients	X5.3	.896				
Auditor has experience auditing listed companies on the Vietnamese stock market	X2.5	.878				
Auditors have practising certificates such as Vietnam Certified Public Accountants, ACCA, Australia CPA...	X2.2		.931			
Auditors are knowledgeable about the Vietnamese accounting system, Vietnamese accounting standards (VAS), Vietnamese auditing standards (VSA)	X2.1		.909			
Auditors attend annual professional knowledge update classes	X2.3		.897			
Auditors are able to assess risk and perform risk assessment when conducting an audit	X2.4		.846			
Number of Years of operation	X1.1			.922		
Number of annual clients	X1.2			.890		
Number of auditors	X1.3			.887		
Equity capital size	X1.4			.872		
Your audit firm regularly conducts quality control reviews of audits	X3.4				.931	
Your audit firm currently has a quality control department that monitors the quality of an audit	X3.3				.891	
Your audit firm now has an audit quality control department	X3.2				.846	
Your audit firm currently has a quality control process for an audit	X3.1				.815	
Auditing fee	X4.1					.908
Financial statement completion time	X4.2					.904
Feedback from previous clients	X4.3					.899

From the results of the rotation matrix, we have the results of the new factor group as shown in the following Figure 3:

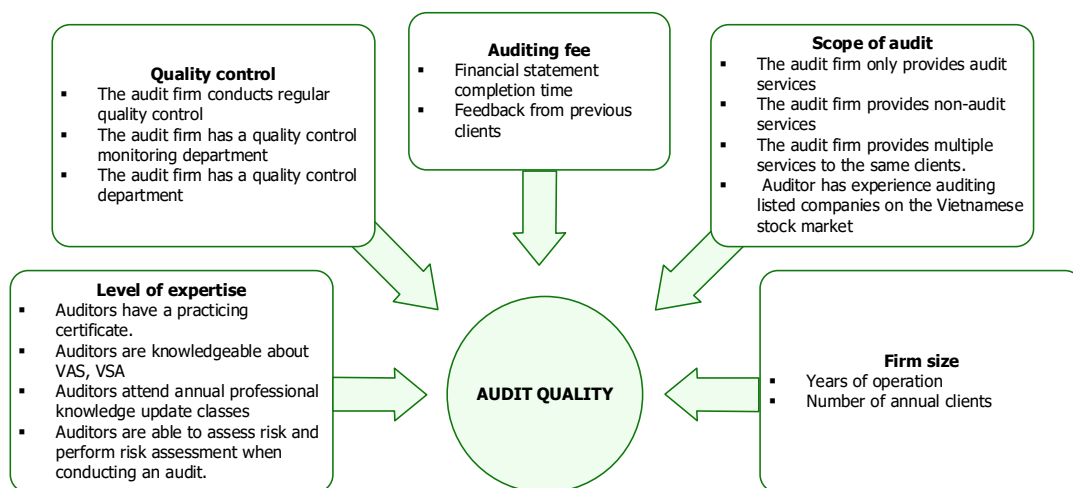


Figure 3. Factors affecting audit quality.

As in Figure 3, the factors representing the quality of the audit with characteristic variables of the factors are arranged differently from the original theoretical model. Thus, through the quality testing of the scale and the testing of the EFA model, 5 factors with 19 observed variables are identified.

Pearson correlation analysis's results

Pearson correlation analysis is used before the regression analysis to test the correlation between the independent variable and the dependent variable. The independent variables will be eliminated from the model in Table 6 if they are not correlated with the dependent variable.

Table 6. Results of the correlation analysis of variables. Note: ** - correlation is significant at the 0.01 level; * - correlation is significant at the 0.05 level. (Source: results of data analysis on SPSS 20)

		Y	X4	X3	X1	X2	X5
Y	Correlation Coefficient	1	.264**	.315**	.425**	.428**	.251**
	Sig. (2-tailed)		.004	.001	.000	.000	.007
X4	Correlation Coefficient	.264**	1	.010	-.186*	.323**	.129
	Sig. (2-tailed)	.004		.914	.146	.800	.166
X3	Correlation Coefficient	.315**	.010	1	.102	.001	-.166
	Sig. (2-tailed)	.001	.914		.274	.991	.776
X1	Correlation Coefficient	.425**	-.186*	.102	1	.031	.021
	Sig. (2-tailed)	.000	.146	.274		.743	.822
X2	Correlation Coefficient	.428**	.323**	.001	.031	1	.041
	Sig. (2-tailed)	.000	.800	.991	.743		.658
X5	Correlation Coefficient	.251**	.129	-.166	.021	.041	1
	Sig. (2-tailed)	.007	.166	.776	.822	.658	

According to the results of Pearson correlation analysis in Table 8, the independent variables Audit fee, Level of expertise, Scope of service provision, Quality control procedures, and Audit firm size all have Pearson correlation coefficients greater than 0 with the dependent variable "audit quality"(y). Meanwhile, Sig. of the independent variables with the dependent variable are all less than 5%, we can conclude that the dependent variables are correlated with each other (Table 7).

Table 7. Results of hypothesis testing on the overall model suitability. (Source: results of data analysis on SPSS 20)

ANOVA					
Model	Sum of squares	Df	Average of squares	F	Sig.
Regression	14.495	5	2.839	25.862	.000
Residuals	12.344	110	.116		
Total	26.839	115			

According to Table 7, the F value = 25.862 with Significant = 0.000 (< 5%). This shows that the R-squared of the population is different from 0 which means that the linear regression model built is suitable for the population.

Table 8 shows the model's suitability. The adjusted R-squared coefficient = 0.574. That means 57.4% of the variation in the variable "Audit quality" (y) is explained by 5 factors. This regression model is suitable for the sample data set at 57.4%, and the independent variables explain 57.4% of the variation in the variable "Audit quality".

Table 8. Linear regression results. (Source: results of data analysis on SPSS 20)

	Unstandardized regression coefficients		Standardized regression coefficient		Sig.	Multicollinearity statistics	
	B	Standard error	Beta	T		Tolerance	Variance Inflation Factor
Constant	.426	.267		1.594	.114		
X3	.189	.040	.313	4.712	.000	.958	1.043
X1	.225	.036	.413	6.170	.000	.941	1.062
X2	.218	.043	.341	4.946	.000	.887	1.128
X4	.147	.037	.255	3.828	.000	.951	1.051
X5	.138	.043	.194	2.735	.007	.840	1.190

Test for multicollinearity (correlation between independent variables) through the value of tolerance or variance inflation factor (VIF). In fact, the VIF comparison is less than 2, proving that there is no multicollinearity.

Based on Table 8 testing the hypotheses using SPSS 20 software: the values in the Sig. column of the independent variables are all less than 5%, proving that the 5 independent variables all have a significant impact on the dependent variable. This means that the 5 independent variables are all accepted.

From here, we have the regression model of the variable "Audit quality" of Vietnamese companies listed on the stock exchange as follows:

$$Y = 0.426 + 0.225 * X1 + 0.218 * X2 + 0.189 * X3 + 0.147 * X4 + 0.138 * X5. \quad (2)$$

According to the model results and the survey results, the limitations that still exist in independent auditing companies when participating in the process of auditing financial statements of listed companies are as follows.

The biggest limitation within the scope of the audit firm scale that needs to be mentioned is the lack of human resources, especially during the peak time of the auditing profession from January to the end of March every year. The number of personnel is not enough to meet the workload, especially in small and medium-sized auditing companies, leading to auditors lacking experience and not having enough capacity to understand the business lines of the clients participating in the auditing process, leading to the quality of the financial statement audit not being guaranteed. Most of the audit teams of listed companies' financial statements at auditing companies consist of only 3 to 4 people, some groups will be larger than 4 people, high-risk jobs are concentrated for audit team leaders and audit assistants with many years of experience, leading to uneven distribution of work and high risk of detection.

Currently, the quality control of financial statement audits in general and financial statement audits of listed companies on the Vietnamese stock market in particular still has many limitations. Auditing companies themselves have built a relatively complete and strict system of policies and procedures for controlling the quality of financial statement audits. However, this construction only stops at the level of completing documents and has no practical significance. The implementation of audit quality control activities has not been carried out regularly, is not effective and is still formal, especially in small and medium-sized auditing companies. According to the survey, 100% of small and medium-sized auditing companies only perform trend analysis procedures, comparing actual data from this period with actual data from the previous period. Auditors rarely compare the actual data of listed companies with the average data of the industry of those enterprises. Auditors also do not use or use ratio analysis techniques very sparingly. Analytical techniques at audit firms are intended only to determine the scope of the audit and do not help auditors narrow the audit focus to make judgments about the likelihood of major misstatements.

DISCUSSION

Through the survey, the analysis results with the research sample are 180, the sample size is suitable for the requirements. The analysis of the collected sample data has adjusted the observed variables for the study after assessing the reliability of the scale using the Cronbach Alpha coefficient. The results of the EFA exploratory factor analysis to assess the convergent and discriminant values of the scale show that the model is completely suitable for performing multivariate linear regression. The variables in the model all have a positive impact on the quality of financial statement audits. All five research hypotheses H1, H2, H3, H4, H5 are accepted.

Thus, through the above research results, it is affirmed that the quality of financial statement audits is influenced by 05 factors, the level of influence of the factors is arranged in descending order: Size of the audit firm; Level of expertise of auditors; Quality control procedures at the audit firm; Auditing fees; Scope of services provided by the audit firm.

This result is also similar to the results that have been verified by previous studies, specifically: Audit firm size such as De Angelo (1981b), Shu (2000); Level of expertise of auditors such as Simunic (2011); Quality control procedures at the audit firm such as Rose et al. (2019); Persellin et al. (2018); Audit fees such as Salehi et al. 2020, Hung and Dung, 2023; scope of services provided by the audit firm such as Puspitasari et al. 2019; Shaw, 2020.

The above findings are the basis for the authors to make some recommendations focusing on auditing firms as follows:

For independent auditing firms, due to the shortage of human resources within independent auditing firms, is most evident during peak auditing periods, leading to audit quality not being guaranteed. However, recruiting independent auditors from outside the company is very difficult due to the great competition between auditing firms at the same time, being

under too much pressure leads to auditors (especially female auditors) not being too enthusiastic about the profession, leading to resignation after a period of work. This requires auditing firms to improve and enhance the human resource management process, including Reasonable recruitment policies, and good employee compensation and benefits systems. In particular, auditing firms need to first establish salary and bonus levels appropriate to the capacity of employees, and at the same time, organize activities and programs to improve the physical and mental health of auditors in the company. In addition, internal staff training plays an important role in auditing companies, especially from the "junior" level to the "senior" level to avoid human resource shortages, as well as avoid risks related to inexperienced auditors causing errors affecting the quality of financial statements of listed companies on the Vietnamese stock market. For auditing companies, one of the most important factors determining the quality of audit is the quality control procedure. This factor reflects the auditing method of the auditor and the auditing company as well as the quality control process of the auditing company. To ensure this factor, in terms of auditing methods, auditing companies need to develop appropriate auditing procedures. Regarding the quality control process, audit firms need to develop an effective quality control process and conduct quality control for each audit to ensure quality. At the same time, to ensure the audit time factor, audit firms need to plan the audit, and based on the complexity and workload of the audit determine the appropriate audit time.

The factor- the level of professional expertise of the auditor includes internal factors that demonstrate the auditor's experience in performing audit work. In general, It includes the auditor's understanding and auditing experience in the specific business fields of the audit client. Gaining professional expertise requires the auditors to accumulate experience and improve their knowledge during their working life. Moreover, Vietnamese listed companies are very complex, and diverse especially multi-industry companies, so auditors must always accumulate experience in each specific field to ensure experience as well as suitability for each business field of the client. To ensure the expertise of auditors, it requires the auditors to proactively study, improve and update their knowledge. This means that auditing companies need to regularly organize training courses to help auditors to update and improve their professional knowledge, ensuring the capacity to perform audit work well. Not only need to strengthen training and professional development for auditors, but auditing companies also need to create conditions for auditors to participate in domestic and international auditing practice certificates such as ACCA, CPA Australia, and ICAEW as well as improve important skills for the auditing industry.

CONCLUSIONS

A well-designed questionnaire based on a 5-point Likert scale was used to collect primary data from practising auditors of different regions. Then, 200 questionnaires were distributed to respondents, 180 were received back and were considered the sample size at the 5% significance level. Data were collected and processed through SPSS 20.0 software for analysis. Descriptive statistical analysis helps readers have an overview of factors such as firms' size, the level of expertise of auditors, the scope of auditing, quality control, and audit fees. Through Cronbach's Alpha reliability assessment method and EFA exploratory factor analysis to test the factors. From the findings of this study, it can be seen that there are two factors that greatly affect the quality of audit including firms' size and professional qualifications of auditors.

The research results show that large-scale audit firms with highly qualified audit staff will provide better quality audit services. Audit firms with effective audit quality control systems will provide more reliable audit services. Audit fees have a slight impact on audit quality, not a major factor.

This study was conducted with a sample of practising auditors who are accepted to audit Vietnamese listed companies in 2023. This list is approved annually and widely published on the websites of the Ministry of Finance and the State Securities Commission of Vietnam. This will not represent all auditors licensed to do business in Vietnam. Future research can consider other aspects of the multidimensionality of auditing services that affect audit quality (factors external to the auditing company, factors internal to the auditing company and can expand to other cases).

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

All authors have contributed equally.

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ВИЗНАЧЕННЯ ФАКТОРІВ, ЩО ВПЛИВАЮТЬ НА ЯКІСТЬ АУДИТУ В'ЄТНАМСЬКИХ КОМПАНІЙ, ЩО КОТИРУЮТЬСЯ НА БІРЖІ

Розвиток фінансового ринку вимагає прозорості та чесності фінансової інформації. Інформація у фінансовій звітності прямо чи опосередковано впливатиме на права або рішення інвесторів. Незалежні аудиторі відіграють дуже важливу роль в оцінці чесності та обґрунтованості фінансової звітності підприємств, але ризики все-таки існують. Ця стаття присвячена визначенню факторів, що впливають на якість аудиту у в'єтнамських компаніях, що котируються на біржі, у контексті багатьох випадків, пов'язаних із якістю аудиту фінансової звітності компаній, що котирувалися на В'єтнамській фондовій біржі 2023 року. У роботі використано кількісні методи дослідження та багатовимірний регресійний аналіз. На основі даних опитування визначено 5 факторів, що впливають на якість аудитів в'єтнамських компаній, що котируються на біржі, серед яких: розмір аудиторської фірми; Рівень кваліфікації аудиторів; Процедури контролю якості на аудиторській фірмі; Плата за проведення аудиторських перевірок; Обсяг послуг, які надає аудиторська фірма. На основі висновків дослідження наведено деякі рекомендації щодо підвищення якості аудиту фінансової звітності компаній на в'єтнамській фондовій біржі.

Ключові слова: аудиторські фірми, аудиторські збори, якість аудиту, лістингові компанії, В'єтнам

JEL Класифікація: M40, M42, D22, D23