

Auditing

Finance



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Auditing Auditing Auditing is a very crucial activity in any successful organization. Audit services provide the shareholders of a company with professional information and opinion on whether their company financial statements reflect the actual state of affair as they are on the ground (Lehman, 2010). For these reasons, the topic will be of research to determine and explore the independence of auditors in terms of the audit quality, non-audit service fees, and non-audit service (Campbell and Houghton, 2005). Non-audit services are professional services provided by a qualified public accountant to an organization during the period of the audit engagement but are not connected to an audit or checking of an organizations financial statement. Auditor's independence is the foundation of the auditing profession (Miettinen, 2008). Non-audit services largely affect the auditor's independence. Due to the non-audit, services conducted in an organization, the accuracy of the information given by the auditors' will increase compared to when they give information without non-audit services being done (Adelopo, 2012).

There also exists a relationship between non-audit service fees and auditing quality. Non-audit services increase the quality of auditing in any organization (Reckers, 2003). The quality of auditing is increased, as the auditors are aware that the documents in the organization have been scrutinized. Since the no-audit service and auditors pass through the information, number of errors containing the information is reduced (Beattie, Fearnley, and Hines, 2011).

Non-audit services and auditing independence are somehow related. The non-audit services affect the independence of auditing directly as they affect how the audit is carried out. The practices are similar as both try to improve <https://assignbuster.com/auditing-literature-review-samples/>

the quality of information given by scrutinizing the information of the financial statements and the report given to shareholders (Dunne and Morris, 2008).

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