

EXTERNAL AUDITOR'S COMPLIANCE WITH ISA700 IN QATARI CORPORATIONS

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Abstract

The purpose of this paper is to examine the form and content of auditors' reports published by accounting firms in Qatar State. The study used the content analysis of auditors' reports issued by Qatari auditing firms practicing in Qatar. However, the study compared the contents of published reports and to what extent it is compiled with the International Standard on Auditing 700 (ISA700). Forty two auditors' report covering 42 companies which represent the total number of companies listed in Qatar Stock Market were examined. Audit reports, examined are not fully compliant with all elements of the report - especially scope paragraph - issued by the International Federation of Accountants (IFAC). The methodology adopted by the study may also be used in similar future studies in other gulf states and further research could possibly be undertaken on the motivation behind the compliance with the contents of auditor's reports.

Keywords: External auditing, International-auditing standards, auditors' report, auditing firms, Qatar Stock Market, Qatar State

INTRODUCTION

This study examines the form and content of auditor's report published by Qatari auditors who represent international auditing firms and other local and regional firms. It measures the compliance of these reports with elements enumerated by International standard on auditing (ISA700).

The audit report is considered as one of the most important tools used by external auditors to communicate with other users of financial statements. However, the report integrates the communication of economic events and aims to underpin the creditability of the financial information prepared by management (Courtis, 1986). The audit report is the culminating step in the audit process followed by international auditing firms and expressing an audit opinion is the auditor's overriding goal (Konarth, 2002).

ISA is considered as important as International Financial Reporting Standards (IFRS) and corporate governance codes in ensuring a sound financial system of a country. This is because financial statements audited under ISAs are considered credible and qualified (Needles et al.,2002).

Like many other countries, in case of corporations, Qatari external audit firms are required by Qatar companies act to examine the financial statements (Article 126 & 127), and therefore to express an opinion and to conclude that whether these financial statements are, or not, fairly presented in accordance with appropriate accounting standards. However, the Qatari external audit market is dominated by the big 4 (see table 1), therefore, its members, who are affiliated to the big auditing firms, were obliged to comply with international standard on auditor's report.

However, ISA 700 has been influenced by the American Statement of Auditing Standard No. 58 "Reporting on Audited Financial Statements" published by the American Institute of Certified Public Accountants (AICPA, 1988), Wallage (1993). Therefore, there are some differences between the Qatari and American and European context in terms of audit firm size, corporation size and business culture.

This paper will examine whether the auditing firms practicing in Qatar, produce the audit reports in accordance with the ISA 700. To achieve this goal, audit reports of 41 companies (see table 2) audited by audit firms are reviewed. In this work, we use as reference the basic elements of the audit report prepared according to the ISA700.

The structure of this paper is organized as follows: after the introduction, a summary of the International Standard on Auditing (ISA 700) and harmonization of auditor's report and some related literature are provided. In this section, a presentation of the main elements of the auditor's report enumerated by ISA700 and some previous studies in this area. The third section presents the methodology, hypotheses to be tested, and the sample used in the empirical study. The fourth section presents and analyze the results obtained. The fifth section discusses the implications of research findings and, lastly, the sixth section is designed to drawing the main conclusions.

LITERATURE REVIEW

International Standard on Auditing (ISA 700) and harmonization of auditor's report

At an earlier stage in October (1983), the International Federation of Accountants (IFAC) issued guideline No. 13 "The Auditor's Report on Financial Statements". The main purpose of this guideline was to "provide guidance to auditors on the form and content of auditor's report issued in connection with independent audit of the financial statements of an entity". After many changes and development, this guideline was transformed into standard ISA 700 "The Auditor's Report on Financial Statements" (Fakhfakh and Martinez 2007).

Basic Elements of the Auditor's Report

The auditor's report must include a number of components as stipulated by the International Standards on Auditing ISA 700 as follows (IFAC, 2008):

- The auditor's report must include an appropriate title that helps to identify the report and to differentiate between his and other reports issued by others, such as the report of the Governing Council.
- The report should be directed to the party that appointed the auditor, such as the General Assembly of shareholders of the company, which audit its work.
- The opening paragraph or (preliminary), which should reflect the enterprise's financial statements under audit and the period covered by the financial statements, as well as a statement that the preparation of financial statements, are the responsibility of management, and the auditor's responsibility is to express an opinion in the financial statements based on the audit process. The financial statements are introduced by the administration.
- The scope paragraph should include a paragraph on the scale that the process of auditing has been completed in accordance with International Standards on Auditing.
- The paragraph opinion provides clearly the opinion of the auditor as to whether the financial statements reflect in a true and fair view.
- The auditor's report must also be dated on the completion of the audit process.
- The report should include the name of a specific location, usually the city, in which the auditor's office runs the audit process.
- The auditor's report must be signed on behalf of the institution or the personal name of the auditor or both.

Table 1. Elements of the audit reports prepared according to the ISA 700

	ISA Para
Elements of form:	
1 Title	6
2 Identification of addressee	7
3 Date of the report	23
4 Name of specific location where the auditor maintains an office	25
5 Auditor's signature	26
Elements of Content (Introductory Content)	
1 Identification of the financial statements audited	8
2 Entity audited identified	8
3 Identification of the date of the financial statements	8
4 Identification of the period covered by the financial statements	8
5 Statement that financial statements are management's responsibility	9
6 Statement that the auditor's responsibility is to express an opinion thereon	9
Elements of Content (Scope)	
1 Identification of the relevant national auditing standards or practices	12
2 Statement that the audit was planned to obtain reasonable assurance about whether the financial statements are free from material misstatement	13
3 Statement that the audit was performed to obtain reasonable assurance about whether the financial statements are free from material misstatement	13
4 Description of the audit as examining on test basis evidence to support the financial statement amounts and disclosures	14
5 Description of the audit as assessing the accounting principles used in the preparation of the financial statements	14
6 Description of the audit as assessing the significant estimates made by management in the preparation of the financial statements	14
7 Description of the audit as evaluating overall financial statement presentation Statement that the audit provides a reasonable basis for the opinion	14
8 Statement that the audit provides a reasonable basis for the opinion	15
Elements of Content (Opinion):	
1 Identification of the financial reporting framework	17
2 Identification of the country when financial reporting framework followed is not the IASB framework	17
3 Clear statement of opinion as to whether the financial statements give a true and fair view, or present fairly in all material respects	17
4 Clear statement of opinion as to whether the financial statements are in accordance with the financial reporting framework	17
5 Clear statement of opinion as to whether the financial statements comply with statutory requirements, if applicable	17

Source: (Fakhfakh and Martinez 2007)

Many researchers have studied the auditing standards harmonization in different contexts. For example, Gangolly et al (2002) believe that studying the level of harmonization can contribute to the study of the IFAC members' reactions to the application of ISA 700.

Needles et al., (2002) mentioned some reasons for the slow development and adoption of ISA and further emphasized the need for greater coordination between international and local auditing standards. However, they suggest that harmonization of auditing standards at an international level has some way to go and to be developed.

However, some studies have been carried out in different countries and found that there were international differences in the auditing standardization. Archer et al (1989) conducted a survey to compare sixteen European standards on audit reports and guideline No. 13 "The Auditors' Report on Financial Statements". The study found that four of these standards, namely standards that published in Ireland, Italy, Spain and UK are in harmony and consistent with the international report. In line with this study, the Fédération des Experts Européens Comptables (2000) conducted a study in a wide range of European countries, the study concerns accounting standard setting in European countries. The survey results revealed many differences in relation to the scope paragraph of the auditors' report, the addressee, the opening paragraph, the auditors' address and finally, the auditors' signature.

In Chinese context, Lin and Chan (2000) carried out a study to compare the elements of ISA700 with the Chinese standards of audit report implemented by China Institute of Certified Accountants.

Meanwhile, Lin and Chan (2000) compared the elements of ISA700 with the Chinese standard for audit reporting adopted by the China Institute of Certified Public Accountants. These authors found that the content and structure of the Chinese audit reports are generally similar to the international standards. Audit reports prepared under the Chinese standards and IFAC guidelines are similar in format. However, there are some differences in the terminology used (e.g. audit report title) and in the details of the guidelines provided. Unlike ISA 700, which provides guidelines on standardized wording, the language of the Chinese audit report is not standardized.

Hussein et al. (1986) studied the differences and similarities in auditor's report between International Auditing guideline (IAG13) and reports published by independent auditors of 27 countries, which are represented at IFAC. They developed a survey that based on the works developed by Seidler (1967), Frank (1979) and Lafferty (1981). They divided the countries into five groups: U.S. Group, U.K. Group, Europe Group, Group Four and Group Five.

- The U.S. Group is composed of Brazil, Canada, Japan, Mexico, Philippines, Taiwan, Thailand, and USA.

- The U.K. Group is composed of Australia, India, Ireland, Malaysia, Netherlands, Singapore, South Africa, and UK.
- The Europe Group is composed of Belgium, Denmark, Finland, France, Norway, Sweden, and Switzerland.
- The Group Four is composed of Italy and Spain.
- The Group Five is composed of Austria and Germany.

The results showed that the U.S and U.K groups complied perfectly with the international report model. For the third group formed by the European group, the study found a moderate conformity level with the IAG13. The degree of adherence with IFAC audit report was weak for the fourth and the fifth group.

Fakhfakh and Martinez (2007), examine the form and content of auditors' reports published by international accounting firms in Tunisia. Compliance measurement of auditor's report published by Tunisian auditors who represent international auditing firms with International Standard on Auditing 700 (ISA700). Audit reports examined are not fully compliant with all elements of the report issued by the International Federation of Accountants (IFAC).

Within the same context Fakhfakh and Fakhfakh (2007), investigated the wording of audit reports published by Tunisian Certified Public Accountants. It measures the conformity of these reports with elements listed by the International Standard on Auditing (ISA700). To achieve this aim, an empirical research was conducted based on an analysis of 71 audit reports published by independent auditors. The results show that Tunisian audit reports do not conform fully with the content and structure of reports as standardized by the International Federation of Accountants (IFAC). This difference of conformity from international reports can be explained by the characteristics of the Tunisian accounting and auditing environment, which may induce auditors to ignore some standard elements of audit reports.

Fakhfakh et al. (2008), examined the impact of the new, revised International Standard on Auditing (Revised ISA700) in terms of the wording characteristics of Tunisian auditors' reports. Measurement of the compliance of auditors' reports issued by Tunisian auditors with the new revised International Standard on Auditing (Revised ISA700). It was found that the audit reports examined are not fully compliant with all the elements enumerated by the new standard issued by the International Federation of Accountants (IFAC).

In Jordanian context, Al-Matarneh (2011), aimed to study the extent to which auditors incorporate the elements, characteristics and contents of formal reports in accordance with the auditor and audit office's requirements. The study revealed that there is a commitment by the auditors to the standards of preparation of the report at the rate of 97%, and there is compliance

with the formal elements of the auditor's report at rate of 89%. There is also a commitment to the contents of the report, as in the standard at the rate of 98.3%.

RESEARCH METHODOLOGY

The purpose of this study is to examine the form and content of auditors' reports published by accounting firms responsible for auditing Qatari Companies listed in the Qatar Exchange. In so doing, the study used in the analysis of Qatari audit report practices of the reports' informative contents consists of examination based on the wording of revised ISA 700 to locate the elements that contribute to the reinforcement of the audit informational value, the improvement of practices followed by the accountants, and the homogeneity of the principles retained for the presentation of the audit results.

Studies into contents of audit reports based on ISA 700 and its components have used a variety of methods to gather data. Content analysis of auditors' reports and web pages, have provided an effective means of analysis (Gangolly et al. 2002 and Fakhfakh and Martinez, 2007). Other studies have used a survey method (Archer et al. 1989, Bychkova and Lebedeva, 2001), whilst some have sought to triangulate their studies by employing content analysis and questionnaire (Lin and Chan 2000). However, these studies used the standardized auditors' report ISA 700, while some studies used local standards such as Leung and Chau (1997), Needles (2000) and Radebaugh and Gray (2002). This current study gathered primary (I think it is secondary data) data by using the content analysis of companies' web pages. Content analysis is "a research technique for making replicable and valid inferences from data to their context" (Krippendorff, 1980, p. 21). This research technique has been widely used as the most common method to collect data related to audit reports published from both annual reports and web sites, (see e.g. Lin and Chan 2000, Fakhfakh and Martinez, 2007 and Gangolly et al. 2002). To achieve its aims, this study employed the simplest form of content analysis. This form concentrates on the elements of auditors' reports as stated in ISA 700. These elements compared with contents of audit reports issued by accounting firms responsible for auditing companies registered in Qatar Exchange (QEX) and to what extent external auditors complied with its contents.

To evaluate to which extent are external auditors are compiled with the contents of the auditors' report in Qatar, the auditors' report published in the web site of companies listed on the (QEX) were analysed. Forty two auditors report covering 42 companies which represent the total number of companies listed in the market that provided were examined. The companies included in the sample classified into seven different sectors (see Table 2).

Many early researches found indications that there are positive relationship between the sizes of auditor's firms and the quality of their service see for example (De Angelo (1981; Shockley and Holt 1983; Balvers et al. ,1988; Palmrose ,1988; Feltham et al. ,1991; Knapp ,1991; Hogan,1997). In other words, the big auditing firms are given higher quality than small ones. However, this quality is maintained with rigorous application of auditing principles, standards and rules.

Table 2. Companies listed on the Qatar Exchange by sector

	Company's sector	NO.	%
1	Banks and Financial Services	12	29
2	Consumer Goods and Services	8	19
3	Industrials	8	19
4	Insurance	5	11
5	Real Estate	4	10
6	Telecoms	2	5
7	Transportation	3	7
	Total	42	100

Source: www.qe.com.qa (September 2012)

Defond et al. (1999) found that international accounting firms established in China are more compliant with auditing standards designed to increase auditor independence than the other Chinese firms. The data used by Gangolly et al. (2002) gave evidence that the large accounting firms, with substantial stakes in the harmonization efforts, issue auditor's reports closely to IAS 13.

For the audit reports issued by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market , it is estimated that their auditor's reports respect perfectly each elements enumerated by standard ISA700. Then, the following Hypotheses are put forward:

H01. Auditor's reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with elements of form enumerated by ISA700.

H02. Auditor's reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with introductory paragraph elements enumerated by ISA700.

H03. Auditor's reports published by the work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with scope paragraph elements enumerated by ISA700.

H04. Auditor's reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with opinion paragraph elements enumerated by ISA700.

ANALYSIS AND FINDINGS

To achieve the objectives of this study, 41 auditors report out of 42, issued by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market, were examined. It is estimated that their auditor's reports respect perfectly each elements enumerated by standard ISA700. Table 3 shows the name of the auditing firm and number of the companies audited by each firm in the financial year 2014. Clearly, it can be seen that EY audited more than one-third of the sample. It is also clear that the big four auditing firms represent more than 92% of the companies sample.

Table 3. Name of auditor and its auditing firms included in the sample

Auditor	Number of audited companies	Percent
Ernst & Young(EY)	15	36.6
Deloitte & Touch(DT)	11	26.8
KPMG Peat Marwick (KPMG)	10	24.4
PriceWaterhouseCoopers(PWC)	2	4.9
Talal Abu-Ghazaleh & Co.(TAGC)	1	2.4
Rodel & Co.(RC)	1	2.4
Gopal Balasubman (GB)	1	2.4
Total	41	100

It can be seen from Table 4 the number of auditors who represent the international accounting firms were 12 auditors. Moreover, just two auditors were represented the EY which audited about 36.6 from listed companies in Qatar stock market. This also applies to the rest of big four accounting firms in the sample.

Table 4. Number of auditors that represent international accounting firms

International accounting firms	Number of representatives
Ernst & Young(EY)	2
Deloitte & Touch(DT)	3
KPMG Peat Marwick (KPMG)	2
PriceWaterhouseCoopers(PWC)	2
Talal Abu-Ghazaleh & Co.(TAGC)	1
Rodel & Co.(RC)	1
Gopal Balasubman (GB)	1
Total	12

H01. Auditor's reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with elements of form enumerated by ISA700.

To test this hypothesis one sample T test was used to analyze compliance with the whole of elements related to the form of the auditor's report. Table 4 showed that there are a significant difference value (0.000), which indicates that there is a significant difference between the test value (5) and the observed mean (3.4878). Hence, the first hypothesis of fully compliance with all form elements of the auditor's report is rejected (table 5).

Table 5. One-Sample t Statistics

	N	t	Test Value	df	Sig. (2-tailed)	Mean	Std. Deviation
Formalities	41	-11.136	5	40	.000	3.4878	.86954
Introductory	41	-	6	40	-	6.0000	.00000 ^a
Scope	41	-16.971	8	40	.000	7.1220	.33129
Opinion	41	-	5	40	-	5.0000	.00000 ^a

a. t cannot be computed because the standard deviation is 0.and there are completely compliant with elements.

Moreover, table 5 summaries the results of conformity with elements related to the form of auditors' report published by firms practicing in Qatar. Clearly, we can see that the audit reports published by all auditors are fully conformity with elements related to title of report and date of the report. Regarding the other three elements related to the form of the auditor's report (Identification of addressee, Name of specific location where the auditor maintains an office and Auditor's signature) were not fully compliant with these elements (90.24, 21.95, 33.02)

respectively. The name of specific location where the auditor maintains an office is the less compliant. However the compliance among the audit firms in table 5 showed that the highest level of compliance with elements of form is found in the reports published by GB and TAGC where both of them were average of score compliance is equal 5, which means that these reports were completely in conformity with all elements enumerated by ISA700. On other hand, the reports published by EY were the less compliance with average score 2.93. Reports published by this firm or some of them do not allocate the (Identification of addressee, Name of specific location where the auditor maintains an office and Auditor's signature). This result is consistent with results of Fakhfakh and Martinez (2007) and Al-Matarneh (2011) who found that there are some commitment to the content of the auditors' report stated by the ISA 700.

H02. Auditor's reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with introductory paragraph elements enumerated by ISA700.

The result of compliance with elements related to introductory paragraph of the auditor's report are summarized in table 6. Apparently, as we can see from this table, statically, the reports published by all firms are in an absolute conformity with all elements enumerated by ISA700 related to introductory paragraph with Std. Deviation (0.00). The table 6 indicates that there is no significant difference between the test value (6) and the observed mean (6.00). Hence, the second hypothesis of fully compliance with all introductory elements of the auditor's report is accepted.

Table 6. Average number of report agreeing with form elements

Elements	Auditor's firm							Over all	
	PWC	EY	GB	DT	KPMG	RC	TAGC	No.	%
Title	1	1	1	1	1	1	1	41	100
Identification of addressee	0.50	0.73	1	1	1	1	1	37	90.24
Date of the report	1	1	1	1	1	1	1	41	100
Name of specific location where the auditor maintains an office	0.50	0	1	0.36	0.20	0	1	9	21.95
Auditor's signature	0.50	0.20	1	0.55	0.40	0	1	16	33.02
Total	3.5	2.93	5	3.91	3.60	3	5		

Total of percentage of conformity to elements dealing with form of auditor's report

Table 7 showed that the audit reports published by all audit firms are completely complied with all six elements enumerated for introductory paragraph with average score (6).

Table 7. Average number of report agreeing with introductory paragraph element

	Auditor							Overall	
	PWC	EY	GB	DT	KPMG	RC	TAGC	No.	%
Identification of the financial statements audited	1	1	1	1	1	1	1	41	100
Entity audited identified	1	1	1	1	1	1	1	41	100
Identification of the period covered by the financial statements	1	1	1	1	1	1	1	41	100
Statement that financial statements are management's responsibility	1	1	1	1	1	1	1	41	100
Statement that financial statements are management's responsibility	1	1	1	1	1	1	1	41	100
Statement that the auditor's responsibility is to express an opinion thereon	1	1	1	1	1	1	1	41	100
Total	6	6	6	6	6	6	6		

However, the study results, to some extent, are in line with results of Lin and Chan (2000) who found that the content and structure of the Chinese audit reports are generally similar to the international standards. It is also consistent with the results of Archer et al (1989) who found that standards that published in Ireland, Italy, Spain and UK are in harmony and consistent with the international reports.

H03. Auditor's reports published by the work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with scope paragraph elements enumerated by ISA700.

To test this hypothesis one sample T test was used to analyze compliance with whole elements related to scope paragraph. Table 7 showed that there are a significance value (0.000), which indicates that there is a significant difference between the test value (8.000) and the observed mean (7.1220). Hence, this hypothesis of fully compliance with scope elements of the auditor's report is rejected.

Table 8 Average number of report agreeing with elements dealing with scope paragraph

	Auditor							Overall	
	PWC	EY	GB	DT	KPMG	RC	TAGC	No.	%
Identification of the relevant national auditing standards or practices	1	1	1	1	1	1	1	41	100
Statement that the audit was planned to obtain reasonable assurance about whether the financial statements are free from material misstatement	1	1	1	1	1	1	1	41	100
Statement that the audit was performed to obtain reasonable assurance about whether the financial statements are free from material misstatement	1	1	1	1	1	1	1	41	100
Description of the audit as examining on test basis evidence to support the financial statement amounts and disclosures	0	0.13	0	0.09	0.10	0	1	5	12.20
Description of the audit as assessing the accounting principles used in the preparation of the financial statements	1	1	1	1	1	1	1	41	100
Description of the audit as assessing the significant estimates made by management in the preparation of the financial statements	1	1	1	1	1	1	1	41	100
Description of the audit as evaluating overall financial statement presentation	1	1	1	1	1	1	1	41	100
Statement that the audit provides a reasonable basis for the opinion	1	1	1	1	1	1	1	41	100
Total	7	7.13	7	7.09	7.10	7	8		

Table 8 above summarizes the results of conformity with elements related to the scope. We can see the audit reports published by all auditors are fully conformity with elements related to scope paragraph except the “description of the audit as examining on test basis evidence to support the financial statement amounts and disclosures” when it just 12.20% from the reports were compliance. However the compliance among the audit’s firm the table 7 revealed that the highest level of compliance with elements of scope is found in the reports published by TAGC when the average of score compliance is equal 8, which means these reports absolute conformity with all elements enumerated by ISA700. The results of this study is consistent with the results of Fakhfakh and Martinez (2007).

H04. Auditor’s reports published by the auditors who work in Qatar and audit the financial statements of listed companies in Qatar stock market are fully compliant with opinion paragraph elements enumerated by ISA700.

The result of compliance with elements related to introductory paragraph of the auditor’s report are summarized in table 9. As we can see from this table statically, the reports published by all firms in Qatar are absolute conformity with all elements enumerated by ISA700 related to opinion paragraph with Std. Deviation (0.00). Therefore, the fourth hypothesis is not verified.

Table 9. Average number of report agreeing with elements related to opinion paragraph

	Auditor							Overall	
	PWC	EY	GB	DT	KPMG	RC	TAGC	No	%
Identification of the financial reporting framework	1	1	1	1	1	1	1	41	100
Identification of the country when financial reporting framework followed is not the IASB framework	1	1	1	1	1	1	1	41	100
Clear statement of opinion as to whether the financial statements give a true and fair view, or present fairly in all material respects	1	1	1	1	1	1	1	41	100
Clear statement of opinion as to whether the financial statements are in accordance with the financial reporting framework	1	1	1	1	1	1	1	41	100

Table 9...									
Whether the financial statements comply with statutory requirements, if applicable	1	1	1	1	1	1	1	41	100
Total	5	5	5	5	5	5	5		100

However, all of the eight elements are completely in conformity with elements enumerated by IFAC. Reports published by auditing firms practicing in Qatar consider the four normative elements:

- 1) Identification of the financial reporting framework.
- 2) Identification of the country when financial reporting framework followed is not the International Accounting Standard Board (IASB) framework.
- 3) Clear statement of opinion as to whether the financial statements are in accordance with the financial reporting framework.
- 4) Clear statement of opinion as to whether the financial statements comply with statutory requirements.

CONCLUSION

This study has attempted to examine the level of compliance of Qatari auditing firms with international standard ISA 700, however, these firms represent international and regional auditing firms. Since the issuance of ISA700, it has been modified several times. However, these modifications were performed in order to minimize the gap that can exist between the different users of auditors' report. Apparently, these continuous revisions of ISA 700 could contribute to increase of the quality of the audit reports and therefore the auditors' opinion and provides the necessary clarifications of the elements related to content of auditor's report.

The findings of this paper cannot be considered without such limitation. One of the limitations that the number of companies listed in Qatar Stock Market are limited when compared to the total number of companies in the state. The second one, most of auditor's reports examined are written in Arabic Language. In order to accomplish this study, the results were translated into English Language. Such translation could disregard some elements related to content of auditor's report.

The study came out with important findings, for example auditing firms practicing in Qatar are, to some extent, compliant with the major formalities of the auditors' report. However, in some paragraphs auditors were not completely compliant with the contents of the auditors' report.

The measurement of compliance with International standard ISA700 in Qatar State can lead to several opportunities for future researches. For example, using the same variables of the current study in other Gulf countries and therefore can be compared with the results of this study.

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