MODERN AUDIT METHOD ORIENTATION AND AUDIT PERFORMANCE OF CERTIFIED PUBLIC ACCOUNTANTS (CPAs) IN THAILAND

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Abstract: *Modern audit method orientation (MAMO) is important for the adjustment of audit practice that is consistent with competitive circumstances. The purpose of this research is to provide a benchmark modern audit method to enhance business performance. This research uses Ordinary Least Squares (OLS) regression analysis to test all hypotheses with 262 certified public accountant (CPAs) in Thailand, There were six major findings of this research study: (1) computerized audit practice negatively impacts audit information reliability; (2) audit-client exchange positively affects audit evidence quality and audit report proficiency; (3) both enterprise risk synthesis and professional critical application positively affect audit evidence quality, audit report proficiency and audit information reliability; (4) there is an inverse relationship between audit flexibility focus and audit report proficiency; (5) there is a positive relationship between audit flexibility focus and audit information reliability; (6) audit evidence quality, audit information reliability, and audit report proficiency all have positive relationships with audit report proficiency and audit performance. In summary, MAMO provides an explanatory mechanism for, and is a major driver of audit performance.*

Keywords: *Modern Audit Method Orientation (MAMO), Computerized Audit Practice (CAP), Audit Client Exchange (ACE), Enterprise risk Synthesis (ERS), Professional Skepticism Application (PSA), Audit Flexibility Focus (AFF)*

1. Introduction

Financial reporting standards place an emphasis on the economic situation that can alter the current and ongoing business decisions of leader managers. It reflects the financial position and ongoing performance of the organization being audited, which is the result of changes in assets, liabilities and equity. Thus, audits crucially provide the underpinnings for sound economic decision-making Garcia-Benau &Zorio(2004). Prior research has demonstrated that a strict audit method should be selected for audit work when identifying possible risks and detecting fraud, whereas the effect of audit method orientation is unknown (Wright & Bedard, 2000). Modern auditing practice emphasizes overall quality control to ensure professional

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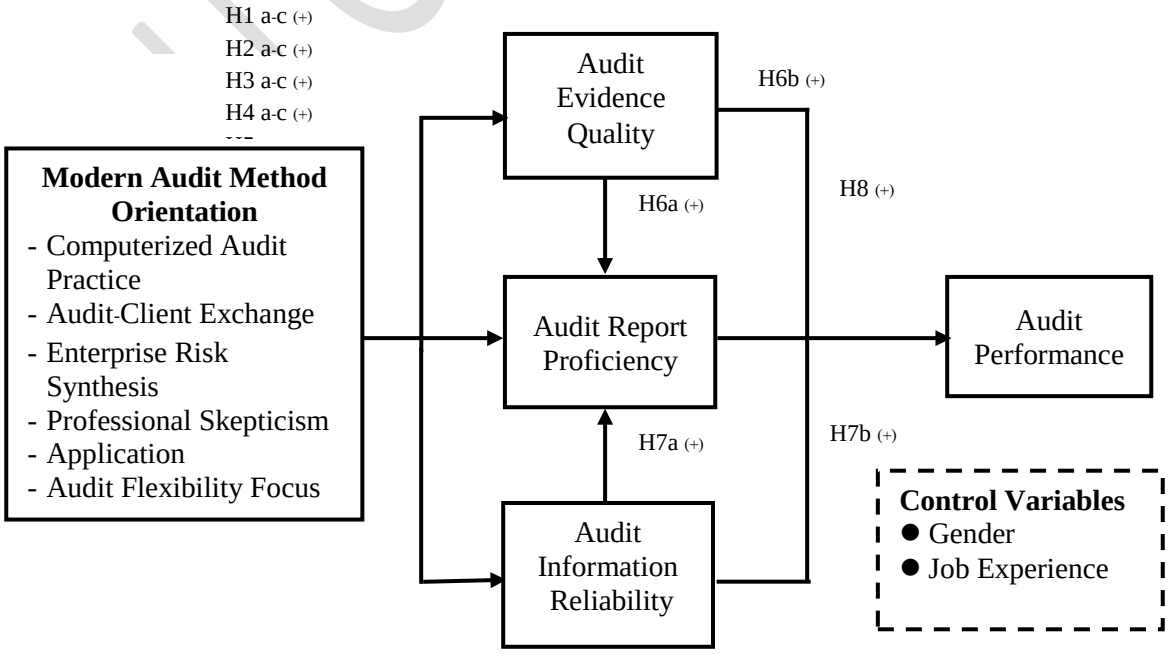
standards and appropriate tailoring to a situation. These factors may enhance auditing performance. However, little is known about the impact on efficacy and performance of particular audit method orientations (i.e. approaches). Thus, this research provides a conceptual model of MAMO, including computerized audit practice, audit-client exchange, enterprise risk management, professional critical application, and audit flexibility focus. These will have an effect on audit report proficiency, audit evidence quality, and audit information reliability. In summary, these variables are associated with improved audit performance. Hence, the research question is "what are the effects on audit performance of adopting a modern audit method approach?"

2. Literature Review and Hypotheses Development

-Modern audit method orientation

This research applies dynamic capability theory, which posits that an organization needs to be able to adaptively reconfigure its internal and external competencies to address rapidly changing business environments (Teece, Pisano& Shuen, 1997). It relies on the concept of dynamic capabilities that each individual in an organization has a set of skills of competencies, including knowledge, understanding, ability/skill, experience. Besides, the focus is on individual audit performance and how each person affects the development and creation of new orientations of auditing, as reflected in revised guidelines, which is adaptive for a rapidly changing environment. The development and creation of new knowledge orientations should lead to the sustained competitive advantage. These processes use MAMO – computerized audit practice, audit-client exchange, enterprise risk synthesis, professional critical application, and audit flexibility focus. These orientations are conceptualized as resulting in improved audit report proficiency, audit evidence quality, audit information reliability, and audit performance. Thus, this research utilizes a new theoretical model to explain the relationship between MAMO and consequence, as shown in Figure 1.

Figure 1: Conceptual Model of Modern Audit Method Orientation and Audit Performance



The modern audit method orientation (MAMO) is defined as the ability to design an audit method to create value and develop strategic audit processes to enhance audit efficiency (Sinchuen & Ussahawanitchakit, 2009). To develop a conceptual framework, this definition is developing audit practice that is consistent with an ever-changing business environment to increase value and enhance audit efficiency and effectiveness (Bota-Avram, Popa & Stefanescu, 2010). As a result, an auditor requires modern audit methods for audit quality because economic activity is growing rapidly and becoming more complicated. This leads to a focus on the selection of efficient audit methods to reliably reach the objectives of audit practice (Bota-Avram, Popa & Stefanesuc, 2010). Therefore, modern audit methods are a better tool to respond to risk. ISA, Section 300, noted the determined characteristic, period and scope of audit method. The auditor must develop an overall audit strategy and audit plan to respond to the material risks identified by a business risk assessment. Additionally, an auditor must also practice the following audit standards. In ISA, Section 210, "Agreeing to the Terms of Audit Engagements", the auditor and company director must both enter into a monitoring contract with each other, which explains the terms of the agreement, including their respective responsibilities.

In summary, literature review shows that a modern audit method approach positively affects audit quality. This orientation consists of computerized audit practice, audit-client exchange, enterprise risk synthesis, professional critical application, and audit flexibility focus.

-Computerized audit practice

This is the ability to use know-how and dynamic auditing practice to emphasize audit quality that integrates supporting audit work for superior performance, in conformity with professional standards and legal requirements. This permits the auditor to present a reputable audit opinion in the final report. These requirements assist CPAs to develop and maintain an up-to-date audit method. Better changes and audit efficacy are obtained through such actions. Furthermore, the potential of the audit performance is also increased. Good CPAs should try to improve themselves by applying modern audit methods or techniques to adapt to continuously changing business environments. This contributes to an audit risk assessment that is correct, complete and timely. It also allows the flexibility to adjust audit performance to encourage greater achievement (Joshi, Kathuria & Porth, 2003). Hence, the first research hypothesis is as follows:

H1a-c: Computerized audit practice is positively related to: (a) audit evidence quality; (b) audit report proficiency; and (c) audit information reliability.

-Audit Client Exchange

This is defined as communication between CPAs and clients that decreases audit risk by reducing the risk of misunderstanding. ACE enhances timely information and evidence collection, as well as maintaining a good working relationship with clients. The International Auditing Standards 210 (ISA 210) , Agreement to the Terms of Audit Engagement is a document that provides an understanding about audit responsibilities created through the relationship between CPAs and clients, and confirms that they agree to the auditing scope and method. However, the relationship between CPAs and clients has a potential effect on audit performance, including quality (Geiger & Raghunadan, 2002) . Therefore, the second research hypothesis is as follows:

H2a-c: Audit-client exchange is positively related to: (a) audit evidence quality; (b) audit report proficiency; and (c) audit information reliability.

-Enterprise risk Synthesis

Enterprise risk synthesis is defined as the assigning and assessing of risk in response to a continuously changing business environment. ERS should be built into audit practice to appropriately respond to issues of risk and timeliness and allow for review of the auditor's opinion (Arens, Elder & Beaslsy, 2005). As stated in the International Auditing Standards 315 (ISAs 315), CPAs need to build their understanding about thefirm, environment, and internal control system to determine and assess risks both at the level of financial statements and audit statements by designing appropriate audit methods and using them to respond to risk. Arens & Elder, (2005) point out that audit risk increases where substantive procedures do not facilitate CPAs finding information those conflicts with the significant material facts given in financial statements. Therefore, the third hypothesis is provided as follows.

H3a-c: Enterprise risk synthesis is positively related to: (a) audit evidence quality; (b) audit report proficiency; and (c) audit information reliability.

-Professional Skepticism Application

It means the ability to diagnose and classify events in-depth which may influence a presentation of the information which conflicts with the significant material facts given, and the appropriate situational response in order to decrease error and enhance audit quality (Meier & Fuglister, 1992). Based on such a process, CPAs need to use discretion in observing and identifying inconsistencies that bring about a finding contrary to the significant material facts set out in financial statements. This method also serves to promote audit report efficacy. Previous research pertaining to professional critical application emphasizes the requirement of CPAs to observe and be critical when receiving evidence or information (Nelson, 2009). Professional critical application deals with information gathering - being able to perform in-depth collection, filtering and analysis of data to elevate audit quality (Hurtt et al., 2013). Therefore, the fourth hypothesis is provided as follows.

H4a-c: Professional skepticism application is positively related to: (a) audit evidence quality; (b) audit report proficiency; and (c) audit information reliability.

- *Audit Flexibility Focus*

Audit flexibility focus is defined as giving importance to adaptation about audit methods that reflect audit tools and various techniques appropriate for audit work. At present, business grows rapidly. Technology has an influence on audit practice. An audit has to meet the expectations of stakeholders and ensure the reliability of the information (Gonzalez et al., 2012). Generalized Audit Software(GAS) Kim,Mannino & Nieschwietz (2009) and Audit Command Language (ACL) are types of generalized audit software that enhance the development of efficacious audit activity. Most research puts an emphasis on exploring new audit techniques to be used as an auditing tool (Robson et al, 2007). Therefore, it is adaptive to develop activity efficacy to respond to changing and time-pressured business environments (Robson et al., 2007). Therefore, the fifth research hypothesis is as follows.

H5a-c: Audit flexibility focus is positively related to: (a) audit evidence quality; (b) audit report proficiency; and (c) audit information reliability.

- *Audit Evidence Quality*

Audit evidence quality refers to using adequacy and appropriateness as criteria to conform to generally accepted modern auditing standards (Cowton, 2009). Audit evidence deals specifically with data or facts obtained by CPAs and selected for use in the final audit report in accordance with generally accepted audit standards (GAAS). Evidence obtained during the course of audit work should form a reasonable and appropriate basis for audit opinions. Sufficient and appropriate audit evidence obtained in accordance with modern auditing benchmarks ensures effective accounting and control systems (Chang et al., 2008). CPAs should expand their audit role to ensure accurate evidence underpins audit reports, via identification and critical review of contradictory or incomplete information (Chang et al., 2008; Cowton, 2009). Therefore, the sixth hypothesis is as follows.

H6a-b: Audit evidence quality is positively related to: (a) audit report proficiency; and (b) audit performance

-Audit information reliability

Audit information reliability is the concept of ongoing audit practice being responsive to feedback from users (Watts & Zimmerman, 1986). The audit work of CPAs is promoted by their defense of the interests of all stakeholders. This includes the guarantee in the financial statement that it is presented without contradictory information with material facts. The financial statement should be reliable and free from auditing bias to produce a reputable audit report AICPA, (1983). In addition, the audit work of CPAs supports the reliability of the financial reporting and accounting framework used to prepare the financial statements (DeZoort, Hermanson & Houston, 2008). Audit reliability stresses the importance of basic qualitative characteristics of financial information regarding relevance and faithful representation, as well as a conceptual framework for assessment that conforms to the expectations of key stakeholders (Watts & Zimmerman, 1986). Thus, reliable audit information strengthens the information base, thereby improving audit report proficiency and audit performance (DeZoort, Hermanson & Houston, 2008). Therefore, the seventh hypothesis is as follows.

H7a- b: Audit information reliability is positively related to: (a) audit report proficiency; and (b) audit performance.

-Audit Report Proficiency

Audit report proficiency is defined as the presentation of timely and appropriate audit reports in accordance with events so as to create value for users (Baotham & Ussahawanitchaket, 2009). When the audit evidence pertaining to a reporting period is adequately and appropriately obtained, CPAs need to create an audit report to communicate the results of such work (Lin, Tang & Ziao, 2003). This is conducted in the form of an auditor' s correct opinion conforming to significant material facts in the financial statements (Chanruang & Ussahawanitchakit, 2011) . This is consistent with Habib & Bhuiyan (2011), who pointed out that correct audit opinions as well as reliable audit reports enhance audit performance . proficiency Therefore, the eighth hypothesis is as follows.

H8: Audit report proficiency is positively related to audit performance.

-Audit performance

Audit performance is conceived of as audit practice that includes a quality control mechanism that takes into account the adequacy of audit evidence consistent with audit opinions regarding any conflicting information found during the audit (Blokdijk 2004; Lin & Hwang, 2010). For professional audits, CPAs have their own

methods to enhance audit performance, which require yardsticks of audit quality. Audit performance can be measured by comparing it against audit standards, including quality expectations (Lin & Hwang, 2010). Thus, audit practice must be considered appropriate and adequate to protect the interests of key stakeholders.

3. Research Methods

3.1 Sample selection, data collection procedure

This research studies the antecedent conditions and consequences MAMO approaches regarding CPAs in Thailand. The population and sample were selected from a publically available website listing of all CPAs members in Thailand, totaling 8,700 listed members (FAP, 2015). The research instrument was a questionnaire. According to Krejcie & Morgan (1970), the sample size was 368 auditors. For distribution the questionnaires without following up, the response rate is not over 20% . The questionnaires were directly distributed to 1,840 CPAs. Of 1,681 surveys sent out, 262 responses were returned and completed. Accordingly, the response rate of this research 15. 59% . Prior research references that the 15. 59% for a response rate is considered satisfactory (Morton et al., 2012). Moreover, the validity and reliability of the questionnaire were identified. Table1 displays the factor loading of each construct ranging from .662 to .984 that proposes a blue higher than .40. It indicates occurring the construct validity

Table 1 : Results of Validity and Reliability Testing

Constructs	Factor Loadings	Alpha Coefficient
Audit Performance (AUP)	.760-.924	.889
Computerized Audit Practice (CAP)	.633-.830	.776
Audit –Client Exchange (ACE)	.810-.984	.869
Enterprise Risk Synthesis (ERS)	.825-.937	.872
Professional Skepticism Application (PSA)	.745-.871	.826
Audit Flexibility Focus (AFF)	.662-.865	.741
Audit Evidence Quality (AEQ)	.748-.885	.853
Audit Information Reliability (AIR)	.827-.930	.900
Audit Report Proficiency (ARP)	.764-.897	.896

3.2 Statistical techniques

The statistical methods include factor analysis, variance inflation factor, correlation analysis, and regression analysis. The Ordinary Least Squares (OLS) regression analysis is used to evaluate totally hypotheses ensuing the conceptual model. Therefore, altogether hypotheses in this research are transformed into five equations. The detail of each equation is offered as the resulting.

$$AEQ = \alpha_1 + \beta_1 CAP + \beta_2 ACE + \beta_3 ERS + \beta_4 PSA + \beta_5 AFF + \beta_6 GEN + \beta_7 JOE + \varepsilon$$

$$ARP = \alpha_2 + \beta_8 CAP + \beta_9 ACE + \beta_{10} ERS + \beta_{11} PSA$$

$$+ \beta_{12}AFF + \beta_{13}GEN + \beta_{14}JOB + \varepsilon$$

$$AIR = \alpha_3 + \beta_{15}CAP + \beta_{16}ACE + \beta_{17}ERS + \beta_{18}PSA + \beta_{19}AFF + \beta_{20}GEN + \beta_{21}JOB + \varepsilon$$

$$ARP = \alpha_4 + \beta_{22}AEQ + \beta_{23}AIR + \beta_{24}GEN + \beta_{25}JOB + \varepsilon$$

$$AUP = \alpha_5 + \beta_{26}AEQ + \beta_{27}ARP + \beta_{28}AIR + \beta_{29}GEN + \beta_{30}JOB + \varepsilon$$

4. Results and Discussion

Table 2: Pearson's Product-Moment Correlation Matrix for The Variables Measured

Variables	AUP	CAP	ACE	ERS	PSA	AFF	AEQ	AIR	ARP	PRA	REF	GEN	EXP
AUP	1												
CAP	0.284***	1											
ACE	0.442***	0.394***	1										
ERS	0.535***	0.455***	0.654***	1									
PSA	0.350***	0.311***	0.342***	0.535***	1								
AFF	0.190***	0.227***	0.176***	0.371***	0.517***	1							
AEQ	0.728***	0.310***	0.492***	0.525***	0.371***	0.256***	1						
AIR	0.752***	0.175***	0.374***	0.504***	0.409***	0.326***	0.763***	1					
ARP	0.798***	0.205**	0.439***	0.529***	0.357***	0.096	0.711***	0.799***	1				
PRA	0.671***	0.257***	0.602***	0.560***	0.315***	0.146**	0.652***	0.600***	0.619***	1			
REF	0.476***	0.278***	0.450***	0.487***	0.319***	0.208***	0.519***	0.345***	0.464***	0.524***	1		
GEN	-0.08	-0.049	-0.087	-0.054	-0.024	-0.105	-0.101	-0.171***	-0.075	-0.072	0.106	1	
EXP	0.054	0.103	0.135**	-0.015	-0.150**	-0.121	0.122**	0.087	0.42	0.182**	0.013	-0.103	1

***Correlation is significant at the 0.01 level (2-tailed)

Table 2 presents the results of the statistical techniques consist of factor analysis, variance inflation factor and correlation analysis. The finding show cronbach's alpha coefficients represent among .741 to .900. It can be showed that these constructs are accepted at the reliability level (Nunnally & Berstein, 1994). Additionally, the Ordinary Least Squares (OLS) regression analysis is employed to test all hypotheses resulting the conceptual model and offered in Table 3.

Table 3: Results of OLS Regression Analyses

Independent Variables	HO	Dependent Variables				
		AEQ	ARP	AIR	ARP	AUP
		Eq.1	Eq.2	Eq.3	Eq.4	Eq.5
CAP	H1(a-c)	0.030	-0.074	-0.122**		
		(0.058)	(0.059)	(0.059)		
ACE	H2(a-c)	**0.230*** **	**0.143** **	0.072		
		(0.069)	(0.070)	(0.072)		
ERS	H3(a-c)	**0.275*** **	**0.425*** **	**0.369*** **		
		(0.078)	(0.078)	(0.078)		
PSA	H4(a-c)	**0.125***	**0.198*** **	**0.183*** **		
		(0.067)	(0.067)	(0.067)		
AFF	H5(a-c)	0.051	-0.172*** *	**0.112***		
		(0.061)	(0.061)	(0.061)		
AEQ	H6(a-b)				**0.243*** **	**0.256*** **
					(0.056)	(0.055)
AIR	H7(a-b)				**0.626*** **	**0.183*** **
					(0.056)	(0.065)
ARP	H8					**0.471*** **
						(0.060)
GEN		-0.092	-0.106	-0.248**	0.108	0.022
		(0.105)	(0.106)	(0.106)	(0.074)	(0.071)
JOB		**0.227*** **	0.080	**0.250*** **	-0.075	-0.024
		(0.107)	(0.108)	(0.108)	(0.073)	(0.070)
Adjust R^2		0.327	0.314	0.316	0.663	0.693
Maximum VIF		2.335	2.335	2.335	2.448	3.630

*** p< 0.01, ** p< 0.05, * p< 0.10, [a] Beta coefficients with standard errors in parenthesis

Table 3 presents the results of OLS regression analysis of the relationship between MAMO and audit performance. MAMO includes computerized audit practice, audit-client exchange, enterprise risk synthesis, professional critical application, and audit flexibility focus. Table 3 relates to computerized audit practice (Hypotheses 1a-c). The findings show a significant negative relationship between computerized audit practice and audit information reliability (β_{15}= -.122, p < .05). A possible explanation for this is that auditors' lack of (standardized computer) procedure gives leverage to new ideas, but potentially allows unreliable evidence to enter the audit report (Nelson & Tan, 2005). Additionally, auditors are unable to implement audit practice due to their lack of method management and lack of awareness about how to deal with it effectively (Daghfous, Hermanson & Houston, 2013) Likewise, Habib & Bhuiyan (2011) found that auditors suffer from information overload, contributing to delayed audit reporting. Therefore, computerized audit practice is negatively related to audit information reliability. Turning to hypotheses 1a and 1b, computerized audit practice also has no significant effects on audit evidence quality (β_1 = .030), or audit report proficiency (β_8 =-.074) However, in fact, if there are no suitable audit tools and software for auditors to use in audit practice, quality audit evidence will not be available. By the same token, if modern information technology is utilized by CPAs in audit practice but there are no guidelines and processes, which are responsive to critical changes in the business environment, there will be no guidance on which techniques or methods to use to promote audit evidence quality in those circumstances. Moreover, if audit software cannot detect fraud and errors, it will lead to a competitive disadvantage (Kor & Mahoney, 2005). This aligns with Wong & Chueng (2008), who suggest that audit practice of CPAs should focus on improving audit standards by specifying the minimum standard of sufficient and appropriate evidence. Thus, it

seems that computerized audit practice does not influence audit evidence quality and audit report proficiency. **Therefore, H1a, H1b and H1c are not supported**.

Turning to audit-client exchange (Hypotheses 2a – 2c), the results indicate that it is positively relate to audit evidence quality (β_2 = .023, p < .01) and audit report proficiency (β_9 = 0.143, p < .05). ISAs section 260, Communication with Those Charge with Governance (2007) and ISAs section 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management (2009) determine that CPAs should communicate and exchange information between CPAs and monitoring units or administrators at an appropriate level. This is done in order to report weak-points and errors found from internal control. Administrators have to provide necessary information for CPAs in order to receive enough audit evidence to make a comment on an audit report. This is similar to Petchjul & Ussahawanitchakit (2013), who state that various audit methods and techniques lead to a summary based on facts as well as errors to achieve audit goals, which may be described as being or greater or lesser quality (Chang et al., 2008). In addition, audit-client exchange and audit-client relationship should increase audit quality because clients are considered to be an important factor in audit evidence collection and effective audit technique, which helps CPAs to prepare an audit report that is responsive to the reporting context (McCracken, Church & Davis, 2008). According, audit-client exchange appears to play a significant role in audit evidence quality and audit report proficiency. Nevertheless, audit-client exchange has no significant effect on audit information reliability (β_{16} = .072), which does not accord with Gist, McClain & Shastri, (2004), who found that audit practice is in consistent with the terms of agreement between CPAs and clients, which depends on the terms of engagement. Further, this finding contrast with DeZoort, Hermanson & Houston, (2008), who found that working performance of CPAs supports financial report reliability. **Therefore, H2a and H2b are supported; however, H2c is not supported**.

In regard to the results related to enterprise risk synthesis (Hypotheses 3a – 3c), the evidence reveals that enterprise risk synthesis is positively related to audit evidence quality (β_3 = .275, p < .01), audit report proficiency (β_{10} = .425, p < .01), and audit information reliability (β_{17} = .369, p < .01). This is consistent with Ritchie & Khorwatt (2007), who found that enterprise risk synthesis, which is generated by critical review of audit evidence reliability, has an effect on audit planning (Sneathen & Kizirian, 2007) and auditors' audit reports (Janvrin & Lowe, 2008). Overall, this indicates that enterprise risk synthesis plays a significant role in audit evidence quality, audit report proficiency, and audit information. **Therefore, H3a, H3b and 3c are fully-supported**.

The results relating to professional skepticism application (Hypotheses 4a-c) significantly and positively relates to audit evidence quality (β_4 = .125, p < .10), audit report proficiency (β_{11} = .198, p < .01) and audit information reliability (β_{18} = .183, p < .01). This is consistent with Hurtt (2010), who claimed that CPAs with professional critical application can show the ability to critically evaluate audit evidence, and rise to the challenge. Also, CPAs with professional critical application will be able to apply information and conduct in-depth evaluations consistent with benchmark evidence collection and evaluation standards (ISAs 500) and reporting (ISAs 700). **Therefore, H4a, H4b and H4c are fully-supported**.

Finally, turning to Hypotheses 5a-c, audit flexibility focus is significantly and positively

related to audit information reliability (β_{19} = .112, p < .10). This is consistent with Mock & Turner (1999) who mentioned that modifying auditing practices in line with the risks and circumstances affecting the auditor, can improve the integrity of audit opinion in the report. It is also similar to Peecher, Schwartz & Solomon(2007), who found that technological changes are affecting CPAs, who are being pressured to develop an audit method that focuses on the reliability of financial information to be used by investors in a capital market (Lev and Zarowin, 1999). Surprisingly, the results indicate that audit flexibility focus has a negative and significant effect on audit report proficiency (β_{12} = -.172, p > .01). This finding is inconsistent with Curtis & Payne (2008), who found that audit flexibility in responding to audit report quality, generates acceptable evidence for analysts (Bell & Carcello, 2000). In fact, when applying advanced techniques in auditing to problems pertaining to complex tasks, auditors can obtain divergent information, so may not reflect the risk of environmental uncertainty that leads to mistakes in his opinion on the financial statements (Agoglia, Hatfield & Brazel, 2009). On the other hand, audit flexibility focus has no significant effects on audit evidence quality (β_5 = .051). In fact, a business has multivarious transactions, which require one or more of a range of advanced auditing techniques. Siriwardane, Kin Hoi Hu & Low (2014) suggest that auditors who are absent complete regular workshops to adapt to the application of modern technology or risk synthesis uselessness. **Therefore, H5a is supported; however, H5a and H5b are not supported**.

Regarding to the evidence Table 3 indicates that audit evidence quality has a significant and positive relationship to audit report proficiency (β_{22} = .243, p < .01), and audit performance (β_{26}= .256, p < .01). Audit evidence quality could be used to support an audit comment, which reflects audit performance (Sinchuen &Ussahawanitchakit, 2009). This is consistent with Kent, Munro & Gambling, 2006) who mentioned that audit evidences must be concerned with an acceptance by administrators and must be enough to support a summary generating from audit practice and based on generally accepted accounting principles that ensure client satisfaction. **Therefore, H6a and 6b are supported**.

Similarly, the results indicate that audit information reliability is significantly and positively related to audit report proficiency (β_{23}= .626, p < .01) and audit performance (β_{27}= .183, p < .05). Audit information reliability centers on the correctness of financial statements (IASB 2009), which is similar to Lin, Tang & Xiao (2003) who discovered that reliable information is a reflection of an audit report based on sound audit standards and can be reliably used by decision-makers (Behn et al., 2008). **Therefore, H7a and H7b are supported**.

Moreover, the results indicate that audit report proficiency is significantly and positively related to audit performance (β_{28} = .471, p < .01), which is consistent with prior research that found that audit report proficiency helps CPAs to reliably comment on an audit report and helps to increase audit efficacy (Martin, 2007). Similarly, Habib & Bhuiyan (2010) found that audit report proficiency is useful for stakeholder decision-making, and enables audit efficacy by decreasing costs in support of client satisfaction (Nicolaou, 2000). **Therefore, H8 is supported**.

5. Contribution and Suggestions

In conclusion, MAMO is important for audit quality and audit sustainability. Consistent with the MOMA model, CPAs should thoroughly understand, manage, and utilize modern audit method approaches to audit planning, audit programs, and decision-making within the audit, to provide audit

evidence quality, audit report proficiency and audit information reliability, which in turn improve overall audit performance. Consequently, CPAs can generate audit evidence, audit report proficiency, and audit information reliability, and audit performance. This research has some limitations, which necessitate further research. First, the outcomes may be affected by use of measures, which are limited. This highlights the need for new scales to be developed that are relevant to the field of audit research. Further, these findings may not generalize to auditors with qualifications other than a CPAs, as the participants were all CPAs. Therefore, future researchers should attempt to verify these results with other sample groups (e.g. tax auditors, co-operative auditors, state auditors, etc.). Additionally, alternative data collection methods should be investigated, such as in-depth interviews, experiments, or case studies. Moreover, some hypotheses and some findings of this study were not statistically significant. For instance, computerized audit practice does not improve information reliability, evidence quality, or report efficiency of audits. As a result, a qualitative research hypothesis should be investigated to study the nature of these inputs into the problematic of how to enhance audit efficacy.

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