

Director-Auditor Link and Audit Quality aims to examine the effects of director-auditor link on audit services fee, non-audit services fee and audit opinion. Based on the attachment theory, it is argued that director-auditor link created by interlocking directorates enhances the mutual dependence and trust between the directors and their auditor and this mutuality is expected to influence audit services fee, non-audit services purchased from auditor and audit opinion. Analyses are conducted using data of 759 listed companies on the Bursa Malaysia in 2007 and a two-stage regression method is employed to accommodate the simultaneous equation model. The results show that director-auditor link has a significant negative relationship with audit services fee and significant positive relationships with non-audit services fee purchased from auditor and the issuance of unqualified audit opinion. Thus, the results provide initial evidence on the importance of reviewing the director-auditor link practices in the business environment.

Director-Auditor Link and Audit Quality



Mazrah Malek

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The Simultaneous Effect of Auditor-Director Attachment on Audit Fees, Non-Audit Services and Audit Opinion.



Mazrah Malek

Mazrah Malek is currently attached to the Department of Accounting and Finance, Faculty of Economics and Management, Universiti Putra Malaysia as a Senior Lecturer. Her research interest is in the field of auditing and corporate governance.



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Mazrah Malek

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