



Audit Quality of Financial Statements of Commercial Banks, Whether or not There is a Difference in Audit Quality Provided by Big4 and Non-Big4 Audit Firms

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ABSTRACT

This study is conducted for the purpose of investigating the influence of factors on the audit quality of financial statements of Vietnamese commercial banks. Also consider whether or not there is a difference in the quality of audits provided by Big4 and Non-Big4 auditing firms from the perspective of independent auditors. Data was collected from 226 respondents working in 20 independent auditing firms in Vietnam (4 Big4 auditing firms and 16 Non-Big4 auditing firms), holding positions such as audit firm managers, audit team leaders and auditors, who are directly involved in the audit. Sampling was conducted selectively from April 2023 to August 2023. By quantitative research method, with the support of SPSS22 software. The research results show that the factors that have an important influence on the audit quality of financial statements of Vietnamese commercial banks in descending order include: in-depth capacity of auditors; characteristics of commercial banks; time pressure; audit methods; quality control of auditing enterprises and legal systems; auditor independence; standard compliance; working conditions of auditing enterprises; size and reputation of auditing enterprises. However, the results of the study found no difference in the audit quality of financial statements of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises. Based on the research results, a number of recommendations are made to auditors and auditing companies to improve the quality of auditing financial statements of commercial banks in the coming time.

Keywords: Audit Quality, Financial Statements, Commercial Banks, Vietnam

JEL Classifications: M42, G1

1. INTRODUCTION

Independent audits are considered to play an important role in ensuring a quality financial statement. When the quality of the audit is assured, the independent audit will contribute to establishing credibility and reliability in the financial statements and in the capital market. Therefore, the quality of audits is considered a matter of great public concern and is of high importance to regulatory and supervisory authorities worldwide (Le Vourc'h and Morand, 2011; IFAC, 2011a; European Union, 2008).

Commercial banks serve as the backbone of the national financial system, driving economic growth through an intermediary role

between savers and borrowers. Due to their systemic importance, the accuracy and reliability of their financial statements are paramount (Zha et al., 2020). Maintaining the quality of financial statement audits by commercial banks not only ensures compliance with regulatory requirements but also contributes to the overall stability of the financial system (Jiang et al., 2019; Huy and Hung, 2022).

Over the years, the complexity of banking has increased significantly due to factors such as financial innovation, technological progress, and globalization. This complexity poses new challenges for auditors, requiring continuous improvement of audit methods and standards (Knechel and Salterio, 2016).

Moreover, the rapid development of digital technology in banking, including fintech, artificial intelligence, and blockchain, has created new risks and considerations for auditors (Moll and Yigitbasioglu, 2019).

In the context of Vietnam, the banking sector has been undergoing significant reforms and modernization over the past two decades. As the country continues to integrate into the global economy, ensuring the quality of financial statement audits in the banking industry is becoming increasingly important (Nguyen et al., 2020). Recognizing this importance, the Government of Vietnam has been making efforts to improve audit quality through institutional reform and strengthening monitoring mechanisms (Le et al., 2018), auditing companies are gradually improving and perfecting their methodology, training programs and quality control processes (Hung, 2022).

Although these efforts are significant to improve the overall audit quality, there are concerns about factors affecting audit quality and the consistency of audit quality among different types of auditing firms. In Vietnam, as in many emerging economies, these concerns are particularly pronounced due to the complex and rapidly evolving nature of the banking sector and regulatory environment (Hung, 2023). Questions have been asked: will the role and meaning of auditing still be maintained to satisfy the expectations of the majority of the public? When serious financial scandals occur in commercial banks around the world while the independent audit results of many cases are “clean,” this has raised doubts about the quality of auditing financial statements of commercial banks today.

Internationally, the incident with HBOS bank in the United Kingdom in 2008 involved financial stability and the quality of audits conducted. KPMG was criticized for failing to raise concerns about HBOS’s risky lending practices, which ultimately led to the bank’s collapse and subsequent acquisition by Lloyds Banking Group. Following KPMG’s audit quality scandals at HBOS, there have been a number of other scandals about the audit quality of independent auditing firms involved in expressing an inaccurate opinion on financial statements, such as the 2014 bankruptcy of BES Bank in Portugal and CBA Bank in Australia in 2018. Although before, these banks still received good audit results, there were no significant issues to be noted. The independent audit firms E and Y and KPMG responsible for auditing the two banks respectively have been investigated for the quality of the audit services they provide. Some experts believe that the UK Financial Reporting Council - the body that manages accounting, auditing and corporate governance activities - also bears some responsibility for the incident. Not only in the UK and Australia, the scandals and bankruptcies of many large companies around the globe also raised concerns about the quality of auditing activities and the independence of auditors. In South Africa, cases involving VBS Mutual Bank and Linkway Trading Project Management Company resulted in KPMG South Africa embroiled in VBS corruption scandal, 2018. The Wells Fargo business scandal in the United States began in 2016 when media reported that Wells Fargo had created more than 2 million fake accounts and had to pay a \$185 million fine. It is worth mentioning here that, conducting this

audit is KPMG auditing firm and the quality of KPMG’s auditing activities for Wells Fargo has been requested to reconsider by the Public Company Accounting Oversight Board (Osemeke and Osemeke, 2017).

Or as recently as March 2023, investors were concerned because US banks were collapsing one after another. The incidents occurred in a short period of time, first with Silvergate Capital, followed by Silicon Valley Bank (SVB), the 17th largest bank in the United States, which was also closed by US regulators. Investor confidence was severely eroded following the collapse of a series of large banks, the largest bankruptcy in the United States since the 2008 financial crisis. On March 12, 2023, Signature Bank became the 3rd largest bank to go bankrupt in the United States. This was followed by the collapse of First Republic Bank on May 1, 2023. There is a common denominator, all the above banks are audited by one of the major professional services firms in the world, KPMG, and this is the auditing business that is said to dominate the banking auditing market in the United States, which has given KPMG auditors a deep understanding of the risks and opportunities in the banking industry. Thus, in theory, the auditor may issue warnings, such as to regulators about potential or unidentified risks, as well as errors in the financial accounting of banks. However, this was not given and before the release of the annual report, the auditor was asked to assess whether there were significant doubts about the viability of the banks in the coming year. The audit opinion included in the report will have to include a “continuous operation” warning if there is such a suspicion, but there is not a single warning in all four banks. It is quite surprising that KPMG signed and issued an audit report for SVB on February 24, 2023, exactly two weeks before the bank collapsed and the audit report was issued to Signature Bank dated March 1, 2023, 11 days after Signature Bank was confiscated by US regulators.

Many questions have been raised regarding the quality of audit services provided and the situation above, which has prompted some researchers to discuss whether auditors give adequate warning about the financial situation of banks (Sikka, 2009; Woods et al., 2009) and to investigate whether auditors perform their duties properly in the audit of banks’ financial statements (Geiger et al., 2014; Xu et al., 2011; 2013) or whether auditing firms themselves give priority to audit quality (Persakis and Iatridis, 2016).

In Vietnam, for example, the event related to Eximbank suffered accumulated losses and the stock fell under a warning that was still very hot in the market. The highlight worth debating this time is the incident related to Eximbank’s auditing unit in the period of 2010-2014, E and Y auditing company. There is doubt about an auditor known as the Big-4 in the field of auditing like E and Y, is it really just a shortcoming due to the profession or are there negative things in the professional ethics of auditors?... More seriously, the State Securities Commission has issued many decisions to sanction auditing companies and auditors for serious violations during the audit of financial statements in recent years. All of this makes the relevant authorities, investors, more concerned about the quality of audit of commercial banking and financial statements of auditing companies. Such incidents have caused

investors' confidence in auditing with the function of verifying and expressing opinions to diminish. Many aspects are set out to learn such as: factors leading to the audit quality of commercial bank financial statements are not guaranteed; whether the control of those factors in the audit of financial statements at commercial banks is carried out by independent auditing companies or not? And if so, how?

Auditing quality assessment is not a simple thing, the criteria for measuring audit results can indicate the quality of auditing services but do not indicate what factors make such quality achieved and more importantly, do not indicate the basis for improving the quality of auditing. Therefore, it is only possible to thoroughly understand, master and control the factors affecting quality that help managers, auditors and auditing enterprises determine the direction to improve audit quality. In order to have a basis for proposing recommendations to ensure and improve the audit quality of financial statements of commercial banks, it is necessary to identify the factors and the level of influence of each factor, thereby identifying the key influencing factors.

There have been many studies on factors affecting audit quality in the context of commercial banks, mainly conducted in countries with developed economies such as the UK, such as the study of Iqbal et al. (2015), in the United States such as the study of Kanagaretnam et al. (2010), Jin et al. (2011), DeBoskey and Jiang (2012), or in Australia such as the study of Hecimovic and Martinov-Bennie (2011) and Cahan and Sun (2015). In Vietnam, there have been studies on factors affecting the quality of auditing financial statements associated with specific industries and fields, such as for financial statements of listed enterprises, foreign-invested enterprises, insurance enterprises. However, official studies directly related to the identification of factors and quantification of the influence of factors on the audit quality of financial statements of commercial banks seem to be very limited, although this is an issue that is receiving a lot of attention from many different audiences.

Therefore, this study is aimed at the following specific objectives:

- (i) Identifying factors affecting the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors from the perspective of auditors.
- (ii) Quantify the influence of factors on the audit quality of financial statements of commercial banks based on the results of the actual survey from the perspective of auditors.
- (iii) Consider whether or not differences in the audit quality of commercial banks' financial statements are provided by Big 4 and Non-Big 4 audit firms.
- (iv) Propose recommendations to improve the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditing enterprises.

The results of this study will contribute to expanding the findings of previous studies on the audit quality of financial statements of commercial banks in countries with similar contexts and conditions as Vietnam. At the same time, the study also adds to the growing body of literature on audit quality in developing economies, especially in the context of the banking industry. In addition,

the insights from this study can be valuable to international organizations such as the International Assurance and Auditing Standards Council in their efforts to develop auditing standards that are applicable to the banking industry globally.

2. THEORETICAL BASIS AND LITERATURE REVIEW

2.1. Foundational Theories in Research

2.1.1. Agency theory

Representation theory was first formulated by Ross (1973) and later extended by Jensen and Meckling in 1976. This theory stems from the increase of share ownership in enterprises or when there is a separation between ownership and management and administration. The content of the representation theory refers to the contractual relationship between a party who is the principal and a party who is the principal. In the enterprise, the shareholders or owners of capital are the authorizers and one party is the executive and manager called the authorized party (the representative). The owners expect managers and executives to fulfill their requirements and must perform the work effectively and honestly through the contract between the two parties. Managers run the operations of the business and represent the business. Although managers and executives are expected to bring maximum benefits to the owners, the theory of representation is that the ability of managers and executives not to perform all or incorrectly the requirements of the owners is very high and both parties want to maximize their benefits. Bell and Carcello (2000) argue that, in organizations with a separation between ownership and management, there will arise self-interested acts of representatives. From there, there is a conflict of interest between the owners and the managers and executives. OECardt (1989) points to two main aspects of representation theory that are, "Ethical risk" - information asymmetry, in which the representative is considered to have more information about the performance of the business that not all owners know about, and "Adverse selection" - is when the owners are unable to fully verify the skills and abilities of managers, executives including at the time of recruitment or during their employment or in other words, the owners cannot be sure that their representative is capable of performing the work that they are paid to do or that the representative's performance is commensurate with the money that they receive. Representation theory refers to misconduct aimed at personal gain, which is a sensitive business issue. When owners authorize the Board of Directors to manage corporate assets, there will always be a conflict between these two groups over personal interests. This will be potentially risky for the owners in particular and the business of the business in general. Therefore, owners need to have a monitoring mechanism for representatives, one of which is auditing. Auditing with its functions, performing the inspection of representatives, independently assessing the status of financial activities, business results and checking the information provided by the Board of Directors plays a very important role in maintaining the trust of the owners. Therefore, representation theory shows the importance of auditing to resolve conflicts of interest between owners, representatives and stakeholders. In addition, representation theory is suitable as a basis for explaining audit quality issues when audits represent owners or audits represent managers and executives.

Applying representative theory to this study, the author said that auditing, whether representing the owners or the managers and executives themselves, also needs to ensure professional capacity, professional ethics, sense of responsibility, independence and other factors to be able to give appropriate audit opinions, contributing to improving the quality of auditing. Moreover, representation theory also accounts for factors affecting audit quality. This is reflected in the fact that, when the requirements for audit quality are higher and higher, it is important to orient the needs of customers in the selection of auditing enterprises with large scale, prestige and reputation, strict auditing processes, auditors with high capacity, experience and industry specialization.

2.1.2. Theory of supply and demand

The theory of supply and demand is one of the most important contents of economics, the theory is built on the basis of the supply and demand model, to analyze the behavior of producers and consumers interacting with each other in the market. In addition, the supply and demand model also shows the impact of the management agency's policies in the market.

Applying in this thesis, the supply and demand theory will be the basic theory explaining the mechanism of customer demand, the ability of auditors and auditing enterprises to meet the quality of auditing, as well as the price mechanism in the supply and demand relationship between auditors and customers, factors affecting the supply and demand relationship of audit quality. On the customer side, the need for audit quality arises from the problem of resolving information asymmetry between the information provider and the information user. As this asymmetry grows, so does the need for audit quality assurance. On the other hand, the demand for high audit quality also comes from the desire to improve the quality of information on financial statements of managers. Especially Vietnamese commercial banks, where the complexity of transactions and the nature of business are risky. On the part of auditors and auditing firms, the ability to provide high quality audits comes from the internal resources of auditors and auditing firms, such as: Prestige, reputation, avoiding lawsuits and the provisions of law. These abilities are shown through inputs, such as the capacity and professional qualifications of auditors, experience, independence, size of auditing enterprises, the level of application of technology in auditing, the effectiveness of the quality control system in auditing enterprises.

2.1.3. Theory of signals

Spence's (1973) Signaling Theory is an economic theory that explores how people use signals to convey information in situations where it is difficult to directly observe basic characteristics. According to Spence's theory, employers use education as a signal of workers' abilities, since education is observable through the qualifications earned by workers, while innate abilities are not. This creates a signal equilibrium in which more competent workers are more likely to be educated, thereby signaling their higher competence to employers, resulting in higher wages for those individuals. Spence's theory has been influential in studying the labor market, education, and other economic sectors where information asymmetry exists. This theory has also been extended to test signals in other contexts, such as in markets for

high-quality goods and services, where consumers use price as a signal of quality. Or in the financial disclosure of enterprises, it shows that enterprises can use information disclosure as a strategic tool to signal their financial situation and future prospects, and build trust and credibility with investors and other stakeholders.

Ross (1977) applied Spence's signal theory to explain why companies may choose to disclose information in their financial statements. In theory, companies could disclose information as a signal of their financial position and future prospects to investors and other stakeholders. In the context of financial reporting, companies may have private information about their financial status and outlook that investors do not have access to. By voluntarily disclosing information in financial statements, companies can signal to investors that they have nothing to hide and are confident in their financial situation and future prospects (Verrecchia, 1983). Moreover, companies that disclose more information than the regulatory requirements may show their commitment to transparency and accountability. This can help build trust with investors and other stakeholders, which in turn can lead to increased investment and improved access to capital.

The application of signal theory to research shows that audit quality serves as a signal of the financial health and reliability of financial statements of enterprises. The higher the quality of the audit, the more reliable the signal to investors and other stakeholders. Companies, units and organizations with good and transparent financial situation will choose auditing enterprises with large scale, prestige and reputation to achieve better audit quality. A reputable audit firm, with qualified, experienced auditors can be considered a reliable signal of a firm's financial position compared to a less reputable audit firm. Besides, companies, units and organizations tend to choose truly independent and objective auditors who are more likely to provide reliable signals about the financial situation of the company than auditors with conflicts of interest or not really independent. Finally, the extent and effectiveness of audit quality monitoring activities by the audit firm itself can also affect the quality of the audit and the reliability of the signals it provides. A thorough, rigorously monitored audit is likely to provide a more reliable signal of the company's financial position. Based on the above analysis, it can be seen that signal theory explains the factors belonging to the group of auditors (professional competence; experience; level of professional expertise; independence), auditing enterprises (size of auditing enterprises; reputation of auditing enterprises; effectiveness of quality control systems in auditing enterprises) that affect the quality of auditing.

2.1.4. Stakeholder theory

Typically in the school of stakeholder theory are Freeman (1984), Donaldson and Preston (1995), Mitchell et al. (1997), Friedman and Miles (2002), Phillips (2003) in which Freeman is considered the father of this theory. According to this theory, the concept of "stakeholders" refers to all groups or individuals that are directly or indirectly affected by the company's activities.

The stakeholder theory holds that the firm should treat its stakeholders fairly and that this will increase the firm's

performance in the market and thus secure the future for its stakeholders. Stakeholder theory has changed the inherent nature of capitalism, which is that the organization has no legal obligations to non-shareholders of the company.

While Representation Theory explained the purpose and role of auditing in the relationship between the owner and the representative. According to representation theory, audits serve as an owner-surveillance mechanism for the representative in order to strengthen the trust of the owners for the representative. Stakeholder theory describes a more complex relationship that includes multiple stakeholders. Besides the owners, there are many parties involved in the organization and interested in the financial information of the company. Therefore, audits affect a lot of people and they have different expectations about auditing.

Owners who want to audit to serve and protect their interests in the organization while executives, managers who may want to audit to assist them in performing their duties by offering advice on business activities, suppliers or credit may want to audit to provide evidence proving that the organization is capable of paying for services or loans, employees of the company may expect to see the future direction of the organization.

Thus, stakeholder theory indicates the multi-facetedness of audit quality because each stakeholder has different perspectives and interests, different needs for financial information, so the evaluation and recognition of factors that affect audit quality will also be different.

2.2. Experimental Studies in the World in Recent Years

2.2.1. Independent report of auditor

The independence of the auditor is considered to avoid situations that tend to reduce the objectivity or personal bias that affects professional judgment (Carey and Doherty, 1966). The independence of auditors is considered a prerequisite for high quality auditing. Therefore, to ensure high quality of audits, the independence of auditors must also be considered (Le Vourc'h and Morand, 2011). According to Beattie et al. (2001), independence is the basic principle of auditing, lack of independence is the cause of auditing failure. In addition, Boon et al. (2008) argue that independence is an important factor affecting the quality of audits as well as the satisfaction of audit users, when the auditor is independent from the client will be able to provide a higher quality audit. Therefore, the objective of the legal documents issued is to strengthen the independence and objectivity of auditors by minimizing the familiar threats that may arise during the audit (Revisorsnämnden, 2003). In addition, research by Sarwoko and Agoes (2014), Lamba et al. (2020) and Yahaya and Onyabe (2022) shows that the independence of auditors also significantly affects the implementation of audit procedures to detect fraud and errors, thereby significantly affecting the quality of the audit. Furthermore, the study by Nwafor and Amahalu (2021) examines the relationship between auditor independence and the audit quality of banks in Nigeria. The findings of the study show that auditor independence has a positive and significant relationship to audit quality. This judgment is also reinforced in

the study of (Arens, 2012; Rahmina and Agoes, 2014; Pitaloka and Widanaputra, 2016; Ariningsih and Mertha, 2017).

2.2.2. Auditor's professional capacity

Competency is the sum of one's knowledge, abilities or skills, work experience and attitude plus one's personal attributes (Dinata, 2006). In auditing, the professional capacity of the auditor is also related to the auditor's ability to skillfully apply knowledge and experience in practical work (Zahmatkesh and Rezazadeh, 2017).

Reichelt and Wang (2010) argue that auditors with basic knowledge and training have a broader insight and can detect anomalies in the records and financial statements of the audited entity. Therefore, a high level of competence can improve the quality of audits. In contrast, incompetent auditors will tend to rely on the opinions of others in completing the audit task, which undermines the audit process and quality (Kertarajasa et al., 2019). In addition, according to Suyono (2012), Hai and Quy (2019) audit firms with a strict audit process, focusing on the capacity of employees will provide better quality audit services. In addition, the auditor's professional judgments and decisions ultimately determine the quality of the audit report, experienced auditors with solid professional judgments can provide better insights and thereby increase the quality of audits (Gul et al., 2013). Moreover, Ishak (2018) shows that the experience of auditors has an impact on the quality of audits through risk assessment and appropriate audit plan design. This implies that experienced auditors are better able to understand the client's business and the risks involved, so experience helps to tailor the audit approach to address these risks.

2.2.3. Industry depth

The level of professional expertise is understood as an in-depth understanding of the risks, opportunities and accounting practices of customers in each given field and industry. Studies have shown that auditors with more industry expertise can make better professional judgments, thus enabling them to perform an effective audit process and produce higher quality reporting (Kilgore et al., 2011; Pinto et al., 2020). Auditors with deep expertise in certain industries and areas can detect material errors and omissions better than auditors without deep expertise in the industries in which they conduct audits (Beck and Wu, 2006; Carson, 2009; Pham et al., 2014; Eddine and Oussama, 2012). Professional specialization of auditors plays an important role in improving the quality of audits (Balsam et al., 2003; Lowensohn et al., 2007; Reichelt and Wang, 2010; Alsughayer, 2021). Reichelt and Wang (2010) found that, when auditors have a large number of clients in the same industry, their expertise in that industry increases and this leads to higher audit quality for the group of clients in the same industry. Audit firms with expertise in a particular area are more likely to detect anomalies and misrepresentations, thus providing a higher quality of audit (Gul et al., 2009). In addition, the requirement to specialize auditors in an industry leads to a higher level of technical competence and technical information. In this case, industry expertise enhances the auditor's ability to detect errors, and therefore, affects the probability of reporting detected errors (Hammersley, 2006). Thus, audit quality is positively related to industry specialization and expertise (Lowensohn et al., 2007; Pinto et al., 2020). Thus, the advantage of industry expertise along

with general audit knowledge can improve audit technical capacity and audit reputation, thereby increasing audit quality.

2.2.4. *Standard compliance*

Compliance with standards means that the auditor does not commit acts contrary to ethical standards, professional standards and relevant laws. According to Treadway (1987), if the auditor omits or fails to perform the audit procedures properly, it will reduce the quality of the audit and the quality of the audit depends on the consciousness of the auditor, who is directly involved in the audit. Besides, Carcello et al. (1992) also commented: "An auditing firm that is rarely found to be negligent in lawsuits means that the auditing firm provides a guarantee of professional prudence". In addition, the research results of Boon et al. (2008) show that compliance with professional ethical standards significantly affects the quality of auditing, thus also affecting user satisfaction with the quality of auditing. These findings are supported by O'Keefe et al. (1994) who have argued that compliance with professional standards will help the auditor to complete the audit effectively and with high quality.

On the other hand, Gao and Zhang (2019)'s study argues that auditing standards are useful in minimizing the possible deviation of auditors in terms of benefits to investors. However, auditing standards also limit the flexibility of auditors to exercise professional judgments, thus, leading to a mentality of compliance with the standard and reducing the motivation of auditors to become competent and creative in the audit process so that the quality of audits can be degraded.

2.2.5. *Audit firm size*

According to Arens et al. (2014), the size of auditing enterprises can be determined through the total revenue indicator, the number of customer companies, the number of professional employees or the number of offices and branches of auditing enterprises. Riyanto (2007) argues that the size of the audit firm is used by many studies as a proxy for measuring audit quality, by the difficulties (Davidson and Neu, 1993) in measuring them. Auditing firm size is usually divided into two groups: those considered large (Big-4) and those not considered large (Non-Big4) (Elster and Toman, 2011).

DeAngelo (1981b) analyzed the impact of audit firm size on audit quality and noted that large audit firms are often of higher quality than small audit firms. According to DeAngelo (1981b), the more customers an audit firm has, the more economic pressure it has to maintain and improve the quality of audits and the large audit firms have the ability to specialize and innovate leading technology, thus increasing the ability to detect violations in the accounting system of customers. DeAngelo (1981b) also argues that large audit firms are more independent from their clients, thus increasing the likelihood of reporting a identified breach. Besides, Sori et al. (2006) found that large audit firms have more talented employees, superior technology, research facilities and better financial resources to perform the audit process than smaller audit firms. Consistent with the above point of view, Choi et al. (2007); Skinner and Srinivasan (2012); Koh et al. (2013); DeFond and Zhang (2014); Wang et al. (2014); Lawrence et al. (2011); Salehi et al. (2019) argue that the quality of auditing has a relationship

with the financial resources of the auditing firm, the larger the size of the auditing firm with abundant financial resources, they are able to maintain a high level of service quality and thus will also reduce the likelihood of lawsuits and it is an indicator that the audit is of high quality. In addition, Alareeni (2019) observed that large companies have incentives to conduct high-quality audits to maintain their reputation. Moreover, Big-4 auditing firms face fewer lawsuits and are rarely fined by the sec (St. Pierre and Andersson, 1984; Palmrose, 1988; Feroz et al., 1991). They report more accurately or cautiously on bankrupt companies (Lennox, 1999; Choi et al., 2010a; Choi et al., 2010b).

However, the bankruptcy of major energy conglomerate Enron in the United States in 2001 with the collapse of the world's leading auditing firm Arthur Andersen in 2002 has shaken the view that the quality of audits is often better guaranteed by large auditing firms (Francis, 2004). In addition, there is other evidence that large audit firms may not always provide higher quality audits than small audit firms (Tate, 2002; Lam and Chang, 1994). Imhoff (1988) argues that the relationship between audit size and quality remains a question mark to this day. In particular, Tate (2002) found that the reporting of Big4 auditors was more non-compliant with federal regulations and that Big4 auditors were less able to report serious deficiencies in internal control. These findings are supported by Bauwhede and Willekens (2004); Carlin et al. (2009) who have argued that there is little evidence in the existing literature supporting quality differences between Big4 and Non-Big4 firms.

However, it can be affirmed that large auditing firms have financial capacity, competent auditors, apply information technology and use modern and effective audit methods, resulting in high quality audits. A large audit firm has an impact on audit quality, but cannot use this factor as the only factor to measure audit quality, but it is considered an important factor in measuring audit quality.

2.2.6. *Audit firm reputation*

Since customers and related parties cannot directly observe the quality of audits and determine whether the information reported is truthful and reasonable, the reputation of the auditing firm plays an important role in influencing the level of trust and use of audited financial reporting information of related parties. The reputation of audit firms is determined by the brand name that can be achieved after some time, which can be the result of diversity such as brand image and clear quality of audits performed and remuneration invoiced (Aronmwan et al., 2013). The reputation of auditing firms is also a result of their performance and expertise (Sucher et al., 1999), which implies that clients and stakeholders will appreciate and trust auditing firms that not only have the capacity to conduct quality audits but also manage their operations effectively and with a high level of expertise in their field. Such factors can enhance the reputation of auditing firms and have the ability to attract more customers as well as fulfill commitments in higher expertise.

Lindberg and Beck (2002) proved that customers tend to choose high-quality, reputable auditing companies to achieve the best audit results. Big-4 audit firms show superior audit quality compared to non-Big-4 audit firms so their market share is usually higher

(Boulila Taktak and Mbarki, 2014). However, even with Big-4 audit firms, audit failures can damage their reputations and these firms can lose entire clients (DeFond and Zhang, 2014). Therefore, with the advantage of greater financial resources, they will recruit auditors capable of ensuring their reputation (Rezaei and Shabani, 2014) and conduct higher quality audits in order to obtain higher audit remuneration that these companies can charge from their clients (Choi et al., 2010; Desai et al., 2016).

In addition, reputable audit firms are often motivated to maintain and strengthen their reputation by issuing audit reports with higher reliability than non-reputable audit firms (Beatty, 1989; Bigus, 2015). Consistent with the above point of view, Lennox (1999); Al-Khaddash et al. (2013); Pesudo and Nugroho (2022) argue that, because there is more credibility for larger audit firms, reputable audit firms are often considered to have more reliable audit reports.

2.2.7. Auditing methods

Audit methods are measures, methods and procedures used in the audit to achieve the set audit objectives (Gaddis, 2018). The effectiveness of an audit method depends on its suitability for the audit client, the correctness and completeness of audit procedures, the combination of audit methods and procedures, and the auditor's professional skepticism.

Khanna and Sawant (2018) conducted research on the impact of audit methods on audit quality. They find that applying appropriate audit methods to customers is essential to improve the quality of audits. The authors suggest that the auditor should carefully evaluate the unique characteristics of each audit client, such as the size of the company, the complexity of its operations, the level of risk, and the use of audit methods appropriate to the client's specific circumstances. The study also shows that the more complete the audit procedures, the higher the quality of the audit. The authors emphasize the importance of conducting a thorough and comprehensive audit, including risk assessment, control testing, and baseline tests.

In addition, according to Treadway (1987), if the auditor omits or fails to perform the audit procedures properly, it will reduce the quality of the audit and not the quality of the audit of the same auditing firm is always achieved. It also depends on the characteristics of the auditor, who directly performs the audit. Wooten (2003) also said that auditors who are always curious tend to find more errors. In addition, Sihombing and Kusuma (2018) argue that the combination of audit methods and procedures has a significant impact on audit quality. The authors argue that the manner and sequence of combining different audit methods and procedures will produce different effects. The study also highlights the importance of auditors maintaining professional skepticism throughout the audit process in an effort to detect errors and fraud. This was also tested based on the assessment in the studies of Moffitt et al. (2018); Salijeni et al. (2019).

2.2.8. Working conditions of auditing enterprises

Working conditions are understood as factors affecting the working environment and culture of the enterprise. For auditing activities, good and adequate working conditions and equipment, especially

the application of the achievements of the industrial science revolution 4.0 to auditing, help auditors perform their work more conveniently, quickly and timely, and at the same time contribute to improving the professionalism of auditors (Luo et al., 2018; Fedyk et al., 2022). Chan et al. (2017) studied the impact of working conditions on the audit quality of Chinese auditors, the results of which show that auditors with access to better audit software and technology will work more efficiently and accurately, leading to higher audit quality. On the other hand, auditors working in an environment with no engagement and sharing or low pay are more likely to be stressed and demotivated, which can lead to lower audit quality. Besides, Sharma and Sharma (2020) investigated the impact of work-life balance of auditors on audit quality in India. Research shows that a better work-life balance can reduce stress and fatigue, leading to accurate decision making and higher quality work. The study also found that supportive organizational culture is an important factor in achieving work-life balance, with auditing firms prioritizing employee wellbeing for better audit quality.

Besides, Ernstberger et al. (2020) looked at the relationship between the remuneration received by auditors in relation to the audit quality of auditing firms in Germany, the results showed that the remuneration paid to auditors among auditing firms was different and the quality of auditing was higher for auditing firms that paid higher rates of remuneration to auditors.

2.2.9. Quality control system of auditing enterprises

The quality control system of the auditing firm is understood as the establishment of audit quality control processes, the decentralization of control in quality control activities and the organization of quality control implementation. According to international auditing standard ISA 220, auditing companies must have a quality control system with good internal control policies and procedures and operate effectively. According to Cushing (1989), if the auditing company establishes a good internal quality control system, material errors in the financial statements will be more easily detected. The study of Malone and Roberts (1996) on the relationship between the impact of factors that reduce audit quality and time pressure on audit tasks clearly showed that each auditor's sense of pressure on the control procedures of the auditing firm where they are working has the opposite relationship with factors that reduce audit quality. Besides, good internal quality control helps ensure that auditors comply with the auditing process (Ayers and Kaplan, 2003), find defects to better plan audits (Matsumura and Tucker, 1995), the ability to detect violations also increases (Owhoso et al., 2002), thereby increasing audit quality.

In addition, Alderman and Deitrick (1982) also demonstrate that the continuous review and evaluation of the quality control system will increase the effectiveness of the system, contributing to improving the quality of audits. Moreover, Krishnan et al. (2017) and Durand (2019) both emphasized the importance of strong quality control systems in audit firms to maintain and improve audit quality. They show that external monitoring and internal quality control measures can significantly affect the timeliness and effectiveness of financial statement audits.

2.2.10. Legal system

The legal system in auditing is understood as the system of accounting standards, auditing standards and relevant legal provisions to help manage, guide control and handle in the field of auditing. Although auditors and auditing firms cannot control legal regulations, standards as well as external factors, there is a relationship between this factor and audit quality (Vaicekauskas and Mackevičius, 2014). According to Favere-Marchesi (2000) the diverse legal environment among ASEAN countries produces audits of different quality. Many differences have been observed in auditor capacity requirements, requirements relating to the conduct of statutory audits, and reporting obligations. Moreover, the quality of audits is seriously affected by the lack of rules to ensure the independence of auditors.

Besides, the study of DeFond and Zhang (2014) shows that the regulatory environment plays an important role in shaping audit quality, the establishment of recent auditing regulations and standards, especially the promulgation of the Sarbanes-Oxley Act 2002 in the United States, along with some regulations in some countries, has had an impact on audit quality and contributed to improving audit quality. In addition, Gao and Zang (2019) determined that the conditions under which audit standards are stricter, the audit quality is enhanced.

2.2.11. Characteristics of commercial banks

The quality of the audit of financial statements of commercial banks can be affected by many factors related to the audited entity, such as the management's understanding of legal standards and regulations, the honesty of the management in the publication of financial statements, the quality of internal controls, the complexity and risks related to the bank's operations.

Research by Messier et al. (2014), Järvinen (2012) and Krishnan and Schauer (2000) shows that the integrity and management capacity of the Board of Directors of the audited entity have an important influence on the assessment of the risk of material misstatement, on the design of audit procedures and on the amount of audit evidence to be collected, thereby having a significant impact on the quality of audits.

In addition, commercial banks operating in the field contain many risks such as credit risk, operational risk, market risk, liquidity risk, interest rate risk on bank books, technology risk, concentration risk, fraud risk. research by Do Huu and Trung (2015), Akins et al. (2017), Nicoletti (2018) shows that the more complex the nature of the unit's business lines, the greater the potential for errors in business activities and the possibility of material misstatements on financial statements also tends to increase. Accordingly, auditors must have more intensive audit procedures to detect violations, design and apply more audit methods than customers with less diverse and complex business lines.

According to Malaescu and Sutton (2013); Munro and Stewart (2010), auditors often reduce the basic audit procedures and rely more on the client's inspection and control procedures if they have confidence in the client's internal audit department and internal control. This implies that the quality of the internal audit or the

effectiveness of the internal control at the client has an impact on the auditor's audit procedures and thereby affects the overall quality of the audit.

2.2.12. Time pressure

In the field of auditing, time pressure is divided into two categories: pressure on the audit time fund and pressure on the audit report issuance deadline (DeZoort, 1998; Sweeney and Pierce, 2004a; Margheim et al., 2005; Suprpta and Setiawan, 2017). Time-budget pressure occurs when the manager inadequately allocates the hours that the auditor is required to complete the specified audit procedures, while time-bound pressure arises when it is difficult for the auditor to complete the work before the required deadline (Margheim et al., 2005).

Due to time constraints, the auditor may decide to discontinue one or more audit procedures and provide an opinion before completing all required audit procedures (Amaliyah, 2015; Glover et al., 2015). In addition, in terms of competition between enterprises, in order to maintain a competitive advantage, auditing enterprises tend to reduce audit fees (Cook and Kelly, 1991; Hanjani and Rahardja, 2014). This means that auditors shorten the time to conduct audits in the condition that they have to collect sufficient and valuable audit evidence, which puts considerable pressure on auditors.

Hadijah (2019) argues that time pressure creates positive motivation for auditors when it is moderate, when the pressure rises to a certain threshold that will reduce the auditor's performance. Agoglia et al. (2010) found that time pressure was negatively related to the effectiveness of audit techniques used by auditors. Without time to review managers' explanations, auditors cannot thoroughly evaluate financial statements (Weick, 1983), which can significantly degrade the quality of audits. These findings are supported by Lestari (2017), who has argued that time pressure causes auditors to skip necessary audit work steps and causes audit quality degradation.

3. RESEARCH METHODS

3.1. Research Models and Hypotheses

The objective of this study is to examine the multiple regression model to clarify the influence of factors on the quality of financial statement audit services of Vietnamese commercial banks. Based on the theoretical basis and literature review, the theoretical model is proposed as follows:

$$AUQ = \beta_0 + \beta_1 * AUI + \beta_2 * APC + \beta_3 * IND + \beta_4 * STC + \beta_5 * AUS + \beta_6 * AUR + \beta_7 * AUM + \beta_8 * AWC + \beta_9 * QCA + \beta_{10} * LES + \beta_{11} * CCB + \beta_{12} * TPR + \varepsilon$$

Where:

β_1, β_2, \dots is the regression coefficient, β_0 is the intercept coefficient, ε is the residual

Dependent variable: Audit quality (AUQ)

Independent variables: Auditor independence (AUI); Auditor's professional capacity (APC); Industry depth (IND); Standard

Compliance (STC); Audit firm size (AUS); Audit firm reputation (AUR); Auditing methods (AUM); Auditor's working conditions (AWC); The quality control system of the auditing company (QCA); Legal system (LES); Characteristics of commercial banks (CCB); Time pressure (TPR).

Restated hypotheses:

H₁: There exists a positive relationship between the independence of auditors and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₂: There exists a positive relationship between the professional competence of auditors and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₃: There exists a positive relationship between the level of industry expertise of auditors and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₄: There exists a positive relationship between the auditor's compliance with standards and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₅: There exists a positive relationship between the size of auditing enterprises and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₆: There exists a positive relationship between the reputation of auditing enterprises and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₇: There exists a positive relationship between the Audit Method and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₈: There exists a positive relationship between the working conditions of auditing enterprises and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₉: There exists a positive relationship between the quality control system of auditing enterprises and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₁₀: There exists a favorable relationship between the relevant legal system and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₁₁: There exists a positive relationship between the characteristics of Vietnamese commercial banks and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

H₁₂: There exists an inverse relationship between Time Pressure and the audit quality of financial statements of Vietnamese commercial banks conducted by independent auditors.

3.2. Data Collection and Processing

The author collects data through sending and withdrawing questionnaires directly to practicing auditors in the knowledge update class organized by the Vietnam Association of Certified

Public Accountants (VACPA) in Hanoi in April and August 2023 to collect opinions on the effects of factors on the audit quality of financial statements of Vietnamese commercial banks. The subjects selected to submit the survey questionnaire include auditors, audit team leaders, audit enterprise managers (Head of Audit Department and members of the Board of Directors of auditing enterprises) who are working at auditing enterprises in Vietnam. The survey respondents must have audit experience of more than 3 years and have previously audited financial statements of Vietnamese commercial banks. These are people who have experience in conducting, supervising and reviewing audits, which will ensure that the quality of the survey subjects are all deeply knowledgeable people. At the same time, they are directly involved in the audit of financial statements of commercial banks, so the survey results will be more reliable.

To evaluate the quality of auditing financial statements of Vietnamese commercial banks (dependent variable), the author uses a 5-level Likert scale (Likert, 1932) to agree, from: (1) Strongly disagree to (5) Strongly agree. Evaluating factors as independent variables, the author uses a 5-level Likert scale (Likert, 1932) to influence, from: (1). Very low to (5). Very high. The number of scales measuring the variables of this study is built on the basis of the foundation theory and the research overview, shown in Table 1 as follows:

In addition, to ensure the study sample size, based on the minimum sample size requirement for EFA analysis and regression. According to Bollen (1990), the sample size is calculated according to the formula $n = 5 * i$ (i is the number of observed variables in the model), corresponding to this study, the sample size will be $5 * 44 = 220$ votes. According to Tabachnick and Fidell (2007), the sample size in the multiple linear regression analysis is calculated according to the formula $n = 50 + 8q$ (q is the number of independent variables in the model), whereby the sample size of the study will be $50 + 8 * 12 = 146$. In order to improve the reliability of the survey information, the study selects the largest sampling for the model according to one of the above principles.

The author uses a convenient sampling method and 226 valid votes are obtained out of a total of 250 issued through the distribution of questionnaires directly to the above survey subjects in classes to update knowledge for auditors. The implementation period is divided into two phases, April 2023 and August 2023. Based on the collected data, the author uses quantitative techniques such as reliability testing of the scale, exploratory factor analysis. with the use of SPSS22.0 software to summarize and present the basic results of the study.

4. REGRESSION MODEL VALIDATION AND DISCUSSION OF RESULTS

4.1. Descriptive Statistical Analysis

The demographic profile of survey participants shows that:

Regarding job positions: Out of 226 respondents, the number of people belonging to managers (Head of audit department and members of the Board of Directors of auditing enterprises) was

Table 1: Description of scales, observations, and variables in the model

No.	Symbol	Internal category of survey questions	Source
I	Auditor independence (AUI)		
1	AUI1	Independent auditors in personal relationships with audit clients.	Pany and Reckers (1983); Richard (2006); IAPI (2011).
2	AUI2	Independent auditors in economic relations with audit clients.	Pany and Reckers (1983); Richard (2006); IAPI (2011); Tritschler (2013); Defond and Zhang (2014).
3	AUI3	Independent auditors in the collection and evaluation of audit evidence.	Richard (2006); Sarwoko and Agoes (2014); Tritschler (2013); Defond and Zhang (2014).
II	Auditor's professional capacity (APC)		
4	APC1	Auditors have professional knowledge and professional working skills	Richard (2006); Suyono (2012); Knechel et al. (2013); Bui Thi Thuy (2014).
5	APC2	Auditors have audited financial statements of many commercial banks.	Boon et al. (2007); Moroney and Simnett (2009); Knechel et al. (2013).
6	APC3	Auditors are trained and updated regularly.	Hurtt et al. (2013); Knechel et al. (2013).
III	Industry depth (IND)		
7	IND1	Auditors have a deep understanding of the industry/ business area of commercial banks.	Hammersley (2006); Lowensohn et al., (2007).
8	IND2	Auditors are very knowledgeable about legal regulations, accounting standards, audit standards related to commercial banks.	Carcello et al. (1992); Gramling and Stone (2001).
9	IND3	Auditors are able to recognize and assess the level of risk associated with commercial banks.	Maletta and Wright (1996); Wooten (2003); Duff (2004); Tritschler (2013).
10	IND4	The auditor is capable of judging material misstatements based on in-depth experience of commercial banks.	Owhoso et al. (2002); Carson (2009); Tritschler (2013).
IV	Standard Compliance (STC)		
11	STC1	Moral standards	Baotham and Ussahawanitchakit (2009); Boon et al. (2008).
12	STC2	Compliance with professional standards;	Treadway (1987); DeFond and Zhang (2014); Christensen et al. (2016).
13	STC3	Comply with the audit plan and process.	Causholli and Knechel (2012); Knechel et al. (2013).
14	STC4	Comply with relevant laws, principles and professional regulations.	Carson et al. (2013); DeFond and Zhang (2014).
V	Audit firm size (AUS)		
15	AUS1	Number of audit firm's clients.	DeAngelo (1981b); Shu (2000); Wooten (2003); Simunic (2003); Duff (2004); Tritschler (2013).
16	AUS2	Professional team of auditors and audit staff.	Lennox (1999); Lawrence et al. (2011); Skinner and Srinivasan (2012).
17	AUS3	Number of offices/branches of auditing enterprises.	Duff (2004); Tritschler (2013); Arens et al. (2014).
VI	Audit firm reputation (AUR)		
18	AUR1	Brand of auditing enterprise.	Boone et al. (2010); Aronmwan et al. (2013); Eshleman and Guo (2014).
19	AUR2	Being a member of international auditing firms.	Krishnan and Krishnan (1996); Carson (2009); Kompas and Parulian (2021).
20	AUR3	Number of lawsuits, legal actions against the auditing business.	Skinner and Srinivasan (2012); DeFond and Zhang (2014); Hennes et al. (2014).
VII	Auditing methods (AUM)		
21	AUM1	The audit method is designed to be suitable for auditing the financial statements of commercial banks.	Carcello et al. (1992); Behn et al. (1999); Wooten (2003); Chen et al. (2009); Knechel et al. (2013); Tritschler (2013).
22	AUM2	Audit procedures are fully implemented.	Behn et al. (1999); Wooten (2003); Chen et al. (2009); Knechel et al. (2013); Tritschler (2013).
23	AUM3	Audit methods encourage auditors to conduct audits with professional skepticism and appropriate professional judgments.	Carcello et al. (1992); Behn et al. (1999); Wooten (2003); Chen et al. (2009); Knechel et al. (2013); Tritschler (2013).
VIII	Auditor's working conditions (AWC)		
24	AWC1	Means of conducting professional audits.	Chan et al. (2017); Luo et al. (2018); Fedyk et al. (2022).
25	AWC2	Salary, bonus and per diem regime for auditors.	Liu and Simunic (2005); Knechel et al. (2013); Ernstberger et al. (2020)
26	AWC3	MÔI TRƯỜNG VĂN HÓA	Jenkins et al. (2008); Svanberg and Öhman (2013); Sharma and Sharma (2020).
27		Application of information technology in	Chan et al. (2017); Luo et al. (2018); Fedyk et al. (2022).
IX	The quality control system of the auditing company (QCA)		
28	QCA1	Strict completeness of the audit quality control process	Carcello et al. (1992); Behn et al. (1997); Krishnan et al. (2017); Durand (2019).
29	QCA2	Decentralization of control in effective quality control activities	Behn et al. (1997); Krishnan et al. (2017); Durand (2019)
30	QCA3	Quality control is carried out regularly and continuously	Carcello et al. (1992); Behn et al. (1997); Krishnan et al. (2017); Durand (2019).

(Contd...)

Table 1: (Continued)

No.	Symbol	Internal category of survey questions	Source
X		Legal System.	
31	LES1	The completeness and synchronization of legal regulations (Law; accounting and auditing standards; guiding documents.)....	DeFond and Zhang (2014); Vaicekauskas and Mackevičius (2014).
32	LES2	The suitability of legal regulations (Law; accounting and auditing standards; guiding documents.)....	Vaicekauskas and Mackevičius (2014); Gao and Zang (2019).
33	LES3	Take measures to handle and sanction auditors for violations.	Behn et al. (1999); Duff (2004); Tritschler (2013).
XI		Characteristics of commercial banks (CCB)	
34	CCB1	Understanding of commercial bank management on standard laws and relevant legal regulations.	Messier et al. (2014); Järvinen (2012); Krishnan and Schauer (2000).
35	CCB2	The integrity of the management of commercial banks in terms of the responsibility to publish financial statements in a truthful and reasonable manner.	Krishnan and Schauer (2000); Jiang et al. (2008); Bushman and Williams (2012).
36	CCB3	The effectiveness of the commercial bank's internal control system.	Munro and Stewart (2010); Malaescu and Sutton (2013).
37	CCB4	Risks in the activities of Vietnamese commercial banks are usually controlled according to the established process.	Berger et al. (2016); Kanagaretnam et al. (2020).
38	CCB5	The transparency of the items and operations on the financial statements of commercial banks.	Akins et al. (2017); Nicoletti (2018).
XII		Time pressure (TPR)	
39	TPR1	The auditor rushes to complete the audit dossier and issue the audit report.	Amaliyah (2015); Glover et al. (2015); Lestari (2017).
40	TPR2	The auditor does not have enough time to complete the required audit procedures.	Agoglia et al. (2010); Glover et al. (2015); Lestari (2017); Hadijah (2019);
41	TPR3	Auditors always feel pressured by commercial banks' time requirements.	Weick (1983); Agoglia et al. (2010); Amaliyah (2015); Glover et al. (2015); Lestari (2017).
XIII		Audit quality (AUQ)	
42	AUQ1	The ability of auditors to detect material misstatements when auditing financial statements of commercial banks.	DeAngelo (1981b)
43	AUQ2	Ability of auditors to report material misstatements when auditing financial statements of commercial banks.	DeAngelo (1981b)
44	AUQ3	The level of compliance with all relevant audit standards during the audit.	Skinner and Srinivasan (2012), Tritschler (2013), Defond and Zhang (2014).

Source: Developed by the authors based on theoretical foundations
The model comprises 13 scales and 44 observed variables

14 (accounting for 6.19%); audit team leader was 40 (accounting for 17.7%); and auditors were 172 (accounting for 76.11%).

Regarding the number of working years: The number of people who have worked for <5 years is 44 people, of which the majority are auditors (accounting for 16.37%); The number of people with working experience from 5 years to 10 years is 98 people, of which the auditors account for the majority (43.36%); The number of people with working experience from 10 years to <20 years is 65 people, of which the auditors also account for the majority (18.14%); The number of people with working experience over 20 years has 19 people. Statistics show that the surveyed sample includes representatives of job positions, from high to low ranks, including: Board of Directors of auditing enterprises; audit department head; audit team leader and auditors. Detailed statistics on the indicators of working years and job positions of the surveyed subjects are presented in Table 2.

About the working unit: The number of auditors participating in the survey mainly belongs to Big-4 auditing enterprises, accounting for 74.33%; The rest is the number of auditors participating in the survey belonging to Non-Big-4 auditing enterprises (accounting for 25.67%). This ratio is appropriate, because for Vietnamese commercial banks, the financial statements are mainly audited

Table 2: Statistics by number of years worked and current job position

Number of years working	Current job position			
	Regulator	Audit Senior	Auditor	Total
From 3 to <5 years				
n	2	5	37	44
%	0.88	2.21	16.37	19.47
From 5 to <10 years				
n	6	12	80	98
%	2.65	5.31	35.40	43.36
From 10 to <20 years				
n	5	19	41	65
%	2.21	8.40	18.14	28.76
Over 20 years				
n	1	4	14	19
%	0.44	1.77	6.19	8.4
Total				
n	14	40	172	226
%	6.19	17.7	76.11	100

Source: Compiled from survey data

by Big-4 auditing enterprises, according to the author's statistics in the period 2018-2022, auditing the financial statements of 31 Vietnamese commercial banks, mainly by Big-4 auditing enterprises, accounting for 76.67%. Table 3 presents detailed

information on the number of types of auditing enterprises and job positions of the surveyed subjects.

Thus, 226 valid surveys are included in the analysis model, conducted by experienced surveyors who have participated in auditing financial statements of Vietnamese commercial banks, have good professional qualifications, knowledge of accounting and auditing to ensure the reliability and quality of survey results.

Descriptive statistics also show that the average value of audit quality is equal to 3.5332. This shows that the survey subjects have evaluated the audit quality factor with the characteristic variables at the level of agreement; The average value of the given independent variables is >3. This shows that the influence of the given independent variables is reasonable; Standard value. Deviation of the variables was relatively stable (0.64567-0.87633) indicating that the responses of the survey subjects were relatively consistent.

4.2. Determine the Reliability Coefficient of the Scale

The results of Cronbach’s Alpha test show that the Cronbach’s alpha coefficient of the whole is >0.6. The Cronbach’s Alpha coefficient of the scales has no coefficient that is too large (about 0.95 or more) so there is no duplication of the scales. There are 2 observed variables AWC3 and CCB1 both have correlation coefficients of 0.261 and 0.238, respectively, <0.3, so the author thinks that AWC3 and CCB1 variables are not important variables in evaluating factors affecting the audit quality of financial statements of Vietnamese commercial banks should be removed to conduct the second scale test.

The correlation coefficient of the observed variables after the second variable type and retest is >0.3 and the given variables are satisfactory. The results of the second scale test, factors affecting the audit quality of financial statements of Vietnamese commercial banks with 39 observed variables, are shown in Table 4 below:

The model retains 12 independent variables representing factors affecting the audit quality of financial statements of Vietnamese commercial banks and 01 scale representing audit quality with 42 typical variables.

4.3. Exploratory Factor Analysis EFA

The exploratory factor analysis process is carried out separately for 02 groups of independent variables and dependent variables, the results of exploratory factor analysis for the first independent variable show that the observed variable STC4 has a load factor in 2 factors and a load factor of <0.3, so this type of observation variable is used to conduct the second EFA analysis, the results shown in Table 5 are as follows:

The results of the second EFA analysis show that the evaluation indicators are statistically as follows: KMO = 0.852 > 0.5, so the analysis model is appropriate. Sig. = 0.000 so this test is statistically significant and the variables are correlated in the overall. At the same time, the variance extracted = 75.055% > 50%, Eigenvalue = 1.162 > 1.0, so the model is eligible for factor analysis.

Looking at the results of EFA analysis for independent variables, it can be seen that the results are divided into 9 groups (APC and IND; CCB; AUM; TPR; AUI; AUS and AUR; QCA and LES;

Table 3: Statistics by unit of work and current job position

Number of years working	Current job position			Total
	Regulator	Audit Senior	Auditor	
Big				
n	9	29	130	168
%	3.98	12.83	57.52	74.33
Non-Big-4				
n	5	11	42	58
%	2.21	4.87	18.58	25.67
Total				
n	14	40	172	226
%	6.19	17.7	76.11	100

Source: Compiled from survey data

Table 4: Scale analysis results for variables in the model

No.	Factor	Cronbach’s alpha	n
1	Auditor independence	0.869	3
2	Auditor’s professional capacity	0.840	3
3	Industry depth	0.892	4
4	Standard Compliance	0.785	4
5	Audit firm size	0.811	3
6	Audit firm reputation	0.852	3
7	Auditing methods	0.841	3
8	Auditor’s working conditions	0.844	3
9	The quality control system of the auditing company	0.815	3
10	Legal system	0.859	3
11	Characteristics of commercial banks	0.820	4
12	Time pressure	0.828	3
13	Audit quality	0.787	3

Source: Statistical analysis using SPSS 22 software

Table 5: KMO and Bartlett test results for independent variables

KMO and Bartlett’s Test		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.852
Bartlett’s test of sphericity	Approx. Chi-square	6409.981
	df	703
	Sig.	0.000

Source: Statistical analysis using SPSS 22 software

STC; AWC), with factor load factors all >0.5. The groups split into separate columns and the observed variables of the same nature converge on the same factor as Table 6 below.

Table 6 shows that the characteristic variables all have a load factor >0.5 and there are 9 factors representing the audit quality of financial statements of Vietnamese commercial banks with the characteristic variables of the re-arranged factor different from the original theoretical model of 12 factors.

Factor 1: Including the observed variables: IND1; IND2; IND3; IND4; APC1; APC2; APC3, this factor is named: Auditor’s specialized competence (ASC).

Factor 2: Including variables, QCA1; QCA2; QCA3; LES1; LES2; LES3, this factor is named: Quality control of audit firm and legal system (QCLS).

Factor 3: Includes variables AUS1; AUS2; AUS3; AUR1; AUR2; AUR3, which is named: Scale and reputation of the auditing company (SRA).

Table 6: Rotated Component Matrix^a (2nd time)

Factors	Component								
	1	2	3	4	5	6	7	8	9
IND1	0.861								
APC3	0.836								
APC2	0.805								
IND2	0.803								
IND4	0.785								
IND3	0.779								
APC1	0.724								
LES3		0.829							
QCA2		0.826							
LES2		0.825							
LES1		0.805							
QCA1		0.787							
QCA3		0.765							
AUR2			0.866						
AUS1			0.829						
AUS3			0.820						
AUR1			0.805						
AUS2			0.721						
AUR3			0.716						
CCB2				0.790					
CCB4				0.723					
CCB5				0.702					
CCB3				0.596					
AUM2					0.843				
AUM1					0.776				
AUM3					0.704				
AUI3						0.907			
AUI2						0.840			
AUI1						0.733			
AWC4							0.819		
AWC1							0.766		
AWC2							0.747		
TPR3								-0.853	
TPR1								-0.730	
TPR2								-0.591	
STC3									0.783
STC1									0.756
STC2									0.649

Extraction Method: Principal component analysis

Rotation Method: Varimax with Kaiser Normalization

^aRotation converged in 9 iterations

Source: Statistical analysis using SPSS 22 software

Factor 4: Includes the following variables: CCB2; CCB3; CCB4; CCB5, which is named: Characteristics of commercial banks (CCB).

Factor 5: Includes the following variables: AUM1; AUM2; AUM3, which is named: Auditing methods (AUM).

Factor 6: Includes the following variables: AUI1; AUI2; AUI3, which is named: Auditor independence (AUI).

Factor 7: Includes variables, AWC1; AWC2; AWC4, which is named: Auditor's working conditions (AWC).

Factor 8: Including the variables TPR1; TPR2; TPR3, this factor is named: Time pressure (TPR).

Factor 9: Includes variables, STC1; STC2; STC3, which is named: Standard Compliance (STC).

Through the evaluation of the quality of the scale and EFA analysis, the study identified 9 scales representing factors affecting the audit quality of financial statements of Vietnamese commercial banks with 38 typical variables.

The results of EFA exploratory factor analysis for the dependent variable show that KMO = 0.500, so the analysis model is suitable. Sig = 0.000, so this test is statistically significant and the variables are correlated in the whole. At the same time, the variance extracted = 82.465% > 50%, Eigenvalue = 1.649 > 1, so the model is eligible for exploratory factor analysis. In addition, the factor load factor of the observed variables is >0.5, so the observed variables are included in the model. Thus, the group of dependent variables remains unchanged from the beginning. This group is named Audit quality of financial statements of commercial banks in Vietnam, including the following variables: AUQ1, AUQ2, AUQ3

4.4. Regression Analysis

4.4.1. Pearson correlation analysis

This step is performed before the regression analysis to check the correlation between the independent variable and the dependent variable. The results are shown in the following Table 7.

Table 7 : Results of Pearson correlation analysis

Correlations	Correlations									
	AUQ	AUI	ASC	STC	SRA	AUM	AWC	QCLS	CCB	TPR
AUQ										
Pearson Correlation	1	0.428**	0.636**	0.479**	0.465**	0.543**	0.530**	0.437**	0.575**	-0.566**
Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
AUI										
Pearson Correlation	0.428**	1	0.459**	0.212**	0.181**	0.270**	0.246**	0.209**	0.170*	-0.427**
Sig. (2-tailed)	0.000		0.000	0.001	0.006	0.000	0.000	0.002	0.011	0.000
n	226	226	226	226	226	226	226	226	226	226
ASC										
Pearson Correlation	0.636**	0.459**	1	0.390**	0.378**	0.461**	0.454**	0.330**	0.436**	-0.516**
Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
STC										
Pearson Correlation	0.479**	0.212**	0.390**	1	0.289**	0.356**	0.403**	0.209**	0.415**	-0.355**
Sig. (2-tailed)	0.000	0.001	0.000		0.000	0.000	0.000	0.002	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
SRA										
Pearson Correlation	0.465**	0.181**	0.378**	0.289**	1	0.376**	0.276**	0.282**	0.472**	-0.279**
Sig. (2-tailed)	0.000	0.006	0.000	0.000		0.000	0.000	0.000	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
AUM										
Pearson Correlation	0.543**	0.270**	0.461**	0.356**	0.376**	1	0.446**	0.201**	0.446**	-0.428**
Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000		0.000	0.002	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
AWC										
Pearson Correlation	0.530**	0.246**	0.454**	0.403**	0.276**	0.446**	1	0.263**	0.471**	-0.419**
Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
QCLS										
Pearson Correlation	0.437**	0.209**	0.330**	0.209**	0.282**	0.201**	0.263**	1	0.366**	-0.375**
Sig. (2-tailed)	0.000	0.002	0.000	0.002	0.000	0.002	0.000		0.000	0.000
n	226	226	226	226	226	226	226	226	226	226
CCB										
Pearson Correlation	0.575**	0.170*	0.436**	0.415**	0.472**	0.446**	0.471**	0.366**	1	-0.316**
Sig. (2-tailed)	0.000	0.011	0.000	0.000	0.000	0.000	0.000	0.000		0.000
n	226	226	226	226	226	226	226	226	226	226
TPR										
Pearson Correlation	-0.566**	-0.427**	-0.516**	-0.355**	-0.279**	-0.428**	-0.419**	-0.375**	-0.316**	1
Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
n	226	226	226	226	226	226	226	226	226	226

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed)
 Source: Statistical analysis using SPSS 22 software

The linear correlation coefficient *r* (Pearson Correlation Coefficient) is used to test the correlation between 09 independent variables with the audit quality of financial statements of Vietnamese commercial banks. The Sig. values are all <0.05 so these linear relationships are statistically significant and they are all positively correlated, except for the TPR variable which is negatively correlated to the AUQ variable.

4.4.2. Table of multiple regression analysis

The linear regression model after correction (after EFA analysis), is as follows:

$$AUQ = \beta_0 + \beta_1 * AUI + \beta_2 * ASC + \beta_3 * STC + \beta_4 * SRA + \beta_5 * AUM + \beta_6 * AWC + \beta_7 * QCLS + \beta_8 * CCB + \beta_9 * TPR + \epsilon$$

Evaluate the interpretation level of the model (Table 8).

The corrected R² value = 0.625 means that TPR, SRA, QCLS,

STC, AUI, AWC, AUM, CCB, ASC factors explain 62.5% of the change in the dependent variable “Quality of auditing financial statements of commercial banks in Vietnam,” while 37.5% is due to random errors or other factors outside the model.

Durbin-Watson index = 1.854, which is in the range of 1 to 3, so there is no autocorrelation of the residual in the linear regression model.

4.4.3. Test the relevance of the model

Table 9 shows that the Sig. value of the F-test is 0.000 < 0.05. Thus, the constructed linear regression model is consistent with the overall.

4.4.4. Results of regression analysis

Beta coefficient is used to assess the importance of independent variables that affect the audit quality of financial statements of Vietnamese commercial banks. The higher the Beta coefficient of any factor, the higher the importance of that factor to evaluate the

Table 8: Model summary^b

Model	R	R Square	Adjusted R square	Standard error of the estimate	Durbin-Watson
1	0.800 ^a	0.640	0.625	0.50972	1.854

^aPredictors: (Constant), TPR, SRA, STC, QCLS, AUI, AWC, AUM, CCB, ASC, ^bDependent Variable: AUQ
Source: Statistical analysis using SPSS 22 software

Table 9: ANOVA^a analysis

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.676	9	11.075	42.472	0.000 ^b
	Residual	56.325	216	0.261		
	Total	156.001	225			

^aDependent Variable: AUQ, ^bPredictors: (Constant), TPR, SRA, QCLS, STC, AUI, AUM, AWC, CCB, ASC
Source: Statistical analysis using SPSS 22 software

audit quality of financial statements of Vietnamese commercial banks. The regression results are shown in Table 10.

Based on the above results, we see:

Testing of multicollinearity: The variance magnification factor (VIF) of all independent variables is <5, so multicollinearity in the model is assessed as not serious.

All 9 independent variables reach the Sig significance level. <0.05 and the independent variable TPR have a Beta coefficient of <0, so the independent variable and the dependent variable act in the opposite direction to each other. The remaining independent variables all have Beta coefficients >0, so the independent and dependent variables affect each other in a positive way.

From the regression results in Table 10, the author establishes the regression equation with the standardized beta coefficient as follows:

$$AUQ = 0.116*AUI + 0.205*ASC + 0.108 *STC + 0.100*SRA + 0.130*AUM + 0.103*AWC + 0.122*QCLS + 0.178*CCB - 0.144*TPR$$

Through the analysis of 226 surveys from auditors, audit team leaders and auditing business managers. The regression results show that the factors that affect the audit quality of financial statements of Vietnamese commercial banks in descending order are: In-depth capacity of auditors; Characteristics of Vietnamese commercial banks; Time pressure; Audit methods; Quality control of auditing enterprises and legal systems; Independence of auditors; Compliance with standards; Working conditions of auditing enterprises; Scale and reputation of auditing enterprises.

4.4.5. Test the difference in the average of the two groups

To examine the difference in the level of audit quality of financial statements of Vietnamese commercial banks between two groups of auditors belonging to Big-4 and Non-Big-4 auditing enterprises. The author conducts the following research hypothesis testing:

H₀₀: There is no average difference in audit quality scores of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises.

H₀₁: There is an average difference in the audit quality scores of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises.

The criterion for differentiating the audit quality of financial statements of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises is the P-value (Sig.) < 0.05.

Testing of two independent samples are auditors of Big-4 and Non-Big-4 auditing enterprises, the results are shown in Table 11.

With 95% confidence, the Sig. value of the Levene test is the lowest of the components at 0.102 > 0.05, so it is acceptable to assume that the variance of the two samples is the same. Therefore, use the results in the row Equal variances assumed to evaluate the test results t. Considering the t-test, with the minimum Sig. (2-tailed) value equal to 0.930 > 0.05, so the hypothesis that there is no average difference in audit quality scores of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises is accepted. The average value of the Big-4 and Non-Big-4 groups is 3.5385 and 3.5287, there is not much difference. Thus, there is no basis for determining meaningful differences in the audit quality of financial statements of Vietnamese commercial banks between auditors of Big4 and Non-Big4.

This result is consistent with findings by Bauwhede and Willekens (2004); Carlin et al. (2009) who have argued that there is little evidence in the existing literature supporting quality differences between Big-4 and Non-Big-4 firms. This is also reinforced in the study by Kaawaase et al. (2016) that there is no difference in audit quality between Big-4 and Non-big-4 auditing companies in Uganda when auditing financial statements of Ugandan commercial banks in the period 2011-2015. At the same time, the research results are said to be consistent with the current situation in Vietnam when auditing firms of all sizes must establish strict quality control procedures to ensure the consistency and reliability of auditing services. These procedures involve internal audits, quality monitoring, and compliance with professional standards. Both Big-4 and Non-Big-4 audit firms aim for effective quality control mechanisms, contributing to creating similar levels of audit quality. In addition, auditors, regardless of which audit firm they work for, must be professional skeptical, cautious, and maintain objectivity throughout the audit process. These qualities are critical to providing high quality audit services. As long as the auditors maintain their professional skepticism, prudence, and objectivity, the quality of the audit will be ensured regardless of the size or reputation of the audit firm. This has also been confirmed in the view of the FRC (2008), IAASB (2014) that the size and reputation (Big-4) of auditing enterprises should not be considered as factors affecting the quality of auditing financial statements.

Table 10: Results of linear regression coefficients^a

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-0.121	0.405		-0.299	0.765		
	AUI	0.113	0.046	0.116	2.431	0.016	0.735	1.361
	ASC	0.197	0.054	0.205	3.661	0.000	0.534	1.874
	STC	0.139	0.062	0.108	2.244	0.026	0.725	1.379
	SRA	0.118	0.057	0.100	2.067	0.040	0.714	1.400
	AUM	0.140	0.055	0.130	2.543	0.012	0.633	1.580
	AWC	0.098	0.049	0.103	2.010	0.046	0.632	1.582
	QCLS	0.132	0.051	0.122	2.619	0.009	0.772	1.295
	CCB	0.191	0.058	0.178	3.273	0.001	0.564	1.772
	TPR	-0.144	0.053	-0.144	-2.711	0.007	0.588	1.701

^aDependent Variable: AUQ

Source: Statistical analysis using SPSS 22 software

Table 11: Results of testing the difference between the Big-4 and Non-Big-4 auditors independent sample T-Test

Variance	Hypothesis	Levene's test for equality of variances		T-test for equality of means				
		F	Sig.	t	df	Sig.(2-tailed)	Mean Diff	Std.Err Diff
AUQ	Equal variances assumed	2.697	0.102	0.088	224	0.930	0.00977	0.11138
	Equal variances not assumed			0.089	223.975	0.929	0.00977	0.11006

Source: Statistical analysis using SPSS 22 software

The results of the study are believed to agree with most previous studies, such as the in-depth competence of auditors having the strongest positive impact on audit quality. This conclusion is coherent with previous research. For example, research by Richard (2006); Boon et al. (2007); Suyono (2012); Moroney and Simnett (2009); Knechel et al. (2013); Hurtt et al. (2013) emphasizes that auditors' expertise, developed through professional training and experience, is positively related to audit quality. Similarly, Carson (2009) found that industry specialization, a form of professional competence leads to higher audit quality. The negative impact of time pressure on audit quality is consistent with previous studies. For example, Amaliyah (2015); Glover et al. (2015); Lestari (2017); Agoglia et al. (2010); Svanberg and Öhman (2013); Hadijah (2019) found that time pressure has a negative effect on audit quality, although they also noted that a strong ethical culture can help mitigate this impact. The positive influence of auditor independence on audit quality supports a fundamental principle in audit documentation. This is consistent with DeAngelo's (1981) basic definition of audit quality, which emphasizes the importance of auditor independence. The positive impact of audit firm size and reputation on audit quality is consistent with studies such as Duff (2004); Tritschler (2013); Boone et al. (2010); Arens et al. (2014); DeFond and Zhang (2014); Hennes et al. (2014); Kompas and Parulian (2021) which found that Big 4 companies (with stronger reputations) were associated with higher audit quality. The strong positive impact of commercial banks' characteristics on the audit quality of financial statements of Vietnamese commercial banks is an interesting finding. While previous studies (Messier et al., 2014); Järvinen, 2012); Akins et al., 2017; Nicoletti, 2018; Kanagaretnam et al., 2020) have acknowledged the importance of customer characteristics, the influence of this relationship in this study is more pronounced. This may be because this study focuses specifically on commercial banks, which have distinct characteristics from other types of businesses.

In addition, the influence of audit methods on audit quality is notable, consistent with the findings of studies (Carcello et al., 1992; Behn et al., 1999; Wooten, 2003; Chen et al., 2009; Knechel et al., 2013; Tritschler, 2013). In addition, the positive impact of the audit firm's quality control and legal system on audit quality is in line with general expectations but provides a quantitative impact in the specific context of Vietnamese commercial banks. This is similar to studies such as DeFond and Zhang (2014); Carcello et al. (1992); Behn et al. (1997); Krishnan et al. (2017) and Durand (2019). Moreover, the influence of the auditor's working conditions on the quality of audits, although positive, is relatively small compared to other factors. This may be in contrast to studies that place greater emphasis on working conditions, which suggest that in the context of Vietnamese commercial banks, other factors may have a greater influence. Finally, the positive impact of standard compliance on audit quality is considered to be consistent with previous studies such as Causholli and Knechel (2012); Knechel et al. (2013); Carson et al. (2013); DeFond and Zhang (2014); Christensen et al. (2016).

5. POLICY IMPLICATIONS FOR INDEPENDENT AUDITING COMPANIES

Based on the results of the multiple linear regression model, the study proposes solutions to assist auditing company managers in developing appropriate policies and decisions to improve the quality of auditing financial statements of commercial banks, namely:

Firstly, to improve the in-depth capacity of auditors, in order to do this, auditors need to gain experience in auditing financial statements of Vietnamese commercial banks. Experience is the practical knowledge and qualifications gained when performing

repeated audits of financial statements of commercial banks for a certain period of time. Therefore, in order to gain first-hand experience, auditors need to be assigned to audit the financial statements of commercial banks to have the opportunity to rub shoulders with the reality when they will gain practical experience in understanding the specific characteristics of the banking industry, legal requirements, accounting practices and areas of risk specific to banks. In addition, in the process of auditing, auditing enterprises need to arrange experienced auditors to tutor and guide auditors who have just started auditing financial statements of Vietnamese commercial banks. They need to continuously improve their professional knowledge and skills through ongoing training and by obtaining relevant certifications. Audit firms should improve their recruitment policies to attract experienced candidates and provide a clear career path. Furthermore, the auditor must develop a deep understanding of the banking industry, relevant regulations, and accounting standards. Finally, they should foster their ability to identify material misstatements based on their professional experience in commercial banking. These measures together aim to strengthen the professional capacity of auditors and thus, improve the overall audit quality in the commercial banking sector.

Secondly, the characteristics of Vietnamese commercial banks have the same relationship with the quality of auditing financial statements. This shows that before approving the audit contract, auditing firms need to learn and evaluate commercial banks with caution, auditing firms need to develop detailed regulations, procedures, forms and apply technologies related to the process of evaluating and approving customers associated with the characteristics of the banking industry. For example, auditors may use audit software that applies aggregated, analytical algorithms to assess the risks associated with accepting and retaining customers. Currently, Big-4 auditing enterprises have independent departments to carry out audit procedures to learn and evaluate banks. However, most Non-Big-4 auditing firms do not have this department yet. Therefore, Non-Big-4 auditing enterprises performing bank audits need to establish an independent department to carry out audit procedures to learn and evaluate banks in key aspects, such as the complexity and level of risk in the operation of commercial banks; the transparency of items and operations on financial statements of Vietnamese commercial banks; the integrity of the leadership of Vietnamese commercial banks on the responsibility to publish financial statements honestly and reasonably. Special attention is paid to evaluating the effectiveness and effectiveness of the internal control system. Given the huge reliance on information technology in banking operations, the auditor must evaluate the effectiveness of information technology controls, such as logical access control, data integrity control, and system security... The assessment of the complexity and risk, the integrity of the management, the effectiveness and effectiveness of the internal control system are indispensable contents of the audit process. These assessments enable auditors to effectively plan and perform audit procedures, focus on higher risk activities, and provide reasonable assurance about the quality and reliability of commercial banks' financial statements.

Thirdly, to ensure an appropriate amount of time, in order to reduce time pressure, auditors and auditing enterprises need to implement some of the following solutions: (i) During the planning stage and

audit program, the audit manager and audit team leader need to allocate enough time for each specific audit stage, operation and work; (ii) Allow the auditor to participate in the process of building the audit time fund: The auditor is the person who directly performs the audit of the financial statements of Vietnamese commercial banks, so they understand the complexity of the banks' operations, understand the advantages and disadvantages arising during the audit process; (iii) Resource management, auditing enterprises need to optimize the allocation of resources, including time and the auditor's expertise; (iv) The auditor should leverage technology to streamline audit processes by applying audit software and tools that automate simple, repetitive tasks that facilitate data analysis and improve the overall efficiency of the audit.

Fourth, in terms of audit methodology, the selection and application of an appropriate audit methodology with the implementation of adequate audit procedures has an important impact on the efficiency and reliability of the audit process. Therefore, in order to improve the quality of audits, auditors and auditing enterprises need to implement some of the following solutions: (i) Auditors need to design appropriate audit methods, auditors should design audit methods based on the level of risk identified during the risk assessment process. The audit method needs to be adjusted to address the risks and specific characteristics of the banking industry; (ii) Auditors need to fully perform the audit procedures necessary to detect material misstatements. Different audit methods include different procedures and techniques for obtaining audit evidence and evaluating financial statements. An effective audit method ensures that the selected procedures are adequate and consistent with the specific nature of the financial statements of Vietnamese commercial banks. It includes procedures for checking key areas, such as: loan portfolio, business securities, investment securities, debt buying activities, financial instruments, off-balance sheet accounts, bad debts, regulatory compliance and internal control, assessment of the ability to operate continuously.

Fifth, on quality control of auditing enterprises and legal systems, on the basis of research results to improve the quality control system inside auditing enterprises, auditors and auditing enterprises need to implement the following solution: (i) Auditing enterprises need to establish and maintain a comprehensive and effective quality control system to cover all aspects of the audit process from planning, implementation, supervision, review of audit work and issuance of audit reports; (ii) Effective quality control requires the participation of all levels in the auditing enterprise, from members of the Board of Directors in charge of Vietnamese commercial banks to members of the Board of Directors in charge of the overall audit and review of the audit manager and review by the audit team leader. Decentralization of control helps ensure that all employees understand and take responsibility for their role in maintaining high quality audits; (iii) Audit firms conducting audit quality control need to be carried out regularly, continuously forming a closed cycle, from regulation to implementation, evaluation of lessons learned and improvements for subsequent audits to improve audit quality.

Sixth, improving the independence of auditors, the independence of auditors specified in the Code of Professional Ethics is

very important in improving the quality of auditing financial statements of Vietnamese commercial banks. To achieve this, auditors and auditing firms need to take some of the following measures: (i) Auditing firms need to establish and enforce a comprehensive code of ethics for auditors to clearly resolve personal relationships with auditing clients. The Code should provide clear guidelines on the types of relationships that could impair independence and the steps auditors should take to mitigate potential conflicts of interest; (ii) the firm should implement a mandatory rotation policy, which must periodically rotate auditors involved in auditing commercial banks. This helps to minimize the risk of close personal relationships that may affect the auditor's independence during the audit process; (iii) The auditing firm should require the auditor to provide confirmation of independence before audits, confirming their compliance with independence requirements. At the same time, provide adequate training and support for auditors to raise awareness of their independence.

Seventh, strengthening compliance with auditing standards, the research results show that auditors' compliance with standards plays an important role in improving the quality of auditing financial statements of commercial banks. Therefore, the implication here is that auditors and auditing enterprises need to implement the following solutions: (i) Auditors need to promote compliance with professional standards in the audit process. By complying with these standards, auditors follow established guidelines and procedures to help them identify and address risks on the financial statements of Vietnamese commercial banks. To ensure this, it is necessary to first develop clear guidelines, VACPA should coordinate with the Ministry of Finance to develop and disseminate comprehensive and updated guidance on professional standards for auditors; (ii) Auditors need to strictly comply with ethical standards during the audit process. By complying with ethical standards, auditors build trust and confidence with stakeholders, assuring them that the audit process is conducted in an honest and objective manner. To achieve this, the firm should first establish clear and comprehensive ethical principles tailored to the auditor in the context of auditing Vietnamese commercial banks.

Eighth, for the working conditions of auditing enterprises, the research results show that, in order to improve the quality of auditing financial statements for Vietnamese commercial banks, auditing enterprises need to focus on improving the working conditions of auditors in many aspects such as enhancing the application of information technology, equipping means to conduct adequate and modern audits and actively improving the workplace cultural environment. Therefore, auditing firms need to implement some of the following solutions to increase the quality of auditing financial statements: (i) Increasing the application of information technology in the audit process, by leveraging modern technology such as audit software, data analysis tools and automated processes, auditors can automate part of their work, improve data accuracy and identify risks more effectively. This not only saves time but also improves the quality of audits by providing auditors with effective analytical capabilities and allowing them to perform more comprehensive and in-depth analyses; (ii) The development and implementation of appropriate salary, bonus and

per diem regimes is essential for audit firms to improve the quality of audits of financial statements of Vietnamese commercial banks; and (iii) Equipping auditors with specialized means and resources necessary to carry out audits of financial statements of Vietnamese commercial banks is important to maintain and improve the quality of audits. In addition, auditing firms should provide auditors with access to comprehensive databases and research tools to facilitate the collection and analysis of their information.

Ninth, expand the scale and improve the reputation of the auditing company. Research results indicate that as the reputation of auditing enterprises increases, the quality of auditing is improved. Therefore, the proposed solution recommendations are as follows: (i) Vietnamese auditing enterprises should join or expand cooperation with international auditing firms. Being part of these organizations provides access to global resources, expertise, new technologies and best practices that enable auditing firms to conduct high quality financial statements audits in accordance with international standards; (ii) Increasing the brand and reputation of auditing firms creates trust for banks and stakeholders. A business with a high reputation for conducting thorough and reliable audits will be more likely to be trusted by Vietnamese commercial banks and their shareholders. Reputation reflects the company's track record of providing appropriate and objective audit opinions, contributing to the overall trust and confidence in the financial statements of commercial banks; and (iii) Minimize the number of lawsuits and legal actions against auditing firms.

6. CONCLUSION

The article has an overview of the basic theory and theoretical basis as well as empirical studies on the factors affecting the quality of auditing financial statements in general and the quality of auditing financial statements of commercial banks in particular by applying the multiple regression model. The results show that there are 9 factors that really affect the audit quality of financial statements of Vietnamese commercial banks in descending order, as follows: Intensive capacity; Characteristics of commercial banks; Time pressure; Audit methods; Quality control of auditing enterprises and legal systems; Independence of auditors; Compliance with standards; Working conditions of auditing enterprises; and Scale and reputation of auditing enterprises. However, the results of the study indicate that there is no difference in the audit quality of financial statements of Vietnamese commercial banks between auditors of Big-4 and Non-Big-4 auditing enterprises.

From the research results through the econometric model, the author has proposed specific solutions, which are considered feasible in the current context and in the coming time in improving the quality of auditing financial statements of Vietnamese commercial banks. The proposed solutions focus on auditors and auditing companies in order of priority in terms of the impact of 09 factors on the audit quality of financial statements of Vietnamese commercial banks.

The article has contributed to expanding the theoretical framework and providing empirical evidence to improve the audit quality of financial statements in general and the audit quality of financial

statements of commercial banks in Vietnam in particular. The research findings and proposed solutions provide a valuable reference point for other emerging markets seeking to improve the quality of their audits, particularly in their banking sectors. This study provides a framework for these countries to consider their own audit quality determinants and develop targeted strategies for improvement.

In addition to the achieved results, the study also acknowledges that there is a limitation, which is that the consideration of the influence of factors on the audit quality of financial statements of Vietnamese commercial banks has only been considered from the perspective of auditors. But audit quality is a multidimensional concept, difficult to observe and measure, depending on the perception of each object of interest (DeFond and Zhang, 2014). Therefore, the quality of auditing needs to be evaluated objectively and comprehensively from the perspective of many users of audit results, such as: audit customers; state management agencies; investors; banks and credit institutions. and this is considered a gap for future research.

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