



A Survey of the Relationship between Earnings Management and Qualified Auditor Opinion in Tehran Stock Exchange

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ABSTRACT

This study aims to evaluate the effect of earnings management on type of auditor report in the companies listed on Tehran Stock Exchange (TSE). To measure earnings management, the modified Jones model based on discretionary accruals is used. The audit report is qualified opinion due to the uncertainty in activity and qualified report due to some reasons except uncertainty in going concern. To test the study hypotheses, the data of 80 companies listed on TSE are used as study sample during 2009-2013 by logistic regression model. In the present study, besides testing the relationship between earnings management and qualified auditor opinion, the effect of financial distresses on the relevant relationship is studied. The results of study show the positive and significant relationship between earnings management and qualified opinion regarding some items except going-concern uncertainty. There is no significant relationship between earnings management and qualified opinion in financially distressed companies.

Keywords: Earnings Management, Qualified Audit Opinion, Going-concern Uncertainty, Financially Distressed Companies

JEL Classifications: D53, M42

1. INTRODUCTION

Clear financial investment is of great importance for any person and society. In other words, investment has futuristic view. Our financial future is formed based on our accurate decisions on investment. The review of literature shows that healthy investment is with assurance and one of the main components supporting this assurance is profitability and future cash flows. Besides earnings amount, earnings quality is of great importance. Based on the freedom of managers in selection of different accounting methods and schedule of trade and earnings manipulation, quality of earnings has always been doubtful. One of the ways to increase earnings quality and reduce opportunistic behavior of managers is audit. The auditor opinion is presented by four forms of unqualified, qualified, adverse and disclaimer of opinion. The items leading to the adjustment of unqualified report are limitations, disagreement with management to observe accounting standards. The majority of the reports are qualified due to uncertainty. This study evaluates how earnings management is associated by qualified auditor opinion.

2. REVIEW OF LITERATURE

2.1. Definitions and Concepts

In the definitions, it is attempted to present the definitions of study variables, earnings management, accruals, audit quality, qualified opinion and financial distress. Earnings management is the manipulation of the identification time of incomes or income in order that the earnings flow has little change but the reported income is not increased in long-term (Fudenberg and Tirole, 1995).

Accruals are the result of the difference between net profit before unexpected items and operating cash flows. Accruals are composed of discretionary and non-discretionary. Management for earnings management can affect discretionary accruals (DAs) (Sajadi and Arabi, 2009).

Regarding audit quality, the market infers the ability of the auditor in detection and report of offence in accounting system of the client (DeAngelo, 1981). Li and Suni (2007) define audit quality as the probability of not issuing unqualified report for financial

statements with basic mistakes. Mayangsari (2007) states that if audit quality is high, the auditors restrict illogical choices of management among the accounting methods and avoid false statement of financial condition of the company and reduced earnings accruals. The qualified opinion of auditor means a report in which the auditor avoids an unqualified opinion. This type of opinion is raised by limitation or uncertainty. The uncertainty is as regarding going concern or by other underlying conditions on the activity (Tsipouridou and Spathis, 2014).

Financial distress refers to the companies in which debts value is lower than the assets value and they cannot payout all debts (Sajadi and Arabi, 2009). The company experiencing profitability reduction is called financially distressed (Altman, 1968).

2.2. Review of Literature

Various researches have been conducted on earnings management, accruals, audit quality, qualified opinion and distress. Some of the relevant resources are as follows:

Lai and Gul (2008) in a study found that the companies being audited under the audit of big institutes have lower accruals compared to the rest of companies and this is because of the validity of its brand.

Gul et al. (2009) in a study "The effect of auditor tenure and auditor industry expertise on earnings quality" found that if auditor industry expertise was low, the relationship between the auditor tenure was long and earnings quality was strong.

Lai (2011) in the study found that the companies with higher investment opportunities have high DAs but when their audit is performed by the auditors of five big companies, this relationship is weak.

Tsipouridou and Spathis (2014) in a study on the relationship between earnings management and auditor opinion in Greece during 2005-2011 showed that there was a positive, significant relationship between earnings management and qualified opinion of auditors by uncertainty in activity and there are some reasons except uncertainty.

Banimahd (2011) in the study on 56 companies listed on Tehran Stock Exchange (TSE) during 2001-2007 evaluated the effective factors on auditors' opinion type. The study results showed that unqualified auditor opinion was affected by some factors including manager performance, ownership change, private audit, opinion selection, auditor change from a private audit institute to another private audit institute and the given firm size.

Aghayi and Ardakani (2012) in a study on 117 public companies during 2005-2009 regarding the effect of auditor industry expertise on earnings management found that the companies their auditor is expertise in client industry has low DAs (earnings management).

Bahraini et al. (2013) in a study on 74 public companies during 2004-2010 on the effect of corporate governance mechanisms and audit quality on the relationship between earnings management and

share price found that the corporate governance mechanisms had significant relationship with stock price and earnings management. Ownership concentration and the percent of non-executive board members had positive relationship with stock price and percent of the ownership of institutional shareholders had negative relationship with stock price. Also, the impact of ownership concentration and percent of non-executive members had negative relationship with earnings management and percent of institutional shareholders ownership had positive relationship with earnings management. The results of study showed a positive relationship between quality of audit and earnings management. Moradi et al. (2013) performed a study on type of auditor opinion and earnings management on 86 companies listed on TSE during 2007-2013 by panel data method using multi-variate regression. They found that there was a significant relationship between earnings management and type of auditor opinion.

Banimahd et al. (2014) in the study evaluated the relationship between earnings management and auditor opinion in private audit sector from the data of 106 companies listed on TSE during 2001-2011. They found that earnings management, firm size, profitability, debt ratio, audit fee, state ownership had significant relationship with the number of audit articles before opinion section. Also, the findings of study found that the company complexity, auditor change and management change had no significant relationship with the number of audit items before opinion item.

Based on the theoretical basics of study and previous studies, the study hypotheses include four hypotheses as: The qualified report is presented due to two reasons of going-concern uncertainty and uncertainty in other items. For this reason, two first hypotheses are formulated but if the company is financially distressed, DAs and earnings management are increased. Thus, the mentioned hypotheses in two models are tested in the financial distressed companies:

- H₁: There is a significant relationship between DAs and qualified auditor opinion on going-concern uncertainty.
- H₂: There is a significant relationship between DAs and qualified auditor opinion on non-going concern.
- H₃: There is a significant relationship between DAs and qualified auditor opinion on going-concern uncertainty in financially distressed companies.
- H₄: There is a significant relationship between DAs and qualified auditor opinion on non-going concern in financially distressed companies.

3. STUDY METHODOLOGY

The present study has been conducted during 2009-2013 in TSE. This study is applied, descriptive and correlation. Also, it is an ex post facto study using the historical data of member companies. The study hypotheses are tested using multi-variate regression and econometric models in accordance to the study method of pooled data. The study population is all companies listed on TSE for 5 years since the beginning of 2009 to the end of 2013 and they are not financial, investment and insurance companies.

In this study, to provide the data of companies listed on TSE, different sources as CDs of TSE, Tadbirpardaz software, site of information of TSE are used. To study theoretical basics, library method, books and different papers are used.

4. DATA ANALYSIS

In this study, descriptive statistics (e.g., mean, median, minimum, maximum and standard deviation of observations) presenting a general view of distribution of data of study variables are used. Pearson correlation coefficient is also used to show the linear correlation between study variables. To estimate regression model and hypotheses test, logistic regression is used. After data collection, a good measure is selected to compute and analyze the data of variables. In this study, at first initial data from PDF files entered Excel software then via the software, the required data are provided in the model. For data analysis and hypotheses test, Eviews software is used.

4.1. Descriptive Statistics

First step: In this study, at first by raw data, the study variables are calculated and then descriptive statistics of independent variables and dependent variables including mean, median, maximum, minimum and standard deviation are calculated as shown in Table 1. The values present a general view of distribution of study data.

Regarding DAs, the mean is 0.1486 and this shows that the most of data of this variable are around this value. The median of this variable is 0.1672 and it states that about half of data of this variable is higher than this value and other half lower than this value. The standard deviation is 0.0638 and it shows that the data fluctuation around the mean is 6%. Other variables are interpreted the same.

4.2. The Correlation Coefficients

Second step: In this stage, the correlation relationship between variables of study and their significance (Significant or P value) is shown in Table 2.

As shown, the correlation between earnings management (DA) and AQ-GC is not significant (Significant = 0.193) but there is a

significant correlation between earnings management (DA) and AQ-NGC (Significant = 0.023).

4.3. The Separation of Sample Companies

Third step: In this study, the number of observations of each section is 80 observations (company) during 5 years. The applied regression in this study is as follows:

$$AQ = \alpha + \beta_1 DA + \beta_2 BIGN + \beta_3 ROA + \beta_4 TURN + \beta_5 INVREC + \beta_6 TLE + \beta_7 ZMJ + \beta_8 ARLAG + \beta_9 AGE + \beta_{10} LAO + \beta_{11} LOSS + \epsilon \tag{1}$$

AQ_{it}: (dependent variable) indicates qualified opinion. This variable is used as follows and separately in regression model:

AQ-GC_{it}: A dummy variable, GC_{it} = 1 if the audit opinion includes a going-concern qualification, 0 otherwise,

AQ-NGC_{it}: it is a dummy variable, NGC_{it} = 1 if the audit opinion includes qualifications except for the going-concern uncertainty, 0 otherwise.

Thus, the regression model is estimated in two states. As the dependent variable is dummy and logistic regression should be used. To do this, at first the sample companies are divided in terms of qualified audit opinion. The results of separation of sample companies are shown in Table 3.

It is observed that among 400 observations (80 × 5), the number of companies with qualified opinion is 286. Thus, 114 observations are dedicated to non-qualified. Among 286 observations of qualified opinion, only 54 qualified reports are due to going-concern uncertainty and 232 observations regarding qualified opinion for other reasons except going concern. To test the first hypothesis, the regression model with dependent variable of qualified opinion due to uncertainty (AQ-GC) among total observations is estimated. To test the second hypothesis, the regression model with dependent variable of qualified report for AQ-NGC among total observations is estimated. In the third and fourth hypothesis, the effect of financial distress on the relationship between earnings management and qualified report is evaluated. The financial distress variable (FALL) is added to

Table 1: Descriptive statistics of study variables

Variables	Significant	Mean	Median	Max	Min	SD
Going-concern qualification	AQ-GC	0.1453	0.1486	1.0000	0.0000	0.0672
Qualifications except for the going-concern uncertainty	AQ-NGC	0.6795	1.0000	1.0000	0.0000	0.1932
DAs-earnings management	DA	0.1486	0.1672	0.6389	0.0075	0.0638
Failure	Fail	0.3896	0.3609	1.0000	0.0000	0.2018
Audit size	BIGN	0.6329	0.6106	1.0000	0.0000	0.1896
Return on asset	ROA	0.2177	0.2148	0.6453	-0.2548	0.2144
Total sales divided by total assets	TURN	0.4681	0.4538	0.8424	0.0869	0.1638
inventory and accounts receivables divided by total assets	INVREC	0.1620	0.1664	0.6438	0.0142	0.0785
Total liabilities divided by total equity	TLE	0.3979	0.3881	1.4892	0.1653	0.1685
Zmijewski's financial condition score	ZMJ	0.7538	0.8236	6.4651	-1.6348	0.4894
Natural logarithm of time lag (in days) between fiscal year end and the date of the audit report issue	ARLAG	1.2908	1.2886	2.8049	0.8768	0.3904
The number of years since the firm was listed on the ASE	AGE	0.7834	0.7912	1.3864	0.7745	0.6904
qualified opinion in the previous year - dummy variable	LAO	0.6169	0.6098	1.0000	0.0000	0.2156
Loss of company - dummy variable	LOSS	0.2768	0.2803	1.0000	0.0000	0.1205

SD: Standard deviation

Table 2: The Pearson correlation coefficient of study variables

Variables	AQ-GC	AQ-NGC	DA	BIGN	ROA	TURN	INVREC	TLE	ZMJ	ARLAG	AGE	LAO
Going-concern qualification	1											
Qualifications except for the going-concern uncertainty DAs	-0.12 (0.018)	1										
Audit size	0.03 (0.193)	0.21 (0.023)	1									
Return on asset	-0.01 (0.421)	-0.09 (0.042)	-0.1 (0.154)	1								
Total sales divided by total assets	0.09 (0.000)	0.14 (0.000)	-0.00 (0.021)	0.16 (0.007)	1							
Inventory and accounts receivables divided by total assets	-0.14 (0.015)	-0.26 (0.004)	-0.04 (0.000)	0.08 (0.000)	0.13 (0.029)	1						
Total liabilities divided by total equity	0.21 (0.022)	0.03 (0.626)	0.32 (0.154)	0.11 (0.087)	0.02 (0.000)	0.00 (0.276)	1					
Zmijewski's financial condition score	0.00 (0.855)	0.01 (0.472)	0.23 (0.089)	0.16 (0.231)	-0.00 (0.032)	0.09 (0.043)	0.12 (0.324)	1				
time lag (in days) between fiscal year end and the date of the audit report issue	0.14 (0.022)	0.18 (0.012)	0.22 (0.000)	0.07 (0.000)	0.18 (0.021)	0.12 (0.000)	-0.26 (0.116)	0.28 (0.132)	1			
The number of years since the firm was listed on the ASE	0.02 (0.234)	-0.12 (0.084)	0.16 (0.133)	0.24 (0.271)	0.22 (0.000)	0.15 (0.032)	-0.32 (0.265)	0.41 (0.000)	0.01 (0.089)	1		
Qualified opinion in the previous year	0.08 (0.118)	0.11 (0.089)	0.12 (0.022)	-0.09 (0.099)	0.21 (0.001)	0.23 (0.008)	0.29 (0.004)	0.24 (0.006)	0.12 (0.024)	0.31 (0.000)	1	
Loss of company	0.34 (0.000)	0.06 (0.124)	0.04 (0.266)	0.06 (0.143)	-0.11 (0.034)	0.04 (0.219)	0.10 (0.108)	-0.08 (0.084)	0.32 (0.000)	-0.02 (0.218)	0.27 (0.000)	1
	0.03 (0.133)	0.01 (0.216)	0.24 (0.006)	-0.38 (0.000)	0.28 (0.021)	0.11 (0.076)	0.26 (0.009)	-0.01 (0.327)	0.14 (0.017)	-0.03 (0.189)	0.08 (0.109)	0.11 (0.067)

Table 3: The separation of sample companies in terms of audit opinion

Variables	N
Number of qualified reports	286
Qualified reports due to going-concern uncertainty (Group A)	54
Qualified reports due to going-concern uncertainty (Group B)	232
Number of non-qualified reports	114
Total observations	400

the regression and the mentioned model is estimated among the sample companies. The new model is as follows:

$$AQ = \alpha + \beta_1 DA * FALL + \beta_2 BIGN + \beta_3 ROA + \beta_4 TURN + \beta_5 INVREC + \beta_6 TLE + \beta_7 ZMJ + \beta_8 ARLAG + \beta_9 AGE + \beta_{10} LAO + \beta_{11} LOSS + \varepsilon \quad (2)$$

FALL variable indicates financial distress as a dummy variable.

4.4. The Results of Significance Test of the First Model of Study

The first model of study is used to test first and second hypotheses.

As shown in Table 4, the first model of study is estimated twice. LR statistics (Chi-square) in both estimations with confidence interval 95% is significant. Thus, the study model is significant and independent and control variables can explain and predict the dependent variable of model.

In addition, the coefficient of determination of the first model is based on qualified report AQ-GC as 0.21. This shows that about 21% of changes of dependent variable, qualified report are due to going concern of changes of control and independent variables and 79% of changes are based on other factors. The coefficient of determination for the second estimation is 0.34. The model estimation with the second index of qualified report had the highest coefficient of determination. Here, the dependent variable is AQ qualified audit report.

$$AQ = \alpha + \beta_1 DA + \beta_2 BIGN + \beta_3 ROA + \beta_4 TURN + \beta_5 INVREC + \beta_6 TLE + \beta_7 ZMJ + \beta_8 ARLAG + \beta_9 AGE + \beta_{10} LAO + \beta_{11} LOSS + \varepsilon$$

First hypothesis evaluates the relationship between earnings management and qualified audit report due to the going-concern uncertainty.

To evaluate significance of explanatory variables, Z-Wald test is used. Based on the results of Table 4, Z statistics of independent variable DA and its significance level (P value) in the first estimation is 1.66, 0.24 as the error level for this study is 0.05, regarding independent variable in this model, we can say earnings management index at confidence interval 95% has no significant relationship with dependent variable. In other words, there is no significant relationship between earnings management and qualified report regarding going-concern uncertainty and the first hypothesis is not supported.

Second hypothesis evaluates the relationship between earnings management and qualified audit report for other reasons except going-concern uncertainty.

Based on the results of Table 4, Z statistics of independent variable DA and its significance level (P value) in the second estimation is 2.44, 0.02. As the error level for this study is <0.05, regarding independent variable in this model, we can say earnings management index at confidence interval 95% has a significant relationship with qualified audit report. The variable coefficient is positive. The type of relationship between earnings management and qualified report is direct. In other words, the companies applying high earnings management have qualified audit report. Thus, the second hypothesis is supported. In the regression model, ten control variables are used. Using control variables in the model is used to achieve reliable results and it is not the main purpose of study.

4.5. The Results of Significance Test of Second Model

The second model is used to test the third and fourth hypotheses. The results of significance test of the model and evaluation of the mentioned coefficients by logistic regression for total study period are shown in Tables 4 and 5. Model 2 is estimated in two states as dependent variable is evaluated for two different forms. The coefficient of determination of the test model in the first stage of qualified report (AQ-GC) is 0.18. This shows that about 18% of changes of dependent variable, qualified report for going concern are based on the changes of independent and control variables and other 82% of changes are based on other factors.

The coefficient of determination of the second estimation is 0.29. The model estimation with the second index of qualified report has the highest coefficient of determination. Dependent variable: AQ qualified report.

$$AQ = \alpha + \beta_1 DA * FALL + \beta_2 BIGN + \beta_3 ROA + \beta_4 TURN + \beta_5 INVREC + \beta_6 TLE + \beta_7 ZMJ + \beta_8 ARLAG + \beta_9 AGE + \beta_{10} LAO + \beta_{11} LOSS + \varepsilon$$

Third hypothesis evaluates the relationship between earnings management and qualified audit report due to going-concern uncertainty.

Based on the results of Tables 4 and 5, Z statistics of independent variable DA*FALL and significance level (P value) in the first estimation is 1.28, 0.21, respectively. As the error level for this study is 0.05, regarding independent variable, we can say the coefficient of DA*FALL is not significant. In other words, there is no significant relationship between earnings management and qualified report regarding going-concern uncertainty in financial distressed companies. Thus, third hypothesis is not supported. We should say that there are a few reports issued due to going-concern uncertainty and the sample size is small. Fourth hypothesis evaluates the relationship between earnings management and qualified report for other reasons.

Table 4: The results of first model test

Explanation	Sign	First index of qualified report AQ-GC			Second index of qualified report AQ-NGC		
		Coefficient	Z-statistics	P value	Coefficient	Z-statistics	P value
DAs	DA	β_1	0.14	1.66	0.23	2.44	0.02
Auditor size	BIGN	β_2	-0.07	0.82-0.31	-0.16	2.41-0.04	
Return on assets	ROA	β_3	0.06	4.11	0.11	4.98	0.00
Total sales divided by total assets.	TURN	β_4	-0.14	1.36-0.32	-0.08	1.08-0.11	
Inventory and accounts receivables divided by total assets	INVREC	β_5	0.17	6.26	0.26	4.76	0.00
Total liabilities divided by total equity	TLE	β_6	0.31	3.54	0.14	1.14	0.16
Zmijewski's financial condition score	ZMJ	β_7	0.00	2.66	0.17	3.64	0.01
Time lag (in days) between fiscal year end and the date of the audit report issue	ARLAG	β_8	-0.22	1.52-0.16	-0.38	1.19-0.21	
The number of years since the firm was listed on the ASE	AGE	β_9	0.14	1.66	0.17	1.64	0.07
Qualified opinion in the previous year	LAO	β_{10}	0.08	2.66	0.17	1.64	0.21
Loss of company	LOSS	β_{11}	0.11	0.81	0.06	0.06	0.72
Constant	A		-0.08	1.12-0.22	0.09	2.38	0.03
Coefficient of determination R ²				0.21		0.34	
LR statistics							
LR-static				2.89		3.14	
Significance level of LR							
LR (P value)				0.03		0.01	
Total observations				400		400	
The number of dependent observations with code 1				54		232	

Table 5: The results of second model test

Explanation	Sign	First index of qualified report AQ-GC			Second index of qualified report AQ-NGC		
			Coefficient	Z statistics P value	Coefficient	Z statistics P value	
DAs	DA*FALL	β_1	0.11	1.28 0.21	0.16	1.77 0.09	
Auditor size	BIGN	β_2	-0.09	0.94-0.27	-0.34	2.63-0.03	
Return on assets	ROA	β_3	0.13	3.14 0.01	0.13	2.65 0.03	
Total sales divided by total assets.	TURN	β_4	-0.19	2.41-0.02	-0.17	1.22-0.09	
Inventory and accounts receivables divided by total assets	INVREC	β_5	0.16	3.66 0.01	0.21	6.03 0.00	
Total liabilities divided by total equity	TLE	β_6	0.28	6.09 0.00	0.22	1.18 0.18	
Zmijewski's financial condition score	ZMJ	β_7	0.03	2.62 0.02	0.19	3.37 0.01	
Time lag (in days) between fiscal year end and the date of the audit report issue	ARLAG	β_8	-0.26	1.09-0.19	-0.32	1.22-0.20	
The number of years since the firm was listed on the ASE	AGE	β_9	0.17	1.37 0.12	0.26	1.84 0.08	
Qualified opinion in the previous year	LAO	β_{10}	0.21	2.89 0.02	0.32	0.98 0.28	
Loss of company	LOSS	β_{11}	0.04	0.93 0.34	0.09	0.08 0.63	
Constant		α	-0.01	-1.18 0.21	0.12	2.36 0.03	
Coefficient of determination R^2				0.18		0.29	
LR statistics LR-static				2.65		3.08	
Significance level of LR LR (P value)				0.03		0.02	
Total observations						400	
The number of dependent observations with code 1						232	

Based on the results of Table 5, Z statistics of independent variable DA*FALL and its significance level (P value) in the second estimation is 1.77, 0.09, respectively. As the error level is 0.05, regarding independent variable, we can say the coefficient of DA*FALL is not significant. In other words, there is no significant relationship between applying earnings management and qualified report for some reasons except going concern in the financial distressed companies. Thus, fourth hypothesis is not supported.

5. CONCLUSION

In this section, the results and analyses of hypothesis tests are presented separately. In the first hypothesis, the relationship between earnings management and qualified report due to going-concern uncertainty was evaluated. The results of study based on logistic regression model indicate the rejection of first hypothesis. In other words, we cannot say that by the increase of earnings management in companies listed on TSE, qualified report is increased due to the going-concern uncertainty. These results are interpreted as the companies managing earnings more than other companies and report more accruals in their profit, due to the reduction of earnings quality and its reliability, distrust of auditor and qualified report can be increased. This issue doesn't bring any problem in going-concern uncertainty. The results of this hypothesis

are consistent with the study of Tsipouridou and Spathis (2014). As based on their study in Greece, they found that there was no significant relationship between earnings management and qualified report due to uncertainty in going concern. In the second hypothesis, the relationship between earnings management and qualified report due to some reasons except uncertainty in going concern was evaluated. The results of study based on logistic regression model show the support of second hypothesis. We can say that by increase of earnings management in companies listed on TSE, qualified report is increased for some reasons except uncertainty in going concern. It means that the auditors by observing higher DAs can be more sensitive to issuing qualified report.

These results are interpreted as the companies managing earnings more than other companies and report higher accruals, due to the reduction of earnings quality can lead to distrust of auditor and issuing qualified report. The results of this hypothesis are not consistent with the study of Tsipouridou and Spathis (2014). In their study in Greece, they found that there was no significant relationship between earnings management and qualified reports for some reasons except uncertainty in going concern. In the third hypothesis, the relationship between earnings management and qualified report due to the going-concern uncertainty in financially distressed companies is evaluated. The results of study based on

logistic regression model show the rejection of third hypothesis. In other words, by increasing earnings management in financially distressed companies in TSE, qualified reports due to uncertainty in going concern are not changed significantly. In the fourth hypothesis, the relationship between earnings management and qualified report due to some reasons except uncertainty in going concern in financial distressed companies is evaluated. The results of study based on logistic regression show the rejection of fourth hypothesis. In other words, by the increase of earnings management in financially distressed companies in TSE, qualified reports for some reasons except going-concern uncertainty are not changed significantly. Indeed, the results of third and fourth hypotheses show that auditors among the studied companies don't consider financial distress indices.

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