



شبكة المعلومات الجامعية
التوثيق الإلكتروني والميكروفيلم

بسم الله الرحمن الرحيم



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التوثيق الإلكتروني والميكرو فيلم



شبكة المعلومات الجامعية التوثيق الإلكتروني والميكرو فيلم



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جامعة عين شمس

التوثيق الإلكتروني والميكروفيلم

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**A Proposed Model to Measure the Impact of Applying
PCAOB Requirements to Reduce Inspection Risk in Egyptian
Audit Firms: An Experimental Study**

**A Dissertation Submitted to Fulfill the Requirements of
Ph.D. Degree in Accounting**

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*Dedicated to the Spirit of my Dad “Shams”,
my Lovely Mam,
and my Lovely Sisters,
who provide me with endless support,
love, and encouragement.*

ABSTRACT

This study examines the impact of Public Company Accounting Oversight Board (PCAOB) requirements on reducing the inspection risk in Egyptian audit firms in the market. Specifically, the study proposed two models for audit quality and audit fees for registrants' auditors with the PCAOB. By identify four PCAOB- registered audit firms in Egypt, the study finds that there is an increase in audit quality and audit fees following PCAOB registration. High audit quality reflects that PCAOB-registered auditors gain knowledge and expertise when complying with international level quality controls. The increase in audit fees indicates that PCAOB-registered audit firms provide additional effort and client issuers are willing to pay for this extra effort. Overall, the findings suggest that audit fees increased due to the increased effort to achieve higher quality and further mitigate inspection risk as well as reducing inspection risk in the Egyptian audit firms.

Key Words: PCAOB, Inspection Risk, Audit Quality, Audit Fees, FRA, AOU.

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List of Abbreviations

Item	Abbreviation
AC	Audit committee
AICPA	The American Institute of Certified Public Accountants
AOU	Auditors' Oversight Unit
AS	Auditing Standard
CAMs	Critical Audit Matters
EGX	The Egyptian Exchange
EP	Engagement Partner
EQRs	Engagement Quality Reviews
ESAA	Egyptian Society of Accountants and Auditors
FASB	Financial Accounting Standards Board
FRA	Financial Regulatory Authority
FV	Fair Value
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
IAG	Investor Advisory Group
ICFR	Internal Control over Financial Reporting
IFIAR	International Forum of Independent Audit Regulators
OGA	Ordinary Generally Assembly
PAR	Post-Audit Review
PCAOB	Public Company Accounting Oversight Board
QC	Quality Control
SAG	Standing Advisory Group
SEC	Securities and Exchange Commission
SOX	Sarbanes-Oxley Act
SRC	Supplemental Request for Comment