# Auditors' Decision to Accept New SME Clients in Saudi Arabia and Auditors' Characteristics

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## Abstract

*This study aims to investigatehow Saudi auditors assess whether to accept or reject new SME clients based on the guidelines inthe Guide to Using ISAs in the Audits in Small and Medium Sized Entities issued by the International Federation of Accountants in 2011, which provide a detailed illustration for professionals on how to perform audits in SMEs due to their special characteristics, and the auditors' characteristics that affect this decision. A questionnairewas developed and distributed to all Saudi auditors, and119 responses were received. The results indicate that Saudi auditors follow the guidelines related to the audit firm's ability to conduct the audit task, audit firm independency, and preconditions, while they donot follow the guidelines related to client integrity and the risks associated with the audit task. A further analysis shows that auditors' experience and qualifications donot affect the auditors' decision onaccepting new clients, while only being one of the Big4 auditors positively affects this decision.*

**Keywords**:Audit, Risk,New Client, Audit Engagement, Saudi, SME, Big4

## *1. Introduction*

The trust infinancial information and financial markets has fallenfollowingvarious accounting scandals, especially Enron and WorldCom (Ouertani & Ayadi, 2012), leading to a new era inthe accounting and auditing professions, which were affected due to the role of auditors (Arthur Anderson) in those scandals. The responseof the auditing profession was to focus more on how auditors can perform their audit engagement in accordance withauditing standards in a trusted manner, which resulted in greaterfocus on auditors' responsibilities as providers of social services for a wide range of stakeholders.Those responsibilities include providing quality auditing with less auditing risk in order to reform the trust of investors and financial markets in the auditing profession.Auditing standards have addressed the role of auditors in sustaining quality audits since before the start ofthe auditing process throughthe International Standard of Auditing (ISA) 210,whichillustrates the terms of auditor engagement with new clients. ISA 210 focuses on the existence of preconditions for audits that could reduce the audit business risk and provide more confident audit cases. Prior research hasfocused on the risk assessment that auditors should perform before taking thedecision toaccept new clients in order to maintain a client portfolio that could help auditors in reducing their business risks (Bell et al., 2002; Beneish et al., 2005; Johnstone & Bedard, 2004; Mande & Son, 2011; Winograd et al., 2000). Those risks have been examined in the literature as key inputs for the client acceptance decision through classifying them into client business risk and auditor business risk (Colbert et al., 1996; Huss &Jacobs, 1991; Johnstone, 2000). Client business risk is the risk related to the client's financial and economic situations, while auditor business risk is the probability of the auditor providing an opinion that doesnot reflect the current situation of the financial statement.

In this regard, auditors have to pay attention to their decisions on whether toaccept new clients or to continuetowork with their current clients in order to improve the quality of their audits through avoiding the risks related to the audit process byfollowing the professional guidance and the auditing standards.

In this context, researchers have focused on listed companies to test auditors' decisions onaccepting new clients, while less research has focused on the factors that are related to this decision in small and medium enterprises (SMEs) (Sarapaivanich & Patterson, 2014); indeed, Savanstrom and Sundgren (2012) asserted that the client–auditor relationship is significantly different when the client is a listed company or SME enterprise, which will affect the audit process startingwith theengagement with new clients.

This study explores how auditors decide whether to engage with new SME clientsbasedon the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* issued by the International Federation of Accountants in 2011, which provides a detailed illustration for professionals on how to perform audits in SMEs due to their special characteristics (IFAC, 2011). Furthermore, this study examinesthe factors that affect auditors' decisions regardingaccepting new clients and continuing to work with their current clients in SMEs as a leading study that empirically tests this issue in the Saudi context.This study contributes to the auditing literature byexploring the inputs to theauditors' decision on accepting new SME clients in an emerging market, namely Saudi Arabia, and byinvestigating the factors that may affect this decision at the time of undertaking theresearch about this issue in the Middle East and North Africa (MENA) region, especially for SME clients. The results of this study are significant for regulators and professional agencies as theyprovideinsights intohow auditors are complying with professional guides and auditing standards.

## *2.The SME Context*

SMEs play a significant role in the Gulf Cooperation Council (GCC) region, including KSA, where it represents a huge percentage of the economy considering that the common definition of an SME is a business with fewer than 250 employees and revenues below US$68 million (Fisher, 2012). Likeother SMEs, Saudi SMEsare facing difficulties in theiroperations due to the nature of ownership, which is mainly family organizations that are controlled and managed by owners (Sadi & Henderson, 2011). Financing, the business environment, the deficiencies in management skills, less developed information technology, and the market conditions are the main issues that challenge Saudi SMEs (Sadi & Henderson, 2011; Saudi Arabia General Investment Authority, 2004).Those challenges require well-organized financial statements that could reduce the information risk for SMEs and that could be reliable for other financial and managerial decisions, raising the need for quality audits that canbe trusted by the investment and financial society.

However, when considering that most SMEs (especially in developing countries) are managed and controlled by owners whoare unlikely to possess an accounting degree and who face day-to-day pressure, it is unlikely that they have the ability (knowledge and resources) to assess the quality of auditors and many SME owners are not interested in the value of auditing financial statements (Morrissey &Pittaway, 2006), leadingthem to seek tomeet the regulators' requirements only without focusing on the auditing value and quality.However,when considering that professional services need a high degree of continuous interaction between clients and service providers (auditors), the fact of the existence of SME owners who are not interested in quality audits will lead to limitations tothe auditor scope, part of whichwill be in the engagement process. Those limitations may prevent auditors fromobtaining the information needed to takethe decision onaccepting new clients and may affect the focus of this decision, especially when auditors minimize the audit business risk due to their recognition that SMEs' stakeholders are mainly the enterprise owners;as a result, the audit quality will not achievethe desired level and will keep the reliability of financial statements for SMEs under criticism.Therefore, this study focuses on SME clients as they account fora huge population of auditors' clients andare not widely examined in the literature.

## *3. Literature Review and Hypothesis Development*

Auditors' decision regarding accepting new clients is the first step inthe auditing process that auditors have to implement in line with international auditing standards. The decision onaccepting new clients or continuing towork with current clients is very important as it forms a key factor in determining auditors' ability to perform the audit process efficiently (Johnstone & Bedard, 2003).Audit firms work to reduce their business risk through deciding whether to accept new clients or not (Johnstone, 2000) as it is the first step inreducing the risks and providing quality audits (Ebaid, 2011).

The client acceptancedecision is also significantly related to the audit fees, as auditors judge their clients based on audit firm risk and client business risk, taking into account the risk of the loss of the engagement, which may make less acceptable clients more acceptable (Johnstone, 2000), indicating that the auditors' decision onaccepting new clients issubject to the audit firm's approach in selecting clients and doesnot follow a standardized methodology.

Prior research has addressed two general approaches that audit firms followto accept new clients or to continue to work with previous clients:the single client approach and the client portfolio approach,the first of whichfollows the argument that auditors consider only clients' specific characteristics and certainly assess clients'risks individually, while the second approach considers the group of clients whoare engaged with the auditor at the same time (Drira, 2013). Those two approaches have been developed based on research that examined client acceptance decisions and related factors.

In contrast, most of the prior research hasfocused on the rationale behind the client acceptance decision, which is risk reduction, and how auditors assess the risk of new clients. Johnstone (2000) mentioned that little is known about how auditors take the decision onwhether to accept new clients;in his study, he developed and tested a model for the client acceptance decision as a process of risk assessment. He focused on the trade-off between the client's risks and the auditor's risk of losing an engagement and as a result less profit for the audit firm. The results revealed that auditors use clients' risks related to financial viability and internal control and avoid risky clients more than trading between clients' risks and audit fees. Accordingly, auditors are not likely only to take on new clients with zero risk; they assess the risks and accept clients who have acceptable business risks. Johnstone & Bedard (2001) mentioned that audit firms responds to error and fraud risks by implementing planning strategies, like assigning more expert partners, assigning more industry expert partners, applying more tests, and performing additional reviews ofrisky clients.This is also supported by the results of Beaulieu (2001), who argued that the decision onaccepting new clients is related to the auditor's judgment regarding client integrity, which may lead to an increase in the evidence collected and as a result increased audit fees.

The new client acceptance decision has also been examined in terms of the factors that affect this process;Genderon (2001) aimed to examine how auditors make the decision onclient acceptance in Canada based on a field study, and his results show that the process of accepting new clients is largely flexible and affected by many factors, including informal communications between audit firms and clients, the existence of client acceptance policies inaudit firms, and decision aids related to circumstances. The results also addressed differences between audit firms in considering commercialism or professionalism as the driver of the process of accepting new clients.Johnstone (2001) examined the factors related to the client acceptance decision and found that clients' financial position is the most important factor that auditors consider when assessing clients' risks, followed by industry comparisons, long-term planning, and industry competition. He also found that audit risk factors differ based on auditor experience. In addition, he found that themanagement's attitude toward internal control, the relation between the client and the previous auditor, and information about industry growth affect the client acceptance decision.The client–auditor relationship is also evidenced to bea factor that affects client retention;Mande and Son (2011) found that lengthy audit delays reflect high audit risk factors and result in cutting the engagement of those clients because lengthy interaction can be a result of management integrity, internal controls, and financial reporting issues that auditors consider to berisky factors. This is also supported by the results of Sarapaivanich and Patterson's (2014) study, implemented in Thailand, which found that the quality of interpersonal communications between auditors and their clients has a significant impact on the likelihood of re-engagement of the audit firm in the future.

Laux and Newman (2010) worked to examine the relationship between auditor liability and client acceptance decisions and found that auditors' liability is the key factor in determining the audit fees, audit quality, and client rejection decision due to the risk associated with this liability. They argued that an increase in litigation friction leads to an increase in the client rejection rate. In a recent study, Drira (2013) investigated and explained the theoretical perspectives that have been presented in the auditing literature on the client acceptance decision. The study highlighted many factors that auditors consider when taking the decision onaccepting new clients or continuing with previous clients based on the client and auditor risk approach as the driver of the formation of theclients' portfolio. He proposed that auditors determine the clients' characteristics before taking this decision based on the trade-off between risk and profitability, leading them to make the continuationdecision more easily than accepting new clients.

Based on this approach, he mentioned that client-specific factors are the first variables that auditors consider for the client acceptance decision, and risk avoidance theory plays a controlling role in this decision. Ouertaniand Ayadi (2012) asserted that the client acceptance decision and the engagement process area complex action. At the same time, this process is not well identified concerningthe manner in whichauditors go through the process and no guidelines are provided in theliterature except in relation to the factors that have been discussed earlier. The current study uses the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* issued by the International Federation of Accountants in 2011 as a professional guide on best practices that auditors have to follow in the engagement process and when takingthe decision onclient acceptance or rejection, which forms the first hypothesis:

**H1**: Saudi auditors do not follow professional guides when taking the decision onaccepting a new SME client.

The literature on theclient acceptance decision has mainly focused on the factors associated with this decision based on the risk and client portfolio approach, which is mainly associated with clients' profitability, resultingin investigating the clients' characteristics that control theirrisks. Meanwhile,few studies have focused on the auditors' characteristics that affect the decision onclient acceptance at atime whenmany researchers have argued that auditors accept clients' risks followingdifferent methodologies and different approaches based on their specific characteristics (Gendron, 2001; Imoniana et al., 2013), leading to different strategies fortaking the decision onaccepting new clients. Intheir study, Amir et al. (2014) investigated whether auditors' personal behavior affects their client's portfolio through exploring the effect of audit partners' personal risk preferences on the decision onaccepting new clients or continuing with existingclients. The study examines whether the financial, governance, and financial reporting risk for clients that are engaged with audit partners with criminal convictions are greater than the risk for clients that are engaged with audit partners with no criminal convictions in Sweden.The results of this study indicate that auditors' personal characteristics affect the audit process, the decisions that auditors take during the auditing process, and the audit pricing. It also found that auditors with criminal convictions are more likely to engage with clients who have greater financial, governance, and financial reporting risks.

This means that auditors' specific characteristics affect the engagement process and the acceptance decision; this is also supported by Ouertani and Ayadi (2012), who found that auditors' experience can be used to affect the engagement relationship and increase the collected evidence for specific clients, resulting in reducing clients' risk, and by Asaew et al. (1994),Johnstone and Bedard (2001), and Ethridge et al. (2011),whoargued that auditors' experience and personal characteristics affect the client acceptance decision through the risk assessment and risk acceptance attitudes ofauditors.To this end, the second and third hypotheses investigate the effect of auditors' personal characteristics,which are experience and qualifications,on the client acceptance decision as follows:

**H2**: Auditors' experience doesnotaffect the process of accepting new SME clients in Saudi.
**H3**: Auditors' qualifications don't affect the process of accepting new SME clients in Saudi.

Another approach toauditors' characteristics that hasbeen examined in the literature isto investigatethe effect of audit firms on new client acceptance decisions based on the argument that high-quality audits are delivered by big audit firms (DeAngleo, 1981; Zureigat, 2011). In this context, Gendron (2002) argued that audit firms tend to form some barriers tothe auditors' decision on accepting new clients and this can be noticed based on the audit firm size;at the same time, Lemon et al. (2000) mentioned that big audit firms adopt similar strategies during the process of accepting new clients and Imoniana et al. (2013) argued that big audit firms adopt strategies thatmay differ in the process of accepting new clients but that focus on accepting clients who will not affect the quality of their audits. The fourth hypothesis in the current study aims to investigate the effect of being a big audit firm on the decision concerningthe acceptance ofnew clients:

**H4**: Being an auditor in a Big 4 audit firm doesnot affect the process of accepting new SME clients in Saudi.

## 4. Methodology

### 4.1. Data Collection

To obtain the necessarydata, a questionnairewas developed and distributed to Saudi working auditors. The questionnairewas divided into two sections,the first of which was intended to collect the demographic data about the respondingauditors, including data about auditor experience, professional qualifications, and the size of the audit firm (Big 4 or non-Big 4),while the second section was intended to collect data about whether auditors follow the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* issued by the International Federation of Accountants in 2011 during the process of accepting new SME clients. This section was developed based on the guidelines provided by the mentioned guide,which presents the best practices that auditors have to consider and follow during the engagement process and when taking the decision onaccepting new clients. Considering that the guide provides fiveareas that auditors have to investigate before engaging with a new client, the author followed the guide structure and builtthe questionnairebased on those areas of investigation:does the audit firm have the competence, resources, and time required for the new engagement, is the audit firm independent, are the risks involved acceptable, can the client be trusted, and are the audit preconditions present?The choices forthe respondents'answer werescaled as Yes or No in order to make the answer very clear;0 means that the auditor does not consider the guideline and 1 means that auditor does consider the guideline during the engagement process.

### 4.2. Sample

The questionnairewas distributed to all Saudi auditors who publish their contact information on their website or have valid contact information on the database of the Saudi Organization of Certified Public Accountants(SOCPA). A total of 314 questionnaireswere distributed and 119 were collected and deemedvalid for the statistical analysis.

### 4.3. Variables and Model

The main variable in the current study is the process that auditors follow during the engagement, which was built based on the guidelines provided by the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities*. This process was indexed based on the results of the questionnaires,in which the answers provided by each auditor were considered as the input concerning whether this auditor follows the guidelines provided by the guide or not. This index was examined to determine how auditors take the decision onaccepting new clients and to test the first hypothesis.

To test the rest of the hypotheses, a regression model was developed as follows:

$$\mathbf{DI = \alpha + \beta_1 AE + \beta_2 PQ + \beta_3 AS} + e$$

where:

**DI**: Decision index calculated based on the results of the questionnaires mentioned above.
**AE**: Auditor experience,whichreflects the experience years for auditors in the auditing profession.

**PQ**: Professional qualifications,which reflect auditors' professional qualifications. For this variable, the professional qualifications variable wasgiven 0 if the auditor has only the Saudi professional certificate,which is issued by the Saudi Organization of Certified Public Accountants(SOCPA) because it is a mandatory requirement for any auditor in Saudi, while if the auditor has other recognized professional certificates, like CPA, the variablewas marked as 1.

**AS**: Auditor size,whichreflects the size of the audit firm that the respondingauditor worksfor;this variable wasmarked as 1 if the audit firm is one of the big 4audit firms and 0 otherwise.

## 5. Analysis and Results

The characteristics of the sample are presented in table 1, which provides the frequencies for the sample respondents' characteristics regarding their years of experience andqualifications and whether theywork forBig 4 audit firms or not. The numbers highlight that the study sample is mixed and represents a good degree of diversity regarding those variables; more than half of the sample have more than 5 years of experience in auditing, 47% of them have other professional certificates in addition to SOCPA, and at the time of the questionnaire 60% of the respondentswere working forone of the Big4 audit firms.

Those characteristics provide a good indicator that the sample is appropriateto answer the questionnaireand their responses can be relied on to achieve the study objectives. The experience, qualifications, and quality of the audit firm (measured by whether the audit firm is a Big 4 firm or not) will enhance the results of the questionnaireand provide more objective responses.

**Table 1: Characteristics of the Sample**

| **Experience** | **Less than 5 years** | **More than 5 Years** |
|---|---|---|
| Percentage | 41% | 59% |
| Frequency | 49 | 70 |
| **Qualifications** | **SOCPA Only** | **SOCPA and Other Certificates** |
| Percentage | 53% | 47% |
| Frequency | 53 | 56 |
| **Big4 Auditors** | **Big 4 Audit Firm** | **Non-Big 4 Audit Firm** |
| Percentage | 60% | 40% |
| Frequency | 71 | 48 |

The process of starting the new engagement process and accepting new clients was observed throughout the rest of the questionnairein order to investigate whether or not Saudi auditors follow the professional guidelines that are provided by the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* and to test the study's hypotheses. The reliability test was run before testing the data and the results of Cron =bach's alpha support the reliability of the test,being 72%. The data related to the guide'scomponents (fiveareas of investigations) weretested to explore the nature of the auditors' engagement process and the areas of concentration for Saudi auditors. Table 2 presents the descriptive statistics for those areas.

**Table 2: Descriptive Statistics**

| | N | Mean | Std Deviation |
|---|---|---|---|
| Ability | 119 | 0.87 | 0.18 |
| Independency | 119 | 0.67 | 0.33 |
| Risk | 119 | 0.49 | 0.41 |
| Client Integrity | 119 | 0.39 | 0.42 |
| Preconditions | 119 | 0.75 | 0.26 |
| All the Guide | 119 | 0.64 | 0.23 |

Table 2 presents the means for the answers of the sample tothe questions;taking into account that answers were marked as 1 if the auditor follows the guideline and 0 if not, the averages of the answers are fairlydifferent. The mean for the answers concerningall the guidelines is 0.64, which indicates that auditors follow the guidelines, but when focusing on the areas that the guide provides, we find that auditors donot follow the guide in certain areas;the means of the answers related to the ability of the audit firm to perform the new engagement, the independency of the audit firm, and the preconditions are more than 0.50, indicating that Saudi auditors consider those areas during the process of new engagement and when taking the decision onaccepting new clients. Meanwhile,the means of the answers related to the risk area and client integrity are less than 0.50, which indicates that auditors in Saudi donot consider those factors when accepting new clients. To besure about those results, a one-sample T test was run in order to test statistically whether auditors follow the guide or not;table 3 provides the results.

**Table 3: One-Sample Test**

| **Test Value 0.5** | t | df | *p* value |
|---|---|---|---|
| Ability | 22.274 | 118 | 0.000 |
| Independency | 5.708 | 118 | 0.000 |
| Risk | 0.087 | 118 | 0.931 |
| Client Integrity | -2.891 | 118 | 0.005 |
| Preconditions | 10.540 | 118 | 0.000 |
| All the Guide | 6.549 | 118 | 0.000 |

The results presented in table 3 indicate that Saudi auditors follow the guidelines provided by the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* as the T value for the variable All the Guide is 6.549 at the *p* value = 0, which means that the answers of the auditors show that they tend to follow the guide, leading to the rejection of the first null hypothesis.However,when considering the areas that the guide provides as the main areas of inquiry that auditors have to investigate before engaging with a new client, it can be noticed that Saudi auditors follow the guidelines in three areas,whichare the ability of the audit firm to perform the audit task, the independency of the audit firm, and the preconditions that may raise during the engagement process; the *p* value = 0 for those three variables when the T values are positive for all of them. However, the results clearly show that Saudi auditors donot consider the risk of the audit process and the client integrity when going throughthe process of accepting new clients,asthe T value for the risk area is 0.087 at the *p* value = 0.931, which indicates that there is no agreement by auditors regarding this main area of inquiry, and the T value for the client integrity area is -2.891, which indicates that Saudi auditors clearly do not follow the guidelines related to client integrity.

Such results provide a mix of conclusions about the areas of interest for Saudi auditors during the engagement process, especially sincethe results show that two main areas of focus (risk and client integrity) donot affect the process of taking the decision onaccepting new clients. This could be explained bySaudi auditors focusing on areas that are regulated by the profession (ability, independency, and preconditions), while they donot focus on the professional areas that maintain the quality of the audit. Those results, which are not in line with the literature in this area, could be explained bythe weak professional market in Saudi,whichis a closed market because only Saudi professionals can establish audit firms, which leads to the eliminationof the quality competition.

To obtain the regression model results, a normality test was conducted usingthe one-sample Kolmogorov–Smirnov testin order to avoid statistical problems. The results of this test indicate a normal distribution for the regression variables where the *p* value is less than 0.05.

Table 4 presents the $R^2$ statistics, which reveal that the independent variables explain60% of the variance in auditors' behavior during the process of engagement with new clients, and the F value for the model is 57 when the*p* value is 0, which indicates the relevanceof the model.

**Table 4: Model Summary and ANOVA**

| Model | $R^2$ | Adjusted $R^2$ | F | Sig. |
|---|---|---|---|---|
| 1 | 0.599 | 0.589 | 57.256 | 0.000 |

In addition, the results of the regression model that are presented in table 5 indicate that there is no significant relationship between theyears of experience and the process that Saudi auditors follow during the acceptance ofnew clients;theT value = -0.454 and is not significant at the $p \leq 0.01$ level and is opposite to the expected direction,leading to the acceptance of the second null hypothesis. The same result is found between the qualifications of the auditors and the process that they follow during new engagements, where the T value = 1.653 and is not significant at the $p \leq 0.01$ level and is also opposite to theexpected direction, leading to the acceptance of the third null hypothesis as well.

**Table 5: Results of the Regression Model**

| | Beta | T Value | *P* Value |
|---|---|---|---|
| (Constant) | | 8.513 | 0.000 |
| Experience | -0.036 | -0.454 | 0.651 |
| Qualifications | .131 | 1.653 | 0.101 |
| Big 4 | 0.871 | 10.382 | 0.000 |

The results of the thirdhypothesis,which investigates the effect of whether the auditor is one of the Big 4 audit firms on the process of accepting new clients,is also shownin table5; theT value for the audit firm sizeis 10.382 and significant at $p \leq 0.05$. This result supports the quality of Big 4 audit firms inthe Saudi context and reveals that there is a significant positive relation between Big 4 audit firms as quality auditors and the nature of the process that Saudi auditors follow during the acceptance of new clients.This result leads to the rejection of the fourth null hypothesis and the conclusionthat being an auditor in a Big 4 audit firm affects the process of accepting new SME clients in Saudi. This result is consistent with the literature (DeAngleo, 1981; Imoniana et al., 2013).

## 6.Conclusion

The decision onaccepting new clients through new audit engagements is crucial for all auditors as it determines the future of the audit process and the results that auditors will achieve based on the client–auditor relationship and the risk factors (Johnstone & Bedard, 2004; Mande & Son, 2011). The literature has focusedon the risks associated with new engagement as the main input for auditors while taking this important decision and divided those risk into client-related risks and audit risk. Most of the literature has focused on auditor behavior, especially when engaging with clients from listed companies, and the factors that affect this process. The current study aims to explorehow Saudi auditors decide whether to engage with new SME clientsbasedon the guidelines provided by the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* issued by the International Federation of Accountants in 2011 and then to assess auditors' characteristics that affect theirdecision onaccepting new clients. In addition, the study focuses on the auditors'decision whenengaging with only SME enterprises.

A questionnairewas developed and distributed to Saudi auditors to collect the necessarydata. The results indicate that Saudi auditors follow the guidelines provided by the *Guide to Using ISAs in the Audits in Small and Medium Sized Entities* in general, while a further analysis shows that Saudi auditors follow the guidelines related to the audit firm's ability to perform the audit task, the independency of the audit firm and auditor, and the preconditions that may arise,while they donot follow the guidelines related to clients' integrity and the risk associated with the audit task. Such results provide evidence of less professionalism inthe Saudi audit market. Furthermore, the results of the regression model show that auditors' experience and qualifications donot affect their decision onaccepting new clients, while only the nature of the audit firm as a Big4 or non-Big4 auditor positively affects this decision, providing new evidence that Big4 audit firms provide more quality audits than non-Big 4 audit firms.

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