# Studying the Impact of Auditors' Anxiety on Auditor's Report Content

Mansoreh Zarrin Gharicheh[1] , Rasoul Baradaran Hasanzadeh[1*]

[1] Department of Accounting, Tabriz Branch, Islamic Azad University, Tabriz, Iran.
**Corresponding author and reprints:** Rasoul Baradaran Hasanzadeh, Department of Accounting, Tabriz Branch, Islamic Azad University, Tabriz, Iran.
**Email:** baradaran313@iaut.ac.ir

## Abstract

**Introduction:** Auditors face a wide range of expectations due to conflict of interest between managers and investors that causes stress in the audit work and may have a significant impact on the quality of the audit.

**Methods:** This cross-sectional study was performed on 585 signatories of the audit reports of 139 companies listed on the Tehran Stock Exchange in 2016 and 2017. The statistical population of the study was the signatories of the audit report of the accepted companies in Tehran Stock Exchange. In present study, the information about anxiety of audit managers was collected using Beck Anxiety Questionnaire (1988) and multiple regression and logistic models were used to test the hypotheses.

**Results:** In this study, 585 auditors were examined. The results shown auditors' anxiety leads to presenting an acceptable report and a smaller number of condition clauses, but it does not affect the type of clause and the number of opinion clauses. The results show that auditors who are not anxious or are slightly anxious 371(63.4%) cases do not find themselves under the pressure of negligence of the client, but auditors with moderate anxiety 228 (39%) cases are more probably tend to present acceptable reports and therefore fewer condition clauses due to fear of losing their job.

**Conclusion**: As this study showed auditor's anxiety has no effect on the type of condition clause and also the number of clauses after the opinion; while auditors' anxiety affects the type of auditors' opinion and the number of condition clauses.

**Keywords:** Anxiety; Financial Audit; Professional Practice

## Introduction

Nowadays Auditors play a vital role in world business (1). Judgment and decision making are the main elements of auditing. Auditors should constantly use their professional judgment about both the proper use of accounting standards by the client and the way they do their work according to auditing standards, so it is essential to identify the factors that affect audit judgment because decision-making in auditing that faces some moral problems needs more than just professional and technical competence. For this reason, it is important to have an accurate understanding of the personal characteristics and psychology of auditors as one of these factors influencing their judgment (2). Behavioral researchers have concluded that emotional reactions, including emotions and mental states, play an important role in the process of

judgment and decision-making, and that different judgments by individuals result from their different emotional responses to internal and external factors (3). One of the main founders of the influence of emotions and mental states on the process of judgment and decision-making in psychology, Zajonc (1980), believes that emotional reactions to external factors and stimuli, automatically and unconsciously occur in the initial encounters with the relevant factors and after this stage, they form the process of information processing and judgment. Therefore, since all stages of auditing (planning, operation and opinion) are associated with judgment, the variables related to the person judging can explain some of the causes of differences in judgments (4).

Anxiety is one of the most common mental disorders in human societies and can be revealed and continued through stressful life events, especially long-term problems (5). Anxiety as a part of every human life is exists in all people to a moderate degree and this limit is considered as a compatible response until it does not turn into morbid anxiety (6). One of the sources of auditors' anxiety is the complexity of the audit environment based on the increase in the number of auditing institutes, competition in the auditing market, the power of management to hire and fire auditors and therefore fear of losing a client (or even potential client). Fear of losing a client who pays for audit or non-audit services has a significant impact on the auditor's judgments and as a result in these threatening situations, anxious reactions occur and interfere with the auditor's effective performance. The rate of mental disorders, mental diseases, especially anxiety has increased and its rate in developing countries is 38.6% and according to research (7) the average score of anxiety in Iran is 29.46%. In a study by Anggraini et al., professional sanction, as a test, was considered for auditors who

give wrong opinion. They found that this leads an auditor to feel nervous that if they are incorrect in giving an audit opinion, they will gain professional punishment. The fears of the auditor in receiving professional sanction caused an auditor to be vigilant in offering opinions. This improved the independence of auditors (8). They had also shown that perhaps the professional growth of the auditor is conditioned by the environment of the auditor, which suggests that the working environment, by the professionalism displayed, has a cognitive effect. Besides that, behavior, that is implied by independence, also impacts the workplace environment (9). Samma et al. showed that there are associations between work behavior, job anxiety, and workplace (10). Considering the fact that personality and mental disorders affect job performance, a research that can show the effect of anxiety disorder on the content of auditors' reports could not be found in Iran. So far, limited studies have been conducted to examine the personality aspects of auditors on the content of audit reports and no research has been done on the effect of anxiety on the content of audit reports. Therefore, according what mentioned above, the present study aimed to determine auditor's anxiety effects on the content of the audit report.

**Methods:**

*Study Design*

The present study was a cross-sectional study that aimed to evaluate the Impact of Auditors' Anxiety on Auditor's Report Content on the signatories of the audit report of the companies listed on the Tehran Stock Exchange in 2016 and 2017.

*Setting*

The present study was performed on the signatories of the audit reports of 139 companies listed on the Tehran Stock Exchange in 2016 and 2017. To select the statistical sample first, the names of auditing institutes that had audited all stock

exchange companies in 2016 were extracted, and then the institutes that had audited more than 3 companies were selected from them. In the next step, the names of the signatories of each audit report were extracted, and finally, according to the number of returned questionnaires sent to the auditors who signed the audit reports, samples by census included 165 auditors and 139 companies. In this study, for a more detailed study and to increase the number of samples of companies that were audited by the same auditors in 2017 was added to the sample, which eventually the number of observations reached to 585.

*Variables*

**Audit report type (ART)**: In the present study, there were four types of comments: acceptable, conditional, rejected and Non-comment of auditors, two conditional and acceptable comments have been examined. Code 0 is provided for each auditor's conditional report and code 1 is considered for the acceptable report.

**Real Estate Services (RES):** Because clauses in the audit report due to limitations in the scope of the audit, disagreement with management about the compliance of selected accounting procedures with accounting standards, the methods of their application or the adequacy of information disclosure in Financial statements are generated and subject to reporting. Depending on the case, each of these two factors was considered in the auditors' contingency reports, so that for reports that were contingent due to limitations in the scope of the audit, Code 1 and otherwise code 0 was considered.

**Number of total Restrictions Paragraphs (NTRP):** To calculate the number of clauses, the explanatory clauses included in each audit report have been counted, i.e., the sum of the clauses of limitation and non-compliance clauses in each report has been considered.

**Number of emphasis specific matter Paragraphs (NESMP):** Paragraphs emphasizing the specific matter that are brought after the comment paragraph in the auditors' report in order to highlight an important issue about the problem of continuity of activity or in case of significant but non-substantial ambiguity, have been counted.

*Participants*

In order to collect information and theoretical foundations of the research, the library method was used and the data was collected using the Beck Anxiety Questionnaire (1988) as well as financial statements and audit reports. Kaviani study evaluated the validity and reliability of the BAI Beck Anxiety Inventory in a patient and non-patient Iranian population. The test had acceptable validity (r = 0.72, p <0.001), reliability (r = 0.83, p <0.001) and internal stability (Alpha = 0.92) (11). In the four-choice Beck questionnaire, each question is scored in a four-part range from 0 to 3. Each test item describes one of the most common symptoms of anxiety (mental, physical, panic symptoms). The total score ranges from 0 to 63. Questionnaires were completed by the managers and partners of the auditing organization and auditing institutes which are members of the Iranian Association of Certified Public Accountants. The information related to the audit reports of the companies listed on the Tehran Stock Exchange was extracted from the Codal site (www.Codal.ir).

*Research variables and models*

To test the first sub-hypothesis of the research that auditors 'anxiety affects the auditors' opinion type in Iran, the following binary logistic regression model (Logit) No. (1) has been used. In Logit regression, instead of the method of minimizing the square of errors (which is done in normal regression), the method of maximizing the probability of occurrence of the dependent variable is used. This method is a nonlinear regression technique and the data does not

have to be linear. The presuppositions of the regression model are also not necessary. In logit models, the dependent variable is defined as the occurring probability of code one relative to the occurring probability of code zero $loglog\left(\frac{p_i}{1-p_i}\right)$ which is always between zero and one (Model 1).

To test the second sub-hypothesis of the research that auditors' anxiety affects the type of clauses of the audit report in Iran, similar to the first sub-hypothesis, the logistic regression model is used as described in model 2.

To test the third sub-hypothesis of the research that auditors' anxiety affects the number of condition clauses of the audit report in Iran, the cross-sectional least squares regression model is used as described in the model 3.

To test the fourth sub-hypothesis of the research that the auditors' anxiety affects the number of clauses after the audit report in Iran, the cross-sectional least squares regression model is used as described in the

model (4) in the following (after the linear test it was found that the three variables of leverage ratio, company age and audit quality were among the control variables with VIF higher than 10). The model was tested after removing these three control variables to solve the linearity problem:

**Statistical Methods**
The data were analyzed using regression of ordinary least squares method (OLS) with integrated data approach and at significant levels of 5%. Eviews8 and SPSS 22 software were used for analysis.
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**Results**

In this study, 585 auditors were examined. The age range of people aged 24 to 60 years were of both gender (Male>Female). Auditors' individual characteristics empirical results that are not shown due to the limited space indicate, the stress reaction has no significant association with the gender or age of signature auditors. The auditors' working years was also examined with their workload and stress level that the stress reaction of younger auditors and audit partner was more pronounced.

$$ART_{i,t} = \alpha_0 + \alpha_1 Anxiety_{i,t} + \alpha_2 Tenure_{i,t_{i,t}} + \alpha_3 Rotation_{i,t}$$
$$+ \alpha_4 AuditQuality_{i,t} + \alpha_5 GOV_{i,t} + \alpha_6 Timeliness_{i,t} + \alpha_7 LEV_{i,t}$$
$$+ \alpha_8 ROS_{i,t} + \alpha_9 Curratio_{i,t} + \alpha_{10} ROA_{i,t} + \alpha_{11} Age_{i,t} + \varepsilon_{i,t}$$
Model (1)

$$RES_{i,t} = \alpha_0 + \alpha_1 Anxiety_{i,t} + \alpha_2 Tenure_{i,t_{i,t}} + \alpha_3 Rotation_{i,t}$$
$$+ \alpha_4 AuditQuality_{i,t} + \alpha_5 GOV_{i,t} + \alpha_6 Timeliness_{i,t} + \alpha_7 LEV_{i,t}$$
$$+ \alpha_8 ROS_{i,t} + \alpha_9 Curratio_{i,t} + \alpha_{10} ROA_{i,t} + \alpha_{11} Age_{i,t} + \varepsilon_{i,t}$$
Model (2)

$$NTRP_{i,t} = \alpha_0 + \alpha_1 Anxiety_{i,t} + \alpha_2 Tenure_{i,t_{i,t}} + \alpha_3 Rotation_{i,t}$$
$$+ \alpha_4 AuditQuality_{i,t} + \alpha_5 GOV_{i,t} + \alpha_6 Timeliness_{i,t} + \alpha_7 ROS_{i,t}$$
$$+ \alpha_8 Curratio_{i,t} + \alpha_9 ROA_{i,t} + \varepsilon_{i,t}$$
Model (3)

$$4NESMP_{i,t} = \alpha_0 + \alpha_1 Anxiety_{i,t} + \alpha_2 Tenure_{i,t_{i,t}} + \alpha_3 Rotation_{i,t} + \alpha_4 GOV_{i,t}$$
$$+ \alpha_5 Timeliness_{i,t} + \alpha_6 LEV_{i,t} + \alpha_7 ROS_{i,t} + \alpha_8 Curratio_{i,t}$$
$$+ \alpha_9 ROA_{i,t} + \alpha_{10} Age_{i,t} + \varepsilon_{i,t}$$
Model (4)

**Table 1.** Frequency of Research Variables

| Index Value | Moderate Anxiety | | Low Anxiety | | No Anxiety | |
|---|---|---|---|---|---|---|
| | Percent | Frequency | Percent | Frequency | Percent | Frequency |
| 0* | 70.6 | 413 | 36.6 | 214 | 92.6 | 542 |
| 1 | 29.4 | 172 | 63.4 | 371 | 7.4 | 43 |
| Total | 100 | 585 | 100 | 585 | 100 | 585 |
| Index Value | Tenure | | RES | | ART | |
| | Percent | Frequency | Percentage | Frequency | Percent | Frequency |
| 0 | 71.3 | 417 | 14.8 | 53 | 61 | 357 |
| 1 | 28.7 | 168 | 85.2 | 304 | 39 | 228 |
| Total | 100 | 585 | 100 | 357 | 100 | 585 |
| Index Value | GOV | | Audit Quality | | Rotation | |
| | Percent | Frequency | Percent | Frequency | Percent | Frequency |
| 0 | 55.7 | 326 | 4.8 | 28 | 45 | 263 |
| 1 | 44.3 | 259 | 95.2 | 557 | 55 | 322 |
| Total | 100 | 585 | 100 | 585 | 100 | 585 |

* Classification is described in the method.

**Table 2.** Demographic information of the studied companies

| Observing Numbers Variable | Symbols | Mean±SD | Maximum | Minimum |
|---|---|---|---|---|
| Number of Total Restriction Paragraph | NTRP | 1.00±2.276 | 13 | 0 |
| Number of Emphasis Specific Matter Paragraph | NESMP | 1.00±1.623 | 13 | 0 |
| Timeliness | Timeliness | 0.274±0.203 | 0.742 | 0.032 |
| Lever Ratio | LEV | 0.582±0.246 | 0.994 | 0.047 |
| Return on sales | ROS | 0.125±0.737 | 3.872 | -0.585 |
| Current Ratio | Curratio | 1.231±1.119 | 6.138 | 0.164 |
| Return on Assets | ROA | 0.074±0.148 | 0.583 | -0.269 |
| Company Age | AGE | 1.477±0.300 | 1.813 | 0.602 |

The following Table 1 shows that 228 (39%) cases observations had an acceptable report and also 371(63.4%) cases observations were audited by auditors with a mild degree of anxiety. The average of the number of condition clauses variable is equal to (1.97) and indicates that the number of condition clauses in the audit reports is about 2 on average in the studied sample. The results showed there was a report in the studied sample that did not have a condition clause at all because its

minimum amount is zero and on the other hand its maximum amount shows that the maximum using amount of condition clause was 13 in the studied reports. Table2.

Where in,$ART_{i,t}$: indicates auditor opinion Type, $Anxiety_{i,t}$: indicates auditor anxiety that (No Anxiety), (Low Anxiety) and (Moderate Anxiety) are studied in three Separate sub-tests.
$Tenure_{i,t_{i,t}}$ indicates auditor tenure, $Rotation_{i,t}$ indicates auditor rotation, $AuditQuality_{i,t}$ indicates audit quality, $GOV_{i,t}$ indicates Type of auditing institute (public or private), $Timeliness_{i,t}$ indicates the audit reports timeliness, $LEV_{i,t}$ indicates the leverage ratio, $ROS_{i,t}$ indicates return of sales, $Curratio_{i,t}$ indicates current ratio and $ROA_{i,t}$ indicates return on assets.
As can be seen in Table 3, the test results of the first sub-hypothesis show that the coefficients of the variables of lack of anxiety (-1.296), low anxiety (-1.378) and moderate anxiety (1.944) is significant at the level of 1%. This means that the lack of anxiety or low anxiety in auditors has the opposite effect on the presentation of an acceptable report, but moderate anxiety in auditors has a positive effect on the presentation of an acceptable report. Significance of likelihood ratio test (LR) in all three sub-hypotheses related to the first sub-hypothesis indicates the overall significance of the model at the level of 5% error. McFadden's coefficient of determination also shows that the model independent variables (1), explains dependent variable changes for auditors' stress reaction disease affects the type of auditors' comments in Iran 14%, for auditors' stress reaction disease affects the type of condition clauses of the audit report, 18% and for sub-hypothesis auditors' stress reaction disease number of clauses in the audit report, 22%. The results of the Goodness of Fit Test of the model also show that the accuracy of the overall prediction of the model for all three sub-hypotheses is higher than 68%. Where in;

$RESi$, indicates the type of auditor condition clause, and the rest of the variables are similar to model (1).
As can be seen in Table 3, the results of the second sub-hypothesis test show that the coefficients of none of the anxiety variables (lack, low and moderate) are significant at the 5% error level. This means that the presence or absence of anxiety in auditors does not have a significant effect on the type of condition clause. The significance of LR statistic in all three sub-hypotheses related to the second sub-hypothesis indicates the overall significance of the model at the level of 5% error. McFadden's coefficient of determination also shows that the independent variables of model (2), for all three sub-hypotheses; auditors 'anxiety the type of auditors' comments, the type of clauses in the audit report, 18% and auditors' anxiety the number of condition clauses in the audit report, explain approximately 23% of the changes of the dependent variable. The Test results of Goodness of Fit model also show that the accuracy of the overall model prediction for all three sub-hypotheses is higher than 80%.
Wherein; $NTRP_{i,t}$ shows number of auditor condition clause and the rest of the variables are similar to model (1).
As shown in Table 3, the test results of the third sub-hypothesis show that the coefficients of the low anxiety variables (0.520) and moderate anxiety (-0.662) are significant at the level of 1%. This means that increasing the level of anxiety in auditors has a significant and inverse effect on the number of condition clauses; it means that auditors with moderate anxiety apply fewer clauses in the report. The significance of Fisher statistic in all three sub-hypotheses related to the third sub-hypothesis indicates the overall significance of the model at the level of 5% error. The adjusted determination coefficient also shows that the independent variables of model (3), explain for lack of auditors' anxiety on the number of condition clauses, 26%, for mild auditors'

Table 3. Statistical coefficient t or z VIF of auditors' anxiety effect on the type of auditor's opinion

$$ART_{i,t} = \alpha_0 + \alpha_1 Anxiety_{i,t} + \alpha_2 Tenure_{i,t_{i,t}} + \alpha_3 Rotation_{i,t} + \alpha_4 AuditQuality_{i,t} + \alpha_5 GOV_{i,t}$$
$$+ \alpha_6 Timeliness_{i,t} + \alpha_7 LEV_{i,t} + \alpha_8 ROS_{i,t} + \alpha_9 Curratio_{i,t} + \alpha_{10} ROA_{i,t} + \alpha_{11} Age_{i,t} + \varepsilon_{i,t}$$

| Value | Symbol | | 1st hypothesis | 2nd hypothesis | 3th hypothesis | 4th hypothesis |
|---|---|---|---|---|---|---|
| Anxiety | Anxiety | Statistical coefficient t | 1.776 | -0.013 | -0.546 | -0.099 |
| | | or z | (1.1348) | (-0.380) | (-5.451) | (-1.025) |
| | | VIF | --- | --- | 2.942 | 2.765 |
| Tenure | Tenure | Statistical coefficient t | -0.770 | 0.303 | 0.386 | 0.090 |
| | | or z | (-2.623) | (4.796) | (2.043) | (-1.025) |
| | | VIF | --- | --- | 2/717 | 2.765 |
| Rotation | Rotation | Statistical coefficient t | -2.50 | -0.050 | 0.080 | 0.090 |
| | | or z | (-1.259) | (-1.353) | (0.899) | (0.625) |
| | | VIF | --- | --- | 1.780 | 2.688 |
| Audit Quality | Audit Quality | Statistical coefficient t | 0.195 | ---- | 0.367 | -0.044 |
| | | or z | (0.465) | | (2.337) | (-0.176) |
| | | VIF | --- | | 7.999 | 24.752 |
| Audit firm | GOV | Statistical coefficient t | 0.512 | -0.252 | -0.317 | -0.084 |
| | | or z | (1.962) | (-3.609) | (-1.932) | (-0.636) |
| | | VIF | --- | --- | 4.007 | 3.440 |
| Lever ratio | LEV | Statistical coefficient t | -0.364 | -0.212 | 0.374 | -0.061 |
| | | or z | (-0.613) | (-1.888) | (0.993) | (-0.198) |
| | | VIF | --- | --- | 18.938 | 5.214 |
| Timeliness | Timeliness | Statistical coefficient t | 2.412 | 0.029 | -1.205 | 0.772 |
| | | or z | (4/589) | (-0.289) | (-4.115) | (-2.838) |
| | | VIF | --- | --- | 6.760 | 5.214 |
| Return on sales | ROS | Statistical coefficient t | -0.855 | 0.005 | 0.265 | -0.079 |
| | | or z | (-2.829) | (0.141) | (3.488) | (-1.035) |
| | | VIF | --- | --- | 2.052 | 1.470 |
| Current ratio | Curratio | Statistical coefficient t | -0558 | -0.008 | 0.042 | 0.038 |
| | | or z | (-2.829) | (-0.389) | (0.821) | (0.840) |
| | | VIF | --- | --- | 6.425 | 3.738 |
| Return on assets | ROA | Statistical coefficient t | 2.132 | -0.568 | -1.555 | -0.264 |
| | | or z | (2.525) | (-0.343) | (-2.603) | (-0.574) |
| | | VIF | ---- | --- | 3.552 | 2.789 |
| Company age | AGE | Statistical coefficient t | 0.243 | 0.268 | 0.373 | 0.088 |
| | | or z | (0.700) | (4.140) | (1.620) | (0.505) |
| | | VIF | --- | --- | 41.746 | 24.489 |
| Regression Method | | | Logistics | Logistics | Logistics | Least Square | Least Square | Least Square |
| Likelihood Ratio Test (LR) | | | 106.010 | 141.799 | 174.314 | | | |
| Significance | | | 0.000 | 0.000 | 0.000 | | | |
| Fictitious determination coefficient (McFadden) R² | | | 0.135 | 0.181 | 0.223 | 0.261 | 0.307 | 0.327 |
| Percentage of model prediction accuracy (Goodness of Fit test) | | | 68.38 | 73.85 | 76.41 | | | |
| Durbin Watson | | | | | | 1.725 | 1.820 | 1.832 |
| Fisher statistic | | | | | | 19.721 | 24.475 | 26.749 |
| Significance | | | | | | 0.000 | 0.000 | 0.000 |
| Normality of error values (Jarque-Bera) | | | | | | 29.611 | 22.110 | 20.169 |
| Significance | | | | | | 0.000 | 0.000 | 0.000 |
| Serial Autocorrelation (Breusch Godfrey) | | | | | | 207.435 | 175.332 | 162.431 |
| Significance | | | | | | 0.000 | 0.000 | 0.000 |
| Variance inequality (White)Significance | | | | | | 6.757 | 4.681 | 8.002 |
| | | | | | | 0.000 | 0.000 | 0.000 |

anxiety over the number of conditional clauses, 31% and for average auditors' anxiety over the number of clauses, 33% of the dependent variable changes. The results of the classical regression hypothesis test indicate the simultaneous existence of the

problem of variance inequality and serial autocorrelation in the regression model. After solving this problem using Newey-West correction, the results are extracted as shown in Table (3).

Wherein; *NE*, indicates the number of clauses after the audit report opinion, and the rest of the variables are similar to Model (1).

The test results of the fourth sub-hypothesis show that the coefficients of none of the anxiety variables (lack, low and moderate) are significant at the 5% error level. This means that the presence or absence of anxiety in auditors does not have a significant effect on the number of clauses after the report opinion. The significance of Fisher statistic in all three sub-hypotheses related to the fourth sub-hypothesis indicates the overall significance of the model at the level of 5% error. The adjusted coefficient of determination also shows that the independent variables of the model (4), for all three sub-hypotheses lack of anxiety, mild anxiety and moderate anxiety of the auditors on the number of clauses after commenting on the audit report, explain 4% of the changes of the dependent variable. The results of the classical regression hypothesis test indicate the simultaneous existence of the problem of variance inequality and serial autocorrelation in the regression model. After solving this problem results are extracted as shown in Table 6. by using the "Newey-West correction".

## Discussion

The concept of anxiety is an interdisciplinary, multidimensional, relative and multifactorial concept. Although anxiety started with human birth and has always been with the human and society in all areas of life, but its intensity, extent, type and quality has developed in the industrial world due to external factors. Accordingly, anxiety is a type of unease, concern, crisis and mental imbalance that leads to reflections in the mental zone and

external behavior (12). Although a degree of anxiety is constructive and useful and most people experience it, chronic and persistent anxiety is not only a constructive response but also a widespread failure and despair that deprives a person of most of his possibilities and powers (13). The auditing industry is a people-oriented industry and the work stress of auditors cannot be neglected. This paper takes advantage of the condition in the Iran stock market.

The results of these study showed that the auditor's anxiety has no effect on the type of condition clause and also the number of clauses after the opinion. In other words, this part of the auditors' report has not been affected by the presence or absence of their anxiety. This result shows that the set of factors in the auditing profession, including continuing professional training, Professional code of ethics, development of audit guidelines and programs, as well as continuous professional monitoring of auditors' work, has controlled the impact of auditors' anxiety on this part of the audit report. Professional judgment must be based on reason, and a person is allowed to do so if he is able to obtain the necessary reasons for his judgment. Bhattacharjee et al. showed that auditors' emotions affect their judgment. This was also shown in our study (14). Tsunogaya et al. investigated whether adherence and enforcement stresses caused by supervisors (partners) and peers inside audit firms in Japan trigger unstable audit conduct. They further discussed how these stresses are mitigated by elevated levels of technical and corporate engagement and the personal qualities of auditors. Their findings suggested how compliance anxiety will affect the decisions of auditors, while enforcement stress does not have a substantial effect (15). As well as what we found in our study.

The results suggest that auditors from international audit firms and those in the role of partner show a more distinct response to work stress while auditors with

industry expertise demonstrate a weaker reaction. However, there is no evidence that age or gender affects auditors' stress response. Auditors also tend to be more sensitive and react more intensively when dealing with state owned, especially central government owned, enterprises.

Fisher et al. (16) study examined the link between role anxiety factors and two significant task result variables of the independent auditors: job satisfaction and efficiency. Through analyzing the mediating impact of the Type A behavior pattern on such interactions, the analysis expands previous studies. In the role-anxiety research, the need to re-examine the correlations between the aspects of work anxiety and both work satisfaction and job efficiency utilizing logically dependent indicators, including the Type A behavior pattern, has been emphasized. Their study confirmed that both position conflict and anxiety was substantially negatively linked to the work performance of the auditor and the job satisfaction. While our study showed that, as expected in the theoretical foundations, auditors who are under the pressure of competition in the audit labor market and the threat of losing a client (and possibly other potential clients), face a significant risk of harming their economic well-being and it leads to anxiety which leads to reflections in their mental zone and external behavior that such situation makes them to be tempted to act in their own interest instead of performing their social duty and to use a method that reflects the will of management in the content of the audit report.

Professional judgment must be based on reason, and a person is allowed to do so if he is able to obtain the necessary reasons for his judgment. Necessary reasons are the same evidence that is collected in the audit process from interaction with the client staff, and emotions and mental states during this process will play an important role in how they are collected and ultimately judge and decided (17). The report of the independent auditor is a criterion for compliance of financial reports with accounting standards. In fact, the auditor uses the audit report to provide his opinion on the reliability of financial statements to stakeholders (18). According to the theoretical foundations mentioned above and enactment of the single article law about use of the services of official accountants and the establishment of the Iranian Association of Certified Public Accountants in 2001, the number of auditing institutes has increased. On the other hand, performing of privatization policies in the framework of the laws of economic development programs led to changes in the economic environment of Iran, as one of the users of auditing services. These changes had a special impact on the auditing market in Iran, so that the increase of auditing firms and increasing competition in this market increased the choices of choosing auditor by the clients and gave them more opportunities to choose an auditor that meets the needs of the company and effected auditor-client relation by aspects of the auditor change and duration of the audit tenure (19). Naderi et al. (2016) investigated the effect of personality types A, B, C and D of auditors on the content of the audit report among the managers of the audit organization and organizations which are the Iranian Association of Certified Public Accountants members listed on the Tehran Stock Exchange. The tools used in their research include 4 groups of questionnaires of personality types A, B, C, D and the content of the performance audit report. They used descriptive statistics, one-way analysis of variance and Levin test to analyze the data. The results of their research showed that there is a significant difference between acceptable, conditional and rejected opinions of personality types, but there is no significant difference between the opinion type (non-opinion) and personality types (20).

**Limitations:**

One of the main limitations of this study was the low number of studies with the same hypothesis that didn't lead us make comparisons with literature.

**Conclusion**

In summary, based on a comprehensive analysis this paper clarifies the mechanism that auditors' anxiety affects the type of auditors' opinion and the number of condition clauses. On the other hand, the results of the study have shown that the auditor's anxiety has no effect on the type of condition clause and also the number of clauses after the opinion. The findings not only make up for the shortage of empirical studies, but also offer a perspective on and evidence from the Iranian stock market. More importantly, our findings provide practical guidance on the standardization of auditors' behavior and the quality management of audit firms.

We advise auditing supervising departments to consider the establishment of an upper limit on the number of clients during busy periods, with full consideration of multidimensional factors including individual auditors' capabilities and the audit firm's features. These measures should help to resolve the negative effects of overwhelming work stress on audit quality. These suggestions may contain certain biases and execution difficulties in audit practice, which concern problems that need prompt resolution, further analysis and practical examination.

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