Dysfunctional audit behaviors: an exploratory study in Pakistan

Abstract:

Over the last three decades, interest in identifying what factors can lead dysfunctional audit behavior has proliferated. Notably, collapse of Enron (2001) and Arthur Andersen LLP, it has become common to criticize audit firms. Shockingly, recent Satyam (India's Enron, 2009) has amplified concerns by many researchers. This study aims to draw attention of Institute of Chartered Accountants of Pakistan towards occurrences of dysfunctional audit behaviors among auditors. This is a timely and important accounting text that provides its readers with an intelligent and comprehensible explanation of when, how and why auditors in Pakistan resort dysfunctional audit behavior. In this study, the organizational behavior and industrial psychology literatures provide the basis for developing and testing a model that identifies that emotional intelligence moderate the relationship between professional skepticism, time budget pressure, under reporting of time and premature sign off behaviors.