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**Results and Recommendations:**

**Results:**

1- There is a significant positive relationship between the dependent variable audit quality and the independent variable technical competence.
2- There is a significant positive relationship between the dependent variable audit quality and the independent variable professional skills.
3- There is significant relationship between professional values, ethics, and attitudes and audit quality.
4- At the group level, professional values, ethics, and attitudes competencies are the most important competencies, followed by technical competence, and then professional skills.
5- The most important technical competencies affecting audit quality are audit and financial accounting and reporting.
6- The most important professional skills affecting audit quality are the organizational and intellectual skills.
7- The most important professional values, ethics, and attitudes affecting audit quality are professional skepticism and professional judgment.

**Recommendations:**

1- Egyptian Society of Accountants and auditors ESAA continues education program CDP has to be in line with International Education Standard IES No. (7) for all the auditors in general and IES No.(8) for the engagement partner in particular.
2- Establishing a systematic process to monitor whether engagement partners meet the CDP requirements and provide for appropriate sanctions for failure to meet the requirement.
3- Compare existing Egyptian standards with the new and revised standards issued by IASSB and disclose differences with regard to engagement partner competencies.
4- Performing periodic review of ESAAs response to IFAC requirements.

level 1%, The most important independent variables that affect the dependent variable (***Audit quality***) are:

- Professional skepticism and professional judgment
- Ethical principles

The determination coefficient is (0.622), which means that the independent variables explain 62.2% of the changes that occur in the dependent variable (***Audit quality***).

From the above **H3** is incorrect and we **accept** the alternative hypothesis:

**'There is significant relationship between *Professional Values, Ethics, and Attitudes* and *Audit quality*'**

professional judgment) and dependent variable (***audit quality***) where the value of the correlation coefficient is (.756), it is significant at the significant level of 1%.

Generally, there is a positive relationship between the dependent variable (***audit quality***) and the independent variables (***Professional Values, Ethics, and Attitudes***), and it is significant at significance level 1%.

**Table 8: Pearson Correlation coefficients between *Professional Values, Ethics, and Attitudes* and audit *quality***

| ***Professional Values, Ethics, and Attitudes*** | ***Audit quality*** |
|---|---|
| Commitment to the public interest | .704** |
| Professional skepticism and professional judgment | .756** |
| Ethical principles | .735** |

**** Correlation is significant at the 0.01 level**

**Regression model**

Table (9) represents the stepwise regression model of independent variables (***Professional Values, Ethics, and Attitudes***) on the dependent variable (***Audit quality***).

**Table 9: The stepwise regression**

| F (P-value) | $R^2$ | | B | t | P-value |
|---|---|---|---|---|---|
| 56.057 (0.000) | 0.622 | Constant | .875 | 2.853 | .006 |
| | | x3.2 | .455 | 3.845 | .000 |
| | | x3.3 | .340 | 3.024 | .004 |

It is clear the significance of the regression model as the F value is (56.57) and it is significant at a significance level of 1% as the value of (Sig= 0.000) is less than the significant level 1%, a significant regression coefficients and constant show through T test and the value of p-value as it is significant at the significant

**Table 7: The stepwise regression**

| F (P-value) | $R^2$ | | | | |
|---|---|---|---|---|---|
| | | | B | t | P-value |
| 69.925 (0.000) | 0.673 | Constant | .261 | 3.220 | .002 |
| | | x2.4 | .642 | 6.990 | .000 |
| | | x2.1 | .383 | 3.283 | .002 |

It is clear the regression model is significant as the F value is (69.925) and it is significant at a significance level of 1% as the value of (Sig= 0.000) is less than the significant level 1%, a significant regression coefficients and constant show through T test and the value of p-value as it is significant at the significant level 1%, The most important independent variables that affect the dependent variable (***Audit quality***) are:

- Organizational
- Intellectual

The determination coefficient is (0.673), which means that the independent variables explain 67.3% of the changes that occur in the dependent variable (***Audit quality***).

From the above **H(0)2** is incorrect and we **accept** the alternative hypothesis:

**'There is significant relationship between *professional skills* and *Audit quality*'**

***H3 'There is no significant relationship between Professional Values, Ethics, and Attitudes and audit quality'***

To test this hypothesis we use correlation and regression model as follows:

**Correlation coefficients:**

Table (8) provides the Pearson correlation coefficients of the variables used in the multivariate analysis. As it can be seen, the correlation coefficients reported indicate that there is a strong positive correlation between (Professional skepticism and

*H0(2):'There is no significant relationship between professional skills and audit quality '*

To test this hypothesis, correlation and regression model is used as follows:

**Pearson Correlation coefficients:**

Table (6) provides the correlation coefficients of the variables used in the multivariate analysis. As shown, the correlation coefficients reported indicate that there is a strong positive correlation between (Organizational) and dependent variable (***audit quality)*** where the value of the correlation coefficient is (.788), it is a significant at the significance level of 1%.

Generally, there is a positive relationship between the dependent variable (***audit quality***) and the independent variables (***professional sills***), and it is significant at the significance level 1%.

**Table 6: Pearson Correlation coefficients between *professional skills* and audit *quality***

| *professional sills* | Audit *quality* |
|---|---|
| Intellectual | .662** |
| Interpersonal and communication | .568** |
| Personal | .620** |
| Organizational | .788** |

**** Correlation is significant at the 0.01 level**

**Regression model**

Table (7) represents the stepwise regression model of independent variables (***professional sills***) on the dependent variable (*Audit quality*).

| | |
|---|---|
| Information technology | .541** |
| Business laws and regulations | .718** |
| Finance and financial management | .705** |

**** Correlation is significant at the 0.01 level**

**Regression model**

Table (5) represents the stepwise regression model of independent variables (***Technical Competence***) on the dependent variable (***Audit quality***).

**Table 5: The stepwise regression**

| F (P-value) | $R^2$ | | B | t | P-value |
|---|---|---|---|---|---|
| 75.082 (0.000) | 0.688 | Constant | .557 | 1.921 | .059 |
| | | x1.8 | .734 | 6.129 | .000 |
| | | x1.7 | .287 | 2.798 | .007 |

It is clear the regression model is significant as the F value (75.082) and it is significant at a significance level of 1% as the value of (Sig= 0.000) is less than the significant level 1%, significant regression coefficients and the constant are shown through T test and the value of p-value as it is significant at the significant level 1%, The most important independent variables that affect the dependent variable(***Audit quality***) are:

- Audit
- Financial accounting and reporting.

The determination coefficient is (0.688), which means that the independent variables explain 68.8% of the changes that occur in the dependent variable (***Audit quality***).

From the above **H0(1)** is incorrect and we **accept** the alternative hypothesis:

**'There is significant relationship between *Technical Competence* and *Audit quality*'**

*"Professional Competence for Engagement Partners Responsible for Audits of Financial Statements "*

| | Frequency | Percent |
|---|---|---|
| No | 11 | 15.5 |
| Yes | 60 | 84.5 |
| Total | 71 | 100.0 |

**3. Testing of Hypotheses:**

***H0(1):'There is no significant relationship between Technical Competence and audit quality'***

To test this hypothesis we can use Correlation and regression model as follows:

**Pearson Correlation coefficients:**

Table (4) provides the correlation coefficients of the variables used in the multivariate analysis. As it can be seen, the correlation coefficients reported indicate that there is a strong positive correlation between (Finance and financial management) and dependent variable (***audit quality***) where the value of the correlation coefficient is (.808) and it is significant at the significance level of 1%.

Generally, there is a positive relationship between the dependent variable (***audit quality***) and the independent variables (***Technical Competence***) and it is significant at the significance level 1%.

**Table 4: Pearson Correlation coefficients between *Technical Competence* and audit *quality***

| ***Technical Competence*** | **Audit *quality*** |
|---|---|
| Audit | .808** |
| Financial accounting and reporting | .800** |
| Governance and risk management | .697** |
| Business environment | .514** |
| Taxation | .600** |

public interest) with a mean (4.04) and standard deviation (0.94) , This indicate that most of the views rang from agree and strongly agree and leaning towards agree. Mean views on (Audit quality) (4.03) and standard deviation (0.95), This indicate that most of the views rang from agree and strongly agree and leaning towards agree

**Table 2: Descriptive Analysis for Variables**

| Variables | Mean | Std. Deviation |
|---|---|---|
| Technical Competence | 3.62 | .72 |
| Audit | 3.65 | .81 |
| Financial accounting and reporting | 3.99 | .76 |
| Governance and risk management | 3.52 | 1.06 |
| Business environment | 3.63 | .84 |
| Taxation | 3.65 | 1.03 |
| Information technology | 3.63 | .72 |
| Business laws and regulations | 3.52 | .90 |
| Finance and financial management | 3.35 | .77 |
| professional sills | 3.58 | .67 |
| Intellectual | 3.61 | .71 |
| Interpersonal and communication | 3.52 | .69 |
| Personal | 3.46 | .85 |
| Organizational | 3.72 | .89 |
| Professional Values, Ethics, and Attitudes | 3.98 | .91 |
| Commitment to the public interest | 4.04 | .94 |
| Professional skepticism and professional judgment | 4.01 | .96 |
| Ethical principles | 3.90 | 1.01 |
| Audit quality | 4.03 | .95 |

Table 3: shows frequency distrobution about prior knowledge of International Education Standard No. (8) titled "*Professional Competence for Engagement Partners Responsible for Audits of Financial Statements* ", it can be seen that 84.5% of the sample has Prior knowledge of International Education Standard No. (8).

***Table 3: Frequency distrobution about prior knowledge of International Education Standard No. (8) entitled***

*The researcher will discuss each of the previous elements in detail as follows:*

**1. Reliability and Validity Coefficients.**

The reliability coefficient (Cronbach's Alpha) for the questionnaire questions was calculated to investigate the extent to which the results of the field study are reliable.

Since all the questions require Likert scale, the reliability and validity coefficients of the study variables were calculated. In table (1) it is clear that figures of reliability and validity coefficient are reasonable for all variables. The questionnaire included two main variables, the reliability coefficient ranged from 0.649 for professional sills" to 0.851 for "Professional Values, Ethics, and Attitudes ", while the validity coefficient ranged from 0.806 to 0.922 respectively.[5] So, it could be concluded that it is a coefficient with good significance for research purposes.

**Table (1): Reliability and Validity coefficients of the measurements of the questionnaire**

| Variables | Cronbach's alpha | Valiadtiy |
|---|---|---|
| Competence Area | 0.812 | 0.901 |
| Technical Competence | 0.738 | 0.859 |
| professional sills | 0.649 | 0.806 |
| Professional Values, Ethics, and Attitudes | 0.851 | 0.922 |
| Audit quality | 0.672 | 0.82 |

**2. Descriptive Analysis for Variables.**

Table (2) shows Descriptive Analysis for Variables, From the table it is clear that the views are high for (Commitment to the

[5] The value of validity coefficient is the square root of the reliability coefficient.

d) *Organizational* as the engagement partner should be able to evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit and manage audit engagements by providing leadership and project management of engagement teams.

3. **Professional Values, Ethics, and Attitudes** which include Commitment to the public interest, professional skepticism and professional judgment, and ethical principles.

a) *Commitment to the public interest* as the engagement partner should be able to promote audit quality in all activities with a focus on protecting the public interest.

b) *Professional skepticism and professional judgment* as the engagement partner should be able to apply a skeptical mindset and professional judgment in planning and performing an audit and reaching conclusions on which to base an audit opinion.

c) *Ethical principles* as the engagement partner should be able to apply the ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in the context of an audit and determine an appropriate resolution to ethical dilemmas, evaluate and respond to threats to objectivity and independence that can occur during an audit, protect the confidential information of the entity in accordance with ethical responsibilities and relevant legal requirements.

**Empirical Study**

**Statistical Analysis:**

After decoding and transforming the data into the computer for data processing, the 22th version of the statistical tool S-P-S-S was used to execute data statistical analysis of the field study as follow:

**1. Reliability and Validity Coefficients.**

**2. Descriptive Analysis for Variables.**

**3. Testing of Hypotheses.**

(d)*Business environment*, laws and regulations as the engagement partner should be able to analyze relevant industry, regulatory laws and regulations, and other external factors that are used to inform audit risk assessments including, but not limited to, market, competition, product technology, and environmental requirements and the effect on the overall audit strategy and audit opinion.

(e) *Taxation* as the engagement partner should be able to evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.

(f) *Information technology* as the engagement partner should be able to evaluate the information technology (IT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.

*h) Finance and financial management* as the engagement partner should be able to evaluate the various sources of financing available to an entity in addition to cash flow, budgets, and forecasts to determine the impact on the overall audit strategy.

2. **Professional Skills** which include intellectual, interpersonal and communication, personal, and organizational.
   a) *Intellectual* as the engagement partner should be able to resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyze outcomes.
   b) *Interpersonal and communication* as the engagement partner should be able to communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity and resolve audit issues through effective consultation when necessary.
   c) *Personal* as the engagement partner should be able to promote and undertake lifelong learning and act as a role model to the engagement team and act in a mentoring or coaching capacity to the engagement team.

responsibilities of engagement partners, public accounting firms, and regulators as part of the system of quality control for engagement teams performing audits of financial statements. IES 8 is of interest to all other parties including employers, regulators, government authorities, educational organizations, and any other stakeholders who support the learning and development of professional accountants. This IES is issued December 2014 and is effective from July 1, 2016. (IFAC, 2014).

**Within the light of the IES (8), professional competence and related learning outcomes of an engagement partner is as follows:**

1. **Technical Competence in eight areas which are:** audit, financial accounting and reporting, Governance and risk management, Business environment, Taxation, Information technology, Business laws and regulations, Finance and financial management. **These competencies are presented as follows:**

(a) *Audit* as the engagement partner should be able to lead the identification and assessment of the risks of material misstatement and evaluate responses to these risks and evaluate whether the audit was performed and documented in accordance with applicable auditing standards (e.g., ISAs) and relevant laws and regulations to be able to develop an appropriate audit opinion and related audit report.

(b) *Financial accounting and reporting* as the engagement partner should be able to evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements and evaluate the entity's ability to continue as a going concern.

(c) *Governance and risk management* as the engagement partner should be able to evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.

well as the specific requirements that apply, Bodies responsible for external audit inspections consider relevant attributes of audit quality, both within audit firms and on individual audit engagements.)

C- Outputs – recognizing that some stakeholders (such as regulators) have the ability to influence outputs while for others (such as investors) outputs (in the form of the auditor's report) are relatively standardized. For these factors the IAASB distinguish:

1- Engagement Level (**From the Auditor:** Auditor's Reports to Users of Audited Financial Statements, Auditor's Reports to Those Charged with Governance Auditor's Reports to Management, Auditor's Reports to Financial and Prudential Regulators ; **From the Entity:** The Audited Financial Statements, Reports from Those Charged with Governance, including Audit Committees).

2- Firm and national level (**From the Audit Firm:** Transparency Reports, Annual and Other Reports; **From Audit Regulators:** Providing an Aggregate View on the Results of Audit Firm Inspections).

The previous discussion shows that the audit quality issue is difficult to resolve. These indicators could be very useful to evaluate the quality of the audit work when they are applied to factors on the direct control of the audit firms (such as the professional training) but most of them could be difficult to apply because they measure external drivers, outside the direct control of the auditor, such as the general legal and standards setting environment.

***Professional Competence for Engagement Partners Responsible for Audits of Financial Statements Requirements***

The International Accounting Education Standards Board (IAESB) has issued International Education Standard (IES) 8, *Professional Competence for Engagement Partners Responsible for Audits of Financial Statements* (Revised) which focuses on the professional competence requirement for engagement partners who have responsibility for audits of financial statements. The IES is primarily aimed at IFAC member bodies including Egypt recognizing the shared

A- Inputs – the audit firm's culture (values, ethics and attitudes), the time, knowledge and skill brought to the audit and the effectiveness of the audit's processes and quality control procedures For these factors the IAASB distinguish:

1- Engagement Level (for example the engagement team is independent, exhibits professional competence and due care, and professional skepticism, Partners and staff have the necessary competences, understand the entity's business, and make reasonable judgments)

2- Firms level (Governance arrangements are in place that establish the appropriate "tone at the top", necessary personal characteristics are promoted through appraisal and reward systems supporting audit quality, engagement teams are properly structured, partners and more senior staff provide less experienced staff with timely appraisals and appropriate coaching or "on-the-job" training.)

3- National level (Regulators, national standards setters and professional accountancy organizations are active in ensuring that the ethics principles are understood and the requirements are consistently applied, robust arrangements exist for licensing audit firms/individual auditors, education requirements are clearly defined and training is adequately resourced and effective.

B- Process - quality audits involve auditors applying a rigorous audit process and quality control procedures that comply with laws, regulations and applicable standards. For these factors the IAASB distinguish:

1- Engagement Level (The engagement team complies with auditing standards, relevant laws and regulations, and the audit firm's quality control procedures; and makes appropriate use of information technology.)

2- Firm level (The methodology requires effective supervision and review of audit work; The audit methodology is adapted to developments in professional standards and to findings from internal quality control reviews and external inspections.)

3- National level (Auditing and other standards are promulgated that make clear the underlying objectives as

These hypotheses will be tested using regression and correlation analysis within the light of the results collected from the questionnaires distributed to professionals in the accounting and auditing field in Egypt with the exception of the financial sector due to the specific nature of this sector.

***Engagement partner as an indicator of audit quality***

The International Federation of Accountants in the statement of "a framework for audit quality indicator" describes the dimensions and indicators to assess the quality of audit. They propose a set of qualitative/quantitative indicators that must be discussed with the board's advisory groups, firms, other regulators, audit committees and academics in order to identify a good audit quality framework. These indicators relate to operational inputs, process, and results. A brief discussion of these indicators follows (IFAC (2015).

For *operational inputs*, they relate to the people who work in the audit firm: ratio of partners to staff, partner and staff utilization workloads, industry expertise, training hours per audit professional, and so on.

*For process*: they include compensation trends of prematurely rotated partners, credentials of new hires and recruiting: academic achievement; and compensation levels.

*For Results*: they include frequency and market impact of financial statement restatements for errors, number of material weaknesses and errors, number of audit reports lacking a going concern opinion which had a subsequent bankruptcy.

The International Auditing and Assurance Standards Board (PCAOB) (2014) released its "Framework for Audit Quality: Key Elements that Create an Environment for Audit Quality," identified this factors describing "audit quality indicators" The proposed framework identifies key elements contributing to audit quality: (Neri et al., 2014)

**Audit Quality**

Arens et. Al (2011) defines the quality of the audit as: how well an audit detects and report material misstatements in financial statements reflecting auditor competence, integrity, and independence. Furthermore, it is an audit conducted in accordance with generally accepted auditing standards (GAAS) to provide reasonable assurance that the audited financial statements and related disclosures are (1) presented in conformity with GAAP and (2) are not materially misstated whether due to errors or fraud (US Government Accountability Office (2015). It is also meeting investors' needs for independent and reliable audits and robust audit committee communications (Public Company Accounting Oversight Board (PCAOB), 2015) on: financial statements, including related disclosures; assurance about internal control; and Going concern warnings (Australian Public Policy Committee, 2014). So, audit quality is an audit conducted in accordance with auditing standards generally acceptable that can detect and report material misstatements in the financial statements include disclosure relating either caused by an error / fault or fraud, is able to provide assurance of internal control, and is able to provide going concern warnings (Saputra, 2015).

It is also clear that the previous research studies and even the professional and regulatory organizations concentrate on the competencies of the auditor in general without giving special consideration for the engagement partner. This shows the importance of this research that helps to fill the gap in the literature.

Thus, there will be three research hypotheses as follows:

H0(1): There is no significant effect between technical competence and audit quality.

H0(2): There is no significant effect between professional competence and audit quality.

H0(3): There is no significant effect between professional values, ethics, and attitudes and audit quality.

characteristics include tacit management skills (Tan and Libby 1997; Sternberg and Horvath 1999), superior performance (e.g., Libby and Tan 1994; Ramsay 1994; Jamal and Tan 2001), how to resolve a complex financial reporting issue (Johnstone et al. 2002), and negotiation experience (Brown et al., 2009). Further, Kim et al. (2010) and Duh et al. (2009) find that clients of audit partners with greater years of experience have lower discretionary accruals. Another stream of research suggests that more experience does not necessarily enhance audit quality. First, experienced auditors tend to make predictions that fit existing audit prototypes (Frederick & Libby, 1986), while audit failures are most likely the results of unconscious biases rather than purposeful collusion between auditors and clients. This can lead to lower alertness to issues not indicated by such prototypes (Bazerman, Morgan, & Loewenstein, 1997). Second, more experienced auditors are less likely to require adjustments or issue qualified opinion because they are more aware of the negative consequence of such adjustments or opinions (Abdolmohammadi & Wright, 1987), which would lead to a low audit quality. Additionally, Haynes, Jenkins, and Nutt (1998) find that when clients' interests are made salient, more experienced auditors are more likely to act in line with such interests.

*Regarding industry specialization*, specialization aids in reducing clients' discretion in the application of accounting principles. (Gramling and Ston, (2001). So, there is a negative association between discretionary accruals and individual audit partner specialization (Kim et al., 2010, Kallunki et al. 2009, Duh et al. 2009).

Sapurta (2015) studies the impact of auditor independence on audit quality concluding that the more independent an auditor the more the audit quality.

It is clear that the previous studies concentrate on the individual auditor characteristics in general without giving attention to engagement partner in particular.

engagement partner groups of competencies equal in terms of importance and if they are not equally important what are the most important groups of competencies? Also, within every group, what are the most important competencies? What is meant by audit quality and what are the audit quality indicators?

**IES (8)** specifies three main competencies that the engagement partner must have which are: technical competence, professional competence, and professional values, ethics and attitudes.

The remaining part is divided as follows: Section two introduces literature review, section two discusses engagement partner as an indicator of audit quality, section three discusses professional competence for engagement partners responsible for audits of financial statements requirements, and section four discusses the field study, presents the statistical analysis and then results and recommendations.

**Literature Review:**

1- Engagement Partner Characteristics

Kim et al. (2010) concluded that audit firm characteristics are important in determining both audit quality (usually proxied by measures of conservative financial reporting or discretionary accruals) and audit fees (e.g., Reynolds and Francis 2001; Krishnan 2005; Reichelt and Wang 2010). There are three individual audit partner characteristics in relation to discretionary accruals. These include *audit partner public-client specialization, years of experience, and audit partner industry specialization.*

*Regarding audit partner public-client specialization*, kim et al. (2010) found a negative association between discretionary accruals and audit partner public-client specialization.

*Regarding years of auditing experience*, conflicting results are demonstrated by prior research. Some research demonstrates that individual auditors with greater experience possess characteristics that enable them to achieve higher-quality auditing and financial reporting outcomes. These

quality [2] and International Education Standard (IES) No. 8 "professional competence for engagement partners responsible for audits of financial statements" selects the engagement partner as the most important party in the engagement team specifying the competencies and learning outcomes that the engagement partner should have for audits of financial statements which is convenient specially that EAS No. 220 specifies that the engagement partner[3] is responsible for the overall quality on each audit engagement to which the partner is assigned (EAS, p.7, ISA, p.5). Thus, it is important to know the competencies the engagement partner should have and which ones are more important and this is the main objective of this research.

The engagement partner is a key player in the overall audit quality of the audit engagement and it is important for engagement partners to develop and maintain their professional competence through leading or serving on audit engagements and through other professional development activities as part of their continuous professional development (CPD)[4]. It is also important for firms to make sure that engagement partners have specific competencies that would affect the overall audit quality. However, very little empirical evidence exists on whether and how the competence of the engagement audit partner matters to engagement-level quality. So, the main objective of this research is to highlight the most important competencies of engagement partners that will affect audit quality.

So, the ***question of this research is:*** *"what are the characteristics in terms of competencies that the engagement partner should have that would affect audit quality?"* A number of sub-questions related to this question include: are the

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[2] The three other elements are: firm leadership and tone at the top, monitoring, and auditor reporting.

[3] Auditing standards (EAS and ISA No. 620) define the engagement partner as the partner or the other person in the firm who is responsible for the audit engagement and its performance, and for the auditors report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.

[4] IES 8, Professional Competence for Engagement Partners Responsible for Audits for Financial Statements (Revised) applies IES 7 Continuing Professional Development requirement to the role of an Engagement Partner.

**Abstract**
Engagement partners affect audit quality greatly. The International Federation of Accountants recognizes this importance with the issuance of International Education Standard No. (8) Titled "professional competence of engagement partners responsible for audits of financial statements "specifying the required competencies for the engagement partners to ensure audit quality. Regression and correlation analysis is used to analyze the results of questionnaires distributed to professionals in the accounting and auditing field finding that there is a positive significant relationship between the technical competencies, professional skills, and professional values, ethics, and attitudes and audit quality.

**Key Words**

Engagement Partner, Audit Quality, Audit Quality Indicators Egyptian Auditing Standard No. 220, International Standard on Auditing No. 220, International Education Standard No. 8, International Federation of Accountants, International Auditing and Assurance Standards Board.

**Introduction:**

In February 2014, the International Auditing and Assurance Standards Board (IAASB) released, A Framework for Audit Quality: Key Elements which describes the different elements that create the environment for audit quality at the engagement, firm, and national levels, as well as relevant interactions and contextual factors. However, the IAASB's framework does not present a definition of audit quality or provide audit quality indicators (AQIs) (CAQ, 2014, p.1). Likewise, the Public Company Accounting Oversight Board (2013) released its Audit Quality Indicators Project in which they propose a set of qualitative indicators that must be discussed with the board's advisory groups, firms, other regulators, audit committees and academics in order to identify a good audit quality framework. Despite all the national and international efforts, there is no common definition of audit quality and there is also no unified set of audit quality indicators (AQI). These AQI describe a way to assess the quality of an audit, this is expected to differ depending on the stakeholder and the purpose of an AQI (CAQ, 2014, p.2).

Egyptian Auditing Standard (EAS) No. (220) and International Standard on Auditing No. (220) "quality control for an audit of historical financial information"[1] require audit firms to establish a system of quality control that complies with regulatory and legal requirements and that ensures audit reports issued by the firm are appropriate (EAS, P.5). An audit firm's system of quality control is intended to address certain key elements, such as independence, integrity, objectivity, personnel management (which includes sufficiency of resources, technical knowledge and experience), engagement performance, communication and reporting, and monitoring. The Center of Audit Quality CAQ specifies engagement team knowledge, experience, and workload among the four indicators of audit

[1] Effective for audits of financial statements for periods ending on or after 15 December 2010.

# Engagement Partner Characteristics and Audit Quality- Compliance with IFAC Requirements

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