

# The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion and its Reflection on Information Asymmetry: An Applied Study at Firms Registered on Amman Stock Market Exchange

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*Abstract-* The study aims to form a new model to examine the indirect effect of adopting the joint external approach on the auditor's opinion and its reflection on information asymmetry: an applied study on firm registered on Amman Stock Market Exchange (ASME) by considering auditor's opinion as mediator variable. The population sample used in the current study consists of 46 joint-stock companies from (ASME). data collection was conducted using the annual financial reports of the period (2015-2019), both descriptive and analytical tools are used, the SPSS and AMOS software program was used to test for the hypotheses. The study concludes that the new model is useful in explaining the indirect effect of joint auditing on information asymmetry. It finds that joint audits have a significant positive effect on the qualified auditor's opinion. Joint audit has a significant negative effect on information asymmetry. Qualified auditor's opinion has a significant negative effect on information asymmetry. Joint audit has a significant positive effect on the qualified auditor's opinion and this effect leads to decreased information asymmetry. Consequently, this paper contributes to the limited literature by suggesting a new model for the effect of joint audit on auditor's opinions and its impact on information asymmetry. Significant recommendations urged conducting more research and studies related to adopting the external joint auditing method on the auditor's opinion and its reflection on the inconsistency of information, which enhances interest in this subject.

*Keywords:* - External Audit Approach, Auditor's Opinion, Information Asymmetry, Amman Stock Market Exchange.

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## 1 Introduction

Recent, trends in the auditing profession include increasing focus on improving and strengthening audit quality, especially with regard to enhancing the quality of reports provided by the auditors, as they help to preserve and increase confidence in the financial reports and financial stability indicators by checking accounting information that is prepared by the companies' management, [5]. Thus, in order to protect shareholders and investors from any kind of risks and to reduce agency expenses, external audits are utilized as a control tool, this can be accomplished only if the auditors deliver high-quality audits and by achieving work independence, [18].

One of the main problems faced by the external auditor is the possibility of imposing restrictions on his management to influence his judgment. This may adversely affect the independence of the external auditors involved, which may lead to a reduction in the quality of auditing and informational inconsistency, along with a drop in

the rate of financial reports. As a result, the financial statements do not truly reflect the true financial status of the company as well as its financial performance in light of management practices in managing profits. So, stakeholders, particularly investors, might need assistance in order to make the best economic decisions, which won't lead to inefficiencies. In the process of distributing available resources, available investments of non-profit companies may be directed based on their financial reports that contain misleading information, which leads to the loss of those investments, which eventually causes businesses to fail and the global economy to collapse, [11]. Professional organizations continuously work to expand the use of external auditing and lessen criticism of it. In this regard, a recommendation made by the European Commission in order to gain trust in the auditing profession is the adoption and use of the joint audit technique, as the value of auditing depends on how much the public trusts the auditing profession, [17].

Joint external auditing contributes to reducing the phenomenon of monopolization of the auditing process by certain auditing organizations, which may lead to the creation and support of the so-called second row in the practice of the auditing profession and restrict exploitation and oversight, [9]. The joint external audit also contributes in improving audit quality by activating and providing a mechanism for mutual supervision, improving the effectiveness of discussion between auditors, starting the means for rotating reviewers, and easing time and expense demands, [13]. Users of financial reports rely on the auditors' judgment, which is one of the most important considerations they rely on when making a decision.

Since there is a difference in the results of previous studies that addressed the effect of adopting the joint external audit approach on the auditor's opinion, audit quality, financial reports quality, and earnings quality. In this study, the researcher attempts to define which of these viewpoints corresponds to the status quo of Jordan. Additionally, to the researcher's limited awareness, no earlier study has examined the indirect effect of implementing a joint external auditing approach on the asymmetry of information in the companies listed on the Amman Stock Exchange by using the auditor's views as a mediating factor. Therefore, the aim of this study is to define the effect of the adoption of the standard external auditing approach on providing a conservative opinion in the audit report more than the individual audit in the companies that listed on the Amman Stock Market Exchange (ASME) to identify the effect of adopting the standard external auditing approach on information asymmetry in the organizations listed on the Amman Stock Market Exchange (ASME).

The Significance of the analysis stems from the strong impact of adopting the qualitative external audit approach on the auditors' opinion. The role of this effect is in the cognitive imbalance within the organizations listed on the Jordanian Stock Exchange. The importance of this research lies in the fact that it is directed at the main field in the Jordanian work environment with an emerging capital market that has policies and trends that support its role. It also illustrates the effect of adopting the standard external audit method on the auditors' opinion. Thus, the role of this effect in the cognitive imbalance within the organization listed on the Jordan Stock Exchange

The importance of this research stems from the fact that it has two parts: Theoretical and practical importance. In regard of the theoretical importance, the study derives its significance from the fact that

it attempts to reveal the impact of adopting the standard external auditing method on the auditors' opinion and the role of this impact on the asymmetry of information in the organizations listed on the Amman Stock Market Exchange (ASME). It also appears to be an addition to knowledge related to accounting in general and to Jordan in particular; as it can provide an appropriate analysis of the Jordanian work environment, noting that it cannot be generalized to the results of research in other countries. This study draws its practical importance from the benefits it brings to investors, standards setters, the labor market, and other stakeholders in Jordan and other developing countries where the work environment is similar to the Jordanian work environment through analyzing the impact of adopting the joint external audit approach. Adopting the joint external audit approach may affect the opinions of the auditors, and addressing this impact may affect the asymmetry of information in the organization that is listed on the Amman Stock Market Exchange (ASME). Thereby, the importance of the investigation stems from the importance of the subject of auditors' opinion in itself; as users of financial reports depend on the auditors' statements, which represents one of the most important considerations that are relied on when making decisions. The auditors' opinions also increase the users' confidence in the financial reports regarding the disclosed information.

## 2 Literature Review

The objective of this research is to identify "the effect of adopting the method of joint external review on the opinion of the auditor and its reflection on the contradiction of information," as the researcher referred to many sources and studies from scientific journals and accredited to obtain the most important analysis that dealt with it. With the question of the impact of adopting the external auditor approach, Shared the auditor's opinion and its reflection on the information contradiction. The researcher touches a batch of studies, the most dominant and reliable to this study are:

The study in [3] aims to reveal the role of joint and participatory external auditing and its reflection on the confidence of users from the point of view of audit offices and the Audit Bureau in Iraq. The research uses the illustrative analytical method by testing hypotheses and using the survey as a study tool. Where (75) questionnaire was dispensed to the sample of the population. The research results also showed a positive or significant association

between participatory auditing, joint auditing, and interested parties. In the review process, it is clear that there is a commitment between the availability of positive effects, whether they are negative, in achieving the quality of the review, depending on the condition and appearance of the two types. The researcher agreed with this study through the independent variable that the researcher considered the basis of his current research and disagreed with it in the study tool.

The study in [16] examines audit characteristics, authority tools, and earnings management techniques of listed cash saving in Nigeria for the period 2009-2019. The study population consisted of all 14 listed financial saving banks in Nigeria as of December 31, 2019. The study assumed fair factor and association analysis designs and used different correlations as a knowledge analysis technique. The results demonstrated that the independence of the audit and the possession of social control, and the independent performance of the direction management have a significant negative effect on the management of the profits of the listed Nigerian banks. In contrast, the auditor's size and the review's duration have little impact on the direction of the earnings of the listed banks in Nigeria. Financial listed in Nigeria or increase the audit fees paid by the audit firm because any attempt to decrease audit fees will increase management profits. Social control should be increased as it will decrease earnings management, and self-sustaining managers have to be inflated from the bottom line as this will facilitate earnings management for the cash deposit at banks in Nigeria; The researcher adopted this study through the analysis tool that was used in this study and studied the dependent variable that he benefited from in this study.

The study in [14] aims to investigate the factors critical to the quality of joint auditing, as confirmed by a sample of 200 and fifty Tunisian companies. Information classification was performed by surveying the form. Three critical determinants of our tendency are predictably defined: Auditors characteristics, since we used fundamental component analysis, and then the scaling methods were checked by proposing different correspondence approaches. Finally, the polynomial logit model was implemented. The consequences show that the quality of joint auditing is successfully determined by the three factors that have been tested.

The study in [4] aimed to reveal the concept of junction auditing and to explain the difficulties facing the bank's departments on the one hand, and

the auditors on the other, during applying the standard auditing method describing how to do so. To improve external review using joint review. The research results showed that the collaborative audit method adds a burden to the banks' departments that apply it on the one hand and increases the difficulties faced by the auditors; on the other hand, represented in the absence of transparent systems or instructions that regulate it. The joint audit process and this joint audit improve the external audit by increasing the independence and efficiency of the auditor, and the researcher looks at this study through its dealings with the concept of junction audit and improving the external audit.

The study of [2] dealt with an analytical study of the effect of adopting the junction external audit approach on the auditor's statement and the extent of auditors' reservation of the application of the standard external audit compared to the individual. Audit by analyzing the audit results of firm registered on the Egyptian Stock Exchange (ESE). The researcher relied on a sample of (115) firms listed on the Egyptian Stock Exchange, with a total of (560) audit reports from 2011 to 2015. This study found that the joint external audit approach leads to more reservations. Audit statement compared to the individual review approach, where the percentage of conservative reports issued by both directions was 23.4% and 12.5%, respectively, of the total number of notices issued for each entry. This study uses the data collection method, the statistical treatment method, and the joint external review variable used in his research.

The study [15] shed to determine the impact of data space, Self-sustaining commissioner board (SSCB), audit committee, social control tenure, and company size on earnings management. Data asymmetry is calculated by the relatively poor distinction between the bid and ask; The Independent Board of Commissioners shall be appointed using the share of the Self-sustaining Commissioners in the total Board of Commissioners of the Company; The audit board is calculated using a dummy variable. Management ownership is calculated by using the ratios within the capital provided by the company's entire capital management.

The size of the company is calculated using the logarithm of total assets. As for managing profits, it is measured based on management efficiency. The Jones model calculates the estimated maturity rate. This analysis uses a sample of fifty-five manufacturers registered on the stock market in Indonesia during the 2013-2015 observation period. The calculation analysis used by different linear

regression. Supporting hypothesis testing by using different linear analysis., the study found that data space and social control have a significant impact on profit management. At the same time, information differences, self-sustaining commissioner board, auditing board, management ownership, and company size have been tested to significantly impact the earnings management of producing firm registered on the Indonesia Stock Market Exchange.

The objective of the study in [8] is to conduct an experimental analysis of the effect of auditors' cooperation in spreading knowledge among them by adopting the joint external audit point of view and its effect on audit in private sector companies. In Italy, the number of views reached (4217) from the sector companies. From 2008 to 2011, this study concluded a strong positive relationship with adopting the joint external audit with audit standard in Italy. The results of this research demonstrate that adopting the collaborative external audit approach facilitates the transfer of knowledge between auditors and increases the experience of auditors.

Also the authors in [18] studied the impact of a joint audit assistant in the cycle auditor rotation on the audit quality and independent characteristics of auditors. The study is an experiment using the cluster method in Germany, as this study reports a significant negative. The relationship between external auditor dependency. There is no statistically substantial association between adopting the standard external audit method and audit quality.

The authors in [1] aimed to demonstrate the association among audit reports' content and the information imbalance measures in the stock market for a sample of Spanish companies. The percentage of standardized reports from the study sample was (12.63%), while the rate of clean words from the study sample was (87.37%) during the period from 2001 to 2008. This study concluded that the auditing companies expressed a conservative opinion in the auditing report that showed very high levels of lack of Consistency of information compared to companies that issued a clean statement.

The study in [19] analyzes the impact of audit standard and ownership structure on the earnings management of companies registered on the Iranian stock market for the years 2009-2013 by taking a sample of one hundred companies. Audit quality and ownership structure is a variable quantity to study and is measured by auditor characteristics, audit duration, and capital structure during

managing earnings; Since the Jones model represents the study-dependent variable, secondary knowledge was gathered from the annual reports and accounts of the picked companies and the multivariate analysis analyzed as a computational tool applied to analyze the information. It was determined that the review period significantly negatively impacts earnings management. The study did not prove the validity of its theoretical claim and did not adopt the sampling method to reach the study sample size. The researcher agreed with this study in the form of data collection and analysis.

A study in [6] aimed to study the effect of assuming a junction of external audit standards on exceptional benefits for working capital and audit fees as two alternative measures of audit characteristics, using a selective specimen of European firms, for the years 2008 to 2012. The results found that adopting the joint venture external audit approach had no significant impact on abnormal working capital accruals or audit fees

The study in [10] aimed to reveal the effect of junction auditing on maintaining profits and its reflection on the quality of auditing. Researchers emphasized the necessity of the quality of standard auditing in increasing audit quality because the report disclosed by junction auditors is more accurate than the report issued by a single auditor. Likewise, obtaining audit evidence from four auditors increases the accuracy of the auditor's opinion, which depends on presenting his information supported by this evidence. As a result, it allows the auditor to review the work done by the alternatives to ensure that other auditors have taken an audit plan to get a comprehensive applied audit. Evidence that joint auditing will increase auditor characteristics by reducing the economic association among auditor and customer so junction auditors share audit wages. The study concluded that the businesses with the joint auditors audited are considered to be more discreet than those that the joint auditors audited.

A study in [21] examines whether or not audit quality influences the amount of spatial knowledge of listed firms within the Iranian market capitalization. We tend to charge a toll by exploiting three different audit quality proxies. Together with auditor volume, specialization, and tenure, we supported a sample of seventy-six listed non-financial Iranian companies from 2008 to 2012. The results showed that auditor volume is negatively related with information asymmetry. The study found that hiring auditors who specialize in the industry is associated with lower information

asymmetry. However, we did not perceive any relationship between the interval of the auditor's work and the information asymmetry. Our findings support the claim that audit quality is essential in mitigating company data asymmetries.

The main objective of the study in [20] is to eliminate imbalance in information. He has stated that the spatial ownership of data can be taken out with a higher-quality audit. This study analyzes the differences between organizations that were audited by four large auditing firms that were used to measure the auditing standard and those that were not audited in terms of data inconsistency variables. Organizations audited by four major audit firms, which were said to create a higher quality audit, were compared with alternative organizations in terms of six variables used to measure information asymmetry. The study finished on the production of business enterprises registered on the Istanbul Stock Exchange. The variables of board independence, market value/book value, and James Tobin letter were statistically very different in two separate groups of institutions; however, the study results differ to those reported in the literature.

The study of [12], considers the link between the imbalance of data and, thus, the characteristics of external auditing in the Tunisian stock market. Senior Auditors, It is entirely associated with the audit firm's tenure. Additional testing, however, refines those conclusions, as the positive relation between possession and giving differs in demand prevalence between experts and non-experts reviewers and between the four senior and non-senior reviewers. Specifically, the paper found that supply-and-demand differentials increase the service life of the four non-professional and non-senior clients and need help in valid characteristic methods for determining audit quality. Researchers examine auditor quality, such as senior auditors, tenure, and specialists. Future study exploring the impact of auditor standards on data imbalances and supply-demand differentials in a rising economy such as an African country is very attractive due to earnings quality, which is the essential quality investors are looking for.

After inspecting the above studies, the researcher figured out that this research is differentiated from the others research in that it delivers deeper into the subject of the External Audit Approach on the Auditor's Opinion and its Reflection on Information Asymmetry. In contrast, the earlier investigations were bounded to limited sectors and did not diversify with factors and link them together.

### 3 Research Methods

The study is based on the applied analytical methodology, where the analytical method is used depends on previous studies that related to this subject

Statistical SPSS & AMOS test ban was also used in the study of the effect of adopting the entrance of the joint external auditors on the qualified auditor's opinion and how this affects the information asymmetry. The regression method of the simple, logistic regression, and path analysis methods was used to evaluate the study variable.

#### 3.1 Research Methodology

The descriptive-investigated method is used to reach the study's objectives by the use of primary and incidental data and after dealing with the formerly handled studies associated with the subject of this present study. Preliminary data was acquired from annual reports for the firm registered on the Amman Stock Market Exchange.

#### 3.2 Study Hypotheses

To help touch of the research intentions, this study developed and tested hypotheses:

**H1:** There is a substantial negative effect with a significance level ( $\alpha \leq 0.05$ ) on The Impact of Adopting the Joint External Audit Approach compared to single audit on information Asymmetry in the companies that registered on the Amman Stock Market Exchange (ASME).

**H2:** There is a substantial negative effect with a Significance level ( $\alpha \leq 0.05$ ) for The Impact of Adopting the Joint External Audit Approach on the Qualified Auditor's Opinion in the firm that registered on the Amman Stock Market Exchange (ASME).

**H3:** There is a substantial negative effect with a Significance level ( $\alpha \leq 0.05$ ) for The Impact of the Qualified Auditor's Opinion on information Asymmetry in the firm that registered on the Amman Stock Market Exchange (ASME).

**H4:** There is a substantial negative effect with a significance level ( $\alpha \leq 0.05$ ) on The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion and its Reflection on information asymmetry in the firm that registered on the Amman Stock Market Exchange (ASME).

#### 3.3 Population and Sample Size

After the researcher identified the questions and its hypotheses, then choosing a measurement tool or gathering the information, he must choose a population study, where the population size comprised of (228) firm that are registered on the

Amman Stock Market Exchange (ASME) for the year of (2015-2019), and the study sample consisted of a random representative of registered firm. In all sectors and by 20% (46) of the firm in each industry, as shown in the table (1) below:

Table (1). Population and sample size

Sector	Population	Sample	Percentage
Services Sector	139	28	61%
Insurance Sector	21	4	9%
Industry Sector	53	11	23%
Banking Sector	15	3	7%
<b>Total</b>	<b>228</b>	<b>46</b>	<b>100%</b>

### 3.4 Study Model: External Audit Approach

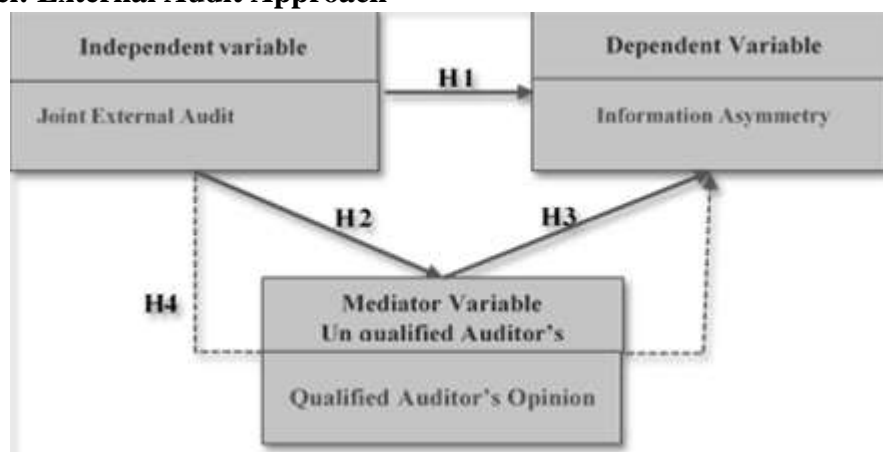


Fig. 1: Study model prepared by researcher. The direct & indirect effect of adopting Joint external auditors on information asymmetry

#### The study model variables and Measurements:

**External Audit Approach (independent):** A procedure in which two firms (a large and a small size firm) audit a particular client firm based on a pre-agreed structure, contract, fees, the opinions and results of the audit operations will be shared by the two companies, [4].

**Auditor's Opinion:** This variable was measured by adding a dummy variable, which expresses the qualified opinions or unqualified opinion (clean) in the auditor's report during the study period, as it will take the value one in the case of qualified opinion, and the value zero in the case of unqualified opinion (clean), [1].

**Information asymmetry (dependent):** An imbalance between two negotiating parties in their statements of relevant factors and details, [4].

In this study, the researcher used the daily average of the difference between the bid-ask spread prices, and the greater the difference, the greater the information asymmetry.

**Firm that registered on the Amman Stock Market Exchange (ASME):** The firm that have been registered on the Amman Stock Market Exchange (ASME), based on the instructions for securities markets in the Amman Stock Market Exchange (ASME) Companies for the year 2018 . (www.ase.com.jo).

### 4 Results

In the present section, the researcher investigated the study factors by utilizing the SPSS program, derived the outcomes of the research hypotheses,

talked about those outcomes, and explained the affiliation with the study variables.

#### 4.1 Test and Results of Hypothesis

Table 2. Pearson’s Correlation Analysis of Variables

	Joint External Audit	Auditor’s Opinion	information Asymmetry
Joint External Audit	1	0.053	-0.149
Auditor’s Opinion	0.053	1	-0.149
information Asymmetry	-0.149	-0.074	1

The Pearson coefficient was used to determine the degree of association among the independent variables as shown in the above table (2), so if the level of correlation among the independent variables is less than (0.05) this point to the fact that there is a weak correlation among the independent variables and, therefore, there is no problem of linear self-correlation, and the researcher found that all values are less than (0.05) and this indicates that the level of correlation is weak among the external audit approach. (independent variables)

**H1: There is a substantial negative impact with a significance level ( $\alpha \leq 0.05$ ) on The Impact of Adopting the Joint External Audit Approach on information Asymmetry in the firm that registered on the Amman Stock Market Exchange. (ASME)**

The following equation measures it:

$$IA_{(it+1)} = \alpha + \beta_1 JA_{(it)} + \epsilon_{(it)}$$

Where:

**IA<sub>(it+1)</sub>**: information asymmetry of the firm (i) in the year (t+1).

**JA<sub>(it)</sub>**: Adopt the external audit method for the firm (I) for year (t).

In this section, the researcher utilized linear Regression Analysis to investigate the study Hypothesis. This inspection phase was executed by some statistical techniques to examine the study hypothesis.

Table 3. Results of the Second Hypothesis

Model	R Square	Sig.*	Coefficients of Independent $\beta$	S.E	T-Value
1	0.512	0.000	-0.716	0.042	17.04

$$IA_{(it+1)} = \alpha + \beta_1 JA_{(it)} + \epsilon_{(it)}$$

\* significance at ( $\alpha \leq 0.05$ ) level.

The table (3) above shows that the value of the coefficient of determination is Adjusted R<sup>2</sup> (0.512), which specifies that adopting the standard external auditing method on information asymmetry is

clearer (51.2%) of the total. The changes that occur in expressing the qualified opinion can be explained by adopting the standard external auditing method on information asymmetry, and the substantial amount was (0.000), which is less

than (0.05) and Coefficients of Independent  $\beta = -0.716$  and T-value= 17.04, so that means the hypothesis assumes to be accepted: There is a substantial effect with a significance level ( $\alpha \leq 0.05$ ). The impact of Adopting the Joint External Audit on information Asymmetry in the firm registered on the Amman Stock Market Exchange (ASME).

**H2:** There is a substantial negative impact with a Significance level ( $\alpha \leq 0.05$ ) for The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion in the firm that registered on the Amman Stock Market Exchange (ASME).

The following equation measures it:

$$QAO_{(it)} = \alpha + \beta_1 JA_{(it)} + \epsilon_{(it)}$$

**Where:**

**QAO<sub>(it)</sub>:** Expressing the qualified opinion in the audit report for the firm (i) with the year (t).

**JA<sub>(it)</sub>:** Adopt the standard external audit method for the firm (I) in the year (t).

In this section, researchers utilized linear Regression Analysis to investigate the Hypothesis. This inspection phase executed main statistical techniques to examine the study hypothesis.

Table 4. Results of the first Hypothesis

Model	R Square	Sig.*	Coefficients of Independent $\beta$	S.E	T-Value
1	0.407	0.000	0.638	0.054	11.81

$$QAO_{(it)} = \alpha + \beta_1 JA_{(it)} + \epsilon_{(it)}$$

\* significance at ( $\alpha \leq 0.05$ ) level.

The table (4) above shows that the rate of the coefficient of determination is Adjusted R<sup>2</sup> (0.407), which indicates that the adoption of the standard external auditing method on expressing a conservative opinion in the audit report more than the individual audit is clearer (40.7%) of the total. The changes that occur in expressing the qualified opinion can be explained by adopting the approach of the standard external audit method, and the significant amount was (0.000), which is less than (0.05) and Coefficients of Independent ( $\beta = 0.638$ ) and (T-value= 11.81) so that means the hypothesis that it assumes is accepted: There is a substantial effect with Significance level ( $\alpha \leq 0.05$ ) for The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion in the companies that registered on the Amman Stock Market Exchange.

**H3:** There is a substantial negative impact with a Significance level ( $\alpha \leq 0.05$ ) for The Impact of the Qualified Auditor's Opinion on information Asymmetry in the firm registered on the Amman Stock Market Exchange (ASME).

The following equation measures it:

$$IA_{(it+1)} = \alpha + \beta_1 QAO_{(it-1)} + \epsilon_{(it)}$$

**Where:**

**IA<sub>(it+1)</sub>:** information asymmetry of the firm (i) for the year (t+1).

**QAO<sub>(it)</sub>:** The auditor's opinion of the firm (I) in the year (t).

In this section, the researcher utilized linear Regression Analysis to investigate the Hypothesis. This inspection phase was executed by main statistical techniques to examine the study hypothesis.



Table 5. Results of the Third Hypothesis

Model	R Square	Sig.*	Coefficients of Independent $\beta$	S.E	T-Value
1	0.50	0.000	0.707	0.038	18.60

$$IA_{(it+1)} = \alpha + \beta_1 QAO_{(it-1)} + \epsilon_{(it)}$$

\* significance at ( $\alpha \leq 0.05$ ) level.

The table (5) above shows that the value of the coefficient of determination is Adjusted  $R^2$  (0.50), which shows that adopting the standard Auditor's Opinion method on information asymmetry is clearer (50.0%) of the total. The changes that occur in expressing the qualified opinion can be explained by adopting the standard Auditor's Opinion method on information asymmetry, and the significant amount was (0.000), which is less than (0.05) and Coefficients of Independent  $\beta = 0.707$  and T-value = 18.60, so that means the hypothesis that assumes to be accepted: There is a substantial effect with a Significance level ( $\alpha \leq 0.05$ ) for The effect of the Auditor's Opinion on information Asymmetry in the on the Amman Stock Market Exchange (ASME).

**H4:** There is a substantial negative impact with a significance level ( $\alpha \leq 0.05$ ). The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion and its Reflection on Information Asymmetry in the firm that registered on the Amman Stock Market Exchange (ASME).

In this section, the researcher utilized linear Regression Analysis to investigate the study Hypothesis... This inspection phase was executed by some statistical techniques to examine the study hypothesis.

Table 6. Results of the Fourth Hypothesis

Path		B	R <sup>2</sup>	Sig. level
<b>Adopting the Joint External Audit Approach</b>		<b>Direct effect</b>		
	<b>information Asymmetry</b>	<b>-0.716</b>	<b>0.512</b>	<b>0.000*</b>
<b>Adopting the Joint External Audit Approach</b>		<b>Indirect effect</b>		
	<b>Auditor's Opinion</b>	<b>-0.824</b>	<b>0.679</b>	<b>0.002</b>

Through the table (6) above, it is clear that the direct impact of the independent variable (Adopting the Joint External Audit Approach) on the dependent variable (information Asymmetry) is statistically significant at the significance level (0.000). where the impact value was (-0.716) which means more entrance of joint external auditors in conducting auditing operations will lead to decrease of information asymmetry.

It is clear from the table data related to the indirect impact, with the presence of the mediating variable (Auditor's Opinion), that the value of the indirect impact was statistically significant at the level (0.002), with a value of (-0.824).

The increase in the impact value of the independent variable (Adopting the Joint External Audit Approach) on the dependent variable (information Asymmetry) in the presence of the

mediating variable (Auditor's Opinion), from (-0.716) to (-0.824), still statistically significant at the significance level (0.00), indicating that the mediation was partial impacting, [7].

Based on the above analysis, the fourth hypothesis was accepted, so There is a substantial effect with significance level ( $\alpha \leq 0.05$ ) of Adopting the standard external review method on the auditor's opinion and its reflection on information inconsistency in the firm registered on the Amman Stock Market Exchange (ASME).

## 5 Discussion

The study derived its importance through the benefits that it provides to all investors, regulators, standard setters, the capital market and other stakeholders in Jordan and other developing countries whose business environment is similar to the Jordanian business environment. Thus, the importance of the subject stemmed from the importance of the auditor's opinion in itself.

The consequences of this study indicated that employing the concept of Impact of Adopting the Joint External Audit standards on the Auditor's Opinion and its Reflection on information Asymmetry in the firm registered on the Amman Stock Market Exchange (ASME), that have the positive moral impact of adopting the junction external audit approach on the auditor's conservative opinion in the audit report, which led to a decrease in information asymmetry.

Furthermore, there is a positive moral effect of adopting the auditor's conservative opinion in the audit report, which leads to a reduction in information imbalance, and embracing the approach of Joint external auditing reduces information asymmetry.

A stimulating increase resulted from the collapses and crisis that afflicted many companies because the global economy was full of them, and therefore the application of this idea became correct. The joint external audit enhances the auditor's opinion and reflection on it. Thus, confidence in the auditor's reports will increase due to the accuracy of preparing these reports, which is a relevant result Statistical indication of adopting the external audit quality method.

So in expressing a conservative opinion within the audit report about the individual audit in the firm registered in the trading of shares in the national capital, there is a substantial effect of adopting the standard external audit method on the inconsistency of data in the companies that listed in the Amman Stock Market Exchange (ASME).

The results of this study agree with the studies of [3], [4], [2], [8], [18], [1], [6], [10].

## 6 Conclusions

The researcher clears up, argues, and outlines the outcomes and conclusions, implying the suggestions reached, the anticipated future studies, and the research barriers.

Therefore, the study reach that the use of the concept of Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion and its Reflection on information Asymmetry in the firm registered on the Amman Stock Market Exchange (ASME) had witnessed a stimulating increase as a result of collapses and crisis that afflicted companies in several companies, and there is a statistical indication. The impact of adopting the standard external audit method on the data inconsistency in the firm registered on the Amman Stock Market Exchange. (ASME), this study found that the joint audit has a substantial positive on the competent auditor's opinion. Joint audit has a substantial negative impact on information imbalance. Competent auditor's opinion also has a significant negative impact on information imbalance. Junction audit has a substantial positive effect on the qualified auditor's opinion and this effect leads to reduction in information asymmetry.

### 6.1 Recommendations

This study emphasizes the necessity of the need for more research and studies to be conducted related to adopting the standard external audit method on the auditor's opinion and its reflection on the inconsistency of information enhances interest in this subject.

The External Audit Approach in Jordan recommended to conduct audit standards that regulate the tasks and responsibilities of the auditors to organize and perform the joint audit and develop instruction to make sure a suitable level of cooperation among auditors to reach the targeted standard audit.

The need to show the importance of the characteristics of the joint external audit because the users of the financial statements expect the achievements of the audit operation to match high standards from the process they depend on in making their decisions and drawing their future strategies.

Work on the practice of junction auditing to improve the characteristics of auditing by enhancing the auditor's efficiency and independence and reducing the concentration of the

auditing market by encouraging the emergence of small auditing firms.

Work to increase the confidence of the company owners subject to the acquisition of the method of joint external audit and ensure the safety of their invested funds.

## 6.2 Future Research

1. Carrying out studies similar to the title of this study and an in-depth study of the dependence of the joint external audit approach on the opinion of the auditor and its reflection on the inconsistency of information

2. The need to show the importance of the audit quality to the auditors because the users of the financial statements anticipate the achievement of the audit operation of high standard because they depend on it in making their decisions and drawing their future strategies.

3. The need to conduct more research and studies on the quality of external, joint, and participatory auditing enhances interest in this subject.

## 6.3 Study Limitations

Human Limitation: study only considering external auditors in firm registered on the Amman Stock Market Exchange (ASME), In addition to limitation of previous study concerning the subject of this study.

Time Limitation: The present study was conducted in 2022.

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I am the sole author of this article that contributed in all stages of the study.

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The author has no conflict of interest to declare that is relevant to the content of this article.

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