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RESEARCH ARTICLE

AUDITING FIRMS IN THE MOROCCAN MARKET: A STUDY BASED ON CONFIDENCE, DATA FROM 2012 TO 2017.

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Abstract

In this research, we report the results by means of Moroccan investigation of the relation between auditor firm choice (confidence) and factors that have impact on the level of that confidence in external audit bodies. But how can we appreciate auditing firm's governance? In this case, distinctions are to be made between small and medium structures and deep pockets (fat four) that are represented by the big4 firms affiliated to the multinational networks. Using a logistic regression, we show that some combinations of factors from the model are explaining our dependant variable. From case studies and a qualitative approach, we conclude that some parameters are influencing differently the choice of the auditor in the case of Moroccan market. These parameters are justified by means of a quantitative approach (a sample of 100 accountants and auditors from big and non-big Moroccan audit firms from north of Morocco). As a result, Moroccan professionals interviewed prefer audits conducted by large audit firms because they perceive that these firms, on average, are providing relatively higher audit quality. They consider that after the crisis of Enron, mergers and acquisitions of bodies by other networks, the big 4 firms have not lose a lot in confidence they are profiting of in the Moroccan market. Therefore, the greater the level of high quality and specialization are demanded in the Moroccan market, the more likely that a firm will continue to provide audits conducted by a large audit firm. Finally, these are other factors determining the choice of auditor, which are positively associated with the confidence in auditor (dependent variable). Audit quality, responsibility, regulation, engagement of human resources in auditing firms can explain choice of big 4 in Morocco. Thus, look for branding name and an international signature, transfer of knowledge, specialization that permit the big 4, are explaining why choosing big 4 auditor, or the migration from a big to another big 4 firm even in network's crisis era.

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Introduction:-

The current context of the crises of the certification has constituted a crisis of the global audit but also a crisis of the audit firms called, the "big of the audit". Auditing is now dominated by techno-structures, by elaborate forms of

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internationalization of services. However, this configuration within the audit trail is not trivial. It is the product of a long and complex historical process of integration and concentration of capital in a global space. This situation has now reached its doctrinal and empirical limits. Historically, in more than 10 years, the "big eight" have become "big five" until the disappearance of Andersen ... to be only four today: "Fat Four". The main objective of these mergers was to deal with globalization. They constituted the most elaborate form of the globalization of auditing and accounting. Like their clients, the consulting and revision giants have sought to adapt to the new imperatives of technological and IT change as well as to ever more demanding customers.

However, the market for auditing is worrying, the concentration of this world market. The "big four" alone audit 90% of the world's 4600 largest companies. Conflicts of interest - audit of competitors by the same firm - were further increased after the consolidation phase of the sector. In fact, the experts were concerned about the consequences of this concentration during the major rapprochement maneuvers. But the experts' fears were stifled by years of unprecedented growth ... until the Enron earthquake. After the disappearance of this energy giant, the experts are worried again about the reduction of the number of large international firms and the state of the world market (disappearance of Arthur Andersen network). There is a great risk that these giants will use their weight to share the market and further influence accounting and financial legislation and standards. This economic and industrial situation is not without implications for the market and its professionals, or even to call into question the mechanisms of regulation and a strengthening of the regulations in force at continental and international level.

Problematic:-

Financial and audit scandals have demonstrated the inability of traditional valuation approaches to grasp the ingredients of governance of particular organizations: audit firms and their networks. The economic and legal circles have reacted (European Union and regulators) by calling, through recent studies and consultations, to overhaul the mechanisms of control of the structures and the market. They discussed the concentration of the audit and professional services market, the structures and procedures for their oversight, including the rotation between size firms and small firms, their competitiveness, Separation between functions (certification and advisory missions) and accountability instruments. These controversial provisions now favor an appreciation of the state of the market from diagnostic tests without being able to propose an accurate and valid empirical model. **Can we test from a combination of endogenous factors and external to the cabinets (auditing firms), confidence in these?**

Literature review:-

Territorial networks are usually guided by a "strategic center" (Lorenzoli and Baden-Fuller, 1995), a broker (Miles and Snow, 1986), a focal firm (Jarillo, 1988), a pivotal firm, Trigger (Doz et al., 2000), etc. The names are varied but refer to the same reality: the presence of an actor who is the architect of the network, who is the manager, the coordinator and the facilitator of Relations (Snow et al., 1992). This central firm was set up for the audit firms, a firm providing a label, an international nomenclature, specializing in certification of accounts. Thinking of parent companies has become the role of pivotal firms and the evolution of their mission from conception, marketing, and standardization, distribution, information on network structures to a focus on strategic and Political nature or decision-making.

The pivotal firm: the core of strategic networking:-

It influences the structural, relational and cognitive dimensions of the network (Labouresse, 2007). This mode of governance facilitates interactions and exchanges among actors (Huggins, 2000). In his study on clusters in Denmark, Chaston (1995) met with events in this mode of governance, to structure the network and to orchestrate cooperation to reduce transaction costs. It is a facilitator of privilege, cooperation and trust in innovation-oriented small-scale networks (Hanna and Walsh, 2002). For Lorenzoli and Baden-Fuller. This mode of governance is powerful in its ability to create value for itself and for its partners, for key competences and to develop and for their capacity to be innovative.

Finally, this mode of governance is characterized by an asymmetry of powers and roles between the firm and the other members of the network (De Propis, 2001). This brings together the complexity of the network in particular by making it possible to return to the mechanisms of settlement more close to the hierarchy in the sense of Williamson than the market (De Propis, 2001, Elhinger et al., 2007). This centralization of powers belongs to the revenge on the potential of tensions, divergences of interests or even latent conflicts.

Professionalization in External Auditing:

Previous research has addressed audit professionals, yet the reality of structures and auditors in firms is to be built. Many questions about their behavior are to be explored. The field of audit practice requires the exploratory approach, participatory observation (derived from ethnology) and the historical approach over a long period of time, as has been practically borrowed from previous research:

- Ethnographic research on professionalization in auditing: more recent detailed studies, typically based on the long term in addition to ethnographic research, have attempted to explore the construction of the "professional" within audit firms (Coffey, 1993, Cirsi, Dirsmith, Heian, & Samuel, 1998, Dirsmith, Heian, & Covalleski, 1997, Gray, 1994, 1998, Hanlon, 1994, 1996, 1999). Based on more general studies on the socialization of firms (Fogarty, 1992), they show that professionalization and what is meant by self-identification, as a professional, is largely constructed within firms (Anderson-Gough, Gray, & Robson, 1998). They have allowed researchers to have an understanding of how to conduct business and how accountants and auditors live on a day-to-day basis and promote "professionalism", especially in multinational audit firms.
- Research on professionalisation in audit and regulation: The production of professional identities and regulation extends to the way people are built by audit and by accounting experts as competitive and responsible objects (Miller & O'Leary, 1987, 1994) and the belief in objectivity and the value of quantification and hierarchy (Porter, 1994; Power 1997; Power et al., 2003).
- Research in time and professional identities in auditing: Audit firms play a central role in these constructions. There would certainly have been a series of stories, probably the most famous of which were those by Jones (1981), Allen and McDermott (1993). They have offered chronologies of professional firms, focusing on key leaders and key events, but without sufficiently clarifying the role of these firms in professionalization. Although they often highlighted the role played by senior partners in professional organizations (e.g., Matthews, Anderson, & Edwards, 1998).

Adaptive behavior of quality:-

Several studies have therefore attempted to explain this phenomenon of reductive behaviors of quality in professional audit. The study by Rhode (1978) -relative to the certification of accounts in the United States which showed that with the opening of the certification market, the maintenance of the quality of the audits became an operational concern. For example, work by the field auditors (eg, Kaplan 1995, Otley & Pierce 1995, 1996a, 1996b, Malone & Roberts 1996, Dalton & Kelley 1997, Reckers et al. This research has shown the possibility for firms to generate behaviors on the part of their unreliable collaborators due to a failure in the controls of the latter at work.

The qualitative study of Herrbach is edifying. This is why we recall the empirical results in a synthesis. It serves us in a comprehensible and interpretive reasoning, otherwise a logic of discussion and construction:

- The frequency of behavior seems to be relatively contained, especially for the most serious behaviors. The question that arises at this stage of the reflection is whether quality-reducing behavior can have a real influence on the quality of audits. In view of the figures, it seems difficult to pronounce on this point;
- The levels noted do not appear to call into question the quality of certification provided by firms, especially if auditors effectively limit their quality reductions to contexts of low materiality. The professional conscience of auditors seems to be generally maintained;
- The fact that emotional involvement is a significant variable for non-professional behavior, not for quality reductions, is also a sign that - whatever they feel about their practices auditors maintain an overall performance Acceptable;

Organizational involvement: a moral link with the organization:-

We read in the works of Herrbach and those quoted by him. This initiative at the empirical level is useful for constructing our questioning and our tools of the method. We read in the author's work that implication, for example, allows to describe the relationship between a person and the organization in which he / she is moving. On an empirical level, this behavioral dimension has been debated by authors such as Neveu (1993) and Meyer & Allen (1997). Mowday et al developed an instrument for measuring involvement, in this case, the Organizational Commitment Questionnaire (OCQ). This instrument, based on a reduced definition of the implication admitted by these authors, measures the moral (ethical and mental) link to the organization.

This measurement tool consists of fifteen items integrating the three factors of the above definition of involvement and reflecting the attitudinal and behavioral intentions of the individual in relation to the organization. This

instrument is not without generating limits to behavioral studies in companies (Neveu 1993). Other authors have developed psycho-social measures of attitudes to work and organization. The one who served in a large number of empirical works is the product of Allen & Meyer (1990). For the authors, the implication remains a psychological state which reflects the relation of the employees to their organization, the concept has now several dimensions. Their approach to the behavior born of involvement, thus makes this attitude a three-natures construct, a first, measured by the eventual departure, a second of belonging and affection, linked to the adherence to the project and to Strategy, or even value system of the company, a last one related to contractual requirements and obligations of function assumed, delimiting the behaviors in the framework of the work.

Commitment:-

A measure of the state of psychosociological identification Like involvement, commitment has been one of the most interesting mental and psychosocial states in research. Some authors (cited by Herrbach) consider engagement in work as a fundamental element in establishing a sustainable competitive advantage of an organization, as the commitment of employees to their work can increase organizational effectiveness and Productivity by involving employees more fully in their work and making work a more satisfying experience (Lawler 1992). Commitment to work was the subject of several measurement tools (Brown 1996). Nevertheless, the Kanungo instrument (1982) has been used in recent work. According to this author, "commitment to work corresponds to the importance given by the employee to his job and to the way in which he gives an individual state of psychological identification with his work". In line with the work of social psychology, the notion of commitment employed by Herrbach reflects the extent to which an individual is led by circumstances to associate his self-image with behavior. It is therefore a reflection of the experiences at work

The models of research:-

The external audit research models that matter to us must contain governance mechanisms. However, little attention has been paid to the overall government or the cabinet in relation to the other actors (regulator, auditee, network). Nevertheless, we have read the authors' work on elements of reflection related to the components of the governance system that we are trying to approach in the audit firms.

a. Model of Otley& Pierce (1995, 1996): adaptive behaviors

This model attempted to explain the adaptive behaviors of quality by means of 7 variables. We recall them as follows: feasibility of the budget, importance given to the budget, structure, consideration, professional involvement, organizational involvement, effectiveness of the review process

b. Model of Malone & Roberts (1996): Reductive behaviors of quality in audit

The model resulting from the work of Malone and Roberts uses thirteen (13) independent variables on which the reductive behaviors of quality depend. This model is constructed from: 5 variables related to the personality; 3 attitudinal variables; 3 variables related to review procedures; 2 variables related to the environment.

c. Model of Herrbach (2000): agency relationship between employee and firm

Herrbach Olivier's model emphasized the evaluation of the psycho-sociological contract between the employee and the firm, based on two key variables: involvement and commitment to work. The contribution of this model is to have demonstrated the consequences of adaptive behaviors on the agency relationship between partner and employee, and to have reflected around the mechanisms of control of the collaborators within the firms. Herrbach, O. (2000) validated the results of previous scientific work, notably from Emby and Etherington (1995), in this case, the low importance of human resource management aspects in the value system of law firms. And the work of Hunt (1995) on the functioning of the system of evaluation of employees of audit firms. Note that the most significant study on this issue is that of Emby&Etherington (1996) who studied the evaluation forms of large audit firms and highlighted the different dimensions of auditor performance. These dimensions, present in all cabinets, are the following: Technical skills; the ability to solve problems (professional ability); Communication skills (personal skills); Mission management (commitment management); Customer service (customer service); the development of the practice (practice development);the development of human resources (staff development).

d. Model of Chegri and All (2013) : An evaluation of external audit based on confidence parameters

VARIABLES	NATURE OF THE PARAMETER	CODIFICATION
<i>Confidence</i>	Var. To explain	<i>CONFSYSGOV</i>
<i>Mistrust</i>	Var. for verification of the model	<i>MEFAUDITE</i>
<i>Audit quality</i>	Var. Explanatory or independent	<i>QAUDIT</i>
<i>Engagement</i>		<i>ENGAGT</i>
<i>Responsability</i>		<i>RESPAUDIT</i>
<i>Size of the Office</i>		<i>TAILLECAB</i>
<i>Regulator Control</i>		<i>CONTREGUL</i>

Moroccan Market of auditing:-**A brief history of the profession of external audit in Morocco**

The evolution of the audit market in Morocco has changed the audit and advisory sector. We note the advent of the period of the mastodons and the monopoly of public accounting after decades of monopoly of the liberal profession under the hand of the protectorate and in the absence of a national professional regulation after the independence of Morocco. Moreover, the institutionalization of the statutory audit will only be carried out in 1993 (date coinciding with a new banking law in Morocco, which will be replaced by a commercial and financial code, A law devoted to the SociétéAnonyme (SA), 17-95. Which liberal profession will be promoted and organized more and more by means of new legislation 20-05. On the doctrinal level, Hopwood (1980, 1985) developed the interest of a contextual approach to the organization of the accounting profession. Other works (egAnnisette, 1999, 2000, Bocqueraz, 1998, 2000, Ramirez, 2001, Uche, 2002) have dealt with the development of accounting professions from a socio-historical perspective. More recently, EL OMARI S. and SABOLY M. made a reading in the history of the liberal profession (accountant) in Morocco. We recall the main milestones as provided by the author of the article:

The accounting profession under the protectorate

Thus, under the protectorate, the French model of public accounting was established, with an outward-looking capitalist economy alongside a traditional pre-capitalized economic system: The local community retains its social institutions, its own values, and It remains governed by the Aboriginal legal order. But as Azziman (1980: 93) points out: "the foreign community can not do without a legal and political system of the same nature as the system it implements". The protectorate has put in place the legal-administrative system and the institutions which guarantee foreigners their personal security and that of their property. Morocco thus discovered "written" law and integrated the sphere of the countries codified law. This phase of management of the accounting profession was characterized by a dichotomy and a professional duality: Like the two economic models, the two forms of "liberal" professions coexist at the same time while remaining well separated. The "imported" liberal profession was reserved for foreigners and for the service of this community. Throughout the duration of the protectorate, this dichotomy persisted.

Moroccanisation of the profession after independence

As regards independence, it constituted a period of Moroccanisation of the model of the liberal profession: The first extends to the end of the 1980s. Its striking feature is the "appropriation" of the institutions and By the Moroccan accounting actors. The second, at the turn of the 1990s, corresponds to a policy of opening up the country and reforming the accounting profession: the diploma of accounting expert is also regulated. The third phase is dominated by tensions between groups and internal and external rivalries.

Organization of the profession since the 1990s

The 1990s, years of change and organization of the accounting profession and expertise in Morocco: The national diploma of accounting expert is created by decree n ° 2-89-519 of 16 July 1990, this diploma is the The result of collaboration between professionals and public authorities. In the absence of a representative body for the profession, the Minister of Finance has set up a committee composed of 10 certified accountants who are involved in setting up and implementing this training. The course, containing three years of theoretical courses (taught by the Higher Institute of Commerce and Business Administration under the supervision of the Ministry of Industry and Handicrafts), sanctioned by annual examinations and the defense of A dissertation at the end of the probation period (3 years). It was necessary to wait until 8 January 1993, the dahir n ° 1-92-139 to see the promulgation of Law n ° 15-89 regulating the profession of accountant and establishing an order of accounting experts. In its first article, the

law defines the accounting expert as "... the person who makes the usual profession of reviewing, assessing and organizing the accounts of enterprises to which he is not bound by a contract of employment". But this law mainly creates the monopoly of the accounting experts on the certification, without any distinction of its forms. For other non-audit missions cited by law, accounting experts compete with other professions. The major condition for access to the order is to hold the national diploma of accounting expert or an equivalent recognized diploma. Transitional measures for non-holders of the accounting qualification remain very severe compared to the experience of other countries. The following table summarizes these conditions.

Tableau 1 Comparaison des conditions d'admission

Source : d'après ABDOU EL JAOUAD, (1998)

Exemples de conditions	Maroc	Tunisie	Algérie
Diplôme d'expertise comptable	Admis d'office	Admis d'office	Admis d'office
Diplômes d'études comptables supérieures+stage réglementaire de 3 ans	12 ans d'expérience	Admis d'office	Admis d'office
Doctorat en gestion des entreprises	12 ans	Admis d'office	Admis d'office
HEC SUP DE CO IEP option comptabilité et finance	15 ans	5 ans	5 ans
Bac+4 économie droit + certificat comptable	15 ans	6 ans	5 ans
Expérience en entreprise	Non prise en compte	Prise en considération	Prise en considération

Thus, a critical reading in the history of the accounting profession and expertise in Morocco is necessary.

Integration of the Anglo-Saxon model in the Moroccan market :-

Anglo-Saxon audit firms have been present on the Moroccan market since the early 1980s. Their creation has been favored by several legislative and technical-industrial circumstances:

- Disciplinary legislation that encourages the introduction of new liberal practices without restrictions or constraints between professional disciplines;
- An overhaul of the Moroccan accounting system and reforms of taxation and accounting, business and corporate law and the revision of the Moroccan public accounting diploma in the early 1980s;
- A lack of audit practitioners and accounting and auditing experts during the 1980s, in addition to a legal vacuum in terms of accounting and auditing at the time;
- Implementation of the opening of the markets of the countries of North Africa on the business world and European and international practices, accounting and verification;
- Proximity responses to requests for professional services from African countries.

Qualitative empirical study:

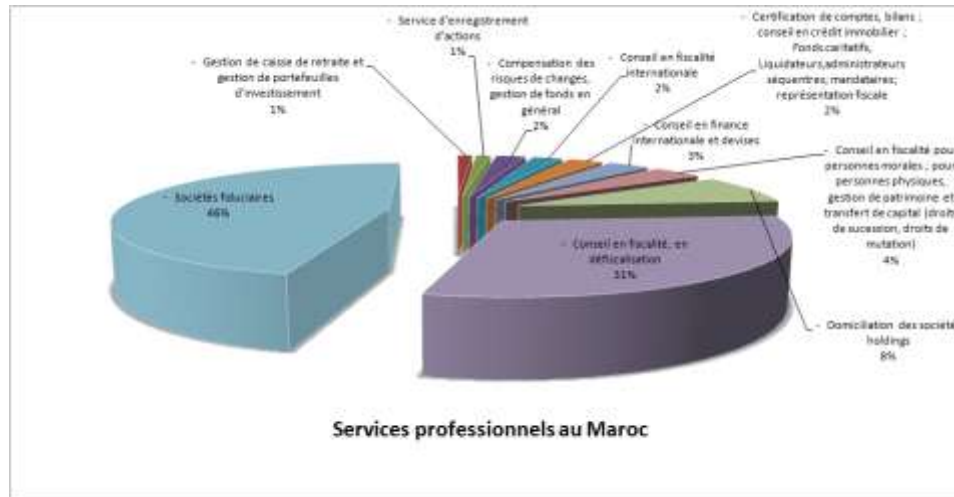
Material and Method:

Whatever the limitations of our research on the quantitative level, having sought to validate a model of analysis (based on independent variables and a variable to be explained, in particular, that of confidence in the big 4 in Morocco). These limits can be described as follows:

- A sense of external auditors hostility to Big 4 practices and their work environments (being virulent competitors) gives a bleak picture of the state of competition on the market boosted by a quadruple firm holding the monopoly on the board Management, tax services and certification of accounts.
- Various variables to be probed on the ground are part of our model, which makes the task of the questionnaire rather difficult;
- Paradoxical response elements that reflect cautious responses from respondents, professional secrecy and taboos of behavior within structures weigh on the consciousness of the questioned;

- Absent data on issues, given the ignorance of the internal management environment of the structures belonging to the big 4 (except in the case of professionals having exercised within the firms affiliated to big 4 having been socialized to their approach and standards Of the firm);

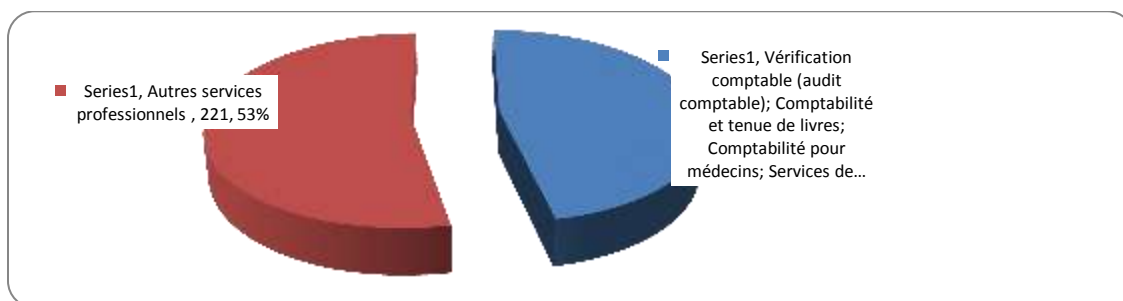
On the digital databases that we had access to, we collected some data on the business services sector, particularly professional, scientific and technical services. We read on the KompasMaroc databases available for the case of the national market, 415 companies, including trusts, auditors and accountants. An allocation can be made according to the nature of the activities carried out to their clientele as follows: Figure 24: Distribution of enterprises by professional services in Morocco



Source: Kompas Morocco (February 2012)

This distribution shows that:

- The most challenging activities in the business portfolio of service companies in Morocco consist mainly of activities carried out by the trustees, followed by activities related to tax advice and the domiciliation of holding companies.
- In this respect, it should be noted that the accounting audit (or accounting audit) is provided by 194 service companies (47%, as shown in the chart we have made), the activity includes bookkeeping, Physician accounting and payroll services.
- Tax advisory services in Morocco include consulting in taxation for natural persons, consultancy in taxation of legal persons, as well as asset management and capital transfer (inheritance tax, transfer taxes), Property taxes, and international tax consultancy.



Source : The Authors

The target population of our questionnaire consisted mainly of public accounting firms. Indeed, we had a contact with some accounting experts in Rabat, Fez and Tangier, who provided us with a database of accounting experts in the northern zone. We have compiled a list of professionals in order to validate our field-based instruments and to capture the content of the audit firm's structural and governance data. This category consists mainly of junior auditors who have left the big 4 network but have a minimum of three years' experience in the office, seniors and auditors working within or outside the big 4 firms.

Axes of the questionnaire:

The questionnaire we have ordered according to the target variables of our model is composed of three sets of variables:

- Attitudinal variables or inherent in the system of audit firms, including quality-reducing behaviors, auditor involvement, responsibility,
- Contextual variables including distrust of the auditee (in the post-crisis period);
- Exogenous variables including the perceived quality of the audited, the control of the network, and the regulation.

Logistic regression: explanation of confidence in the big 4 by the determinants:-

Behavioral analysis runs the risk of remaining incomplete if we limit ourselves to the observation of cross-tabulations disaggregating a practice according to one or more criteria. Indeed, various structural effects can lead to erroneous interpretations, it is then necessary to isolate the eigen effects of a given variable. We have opted for the LOGIT model in order to satisfy our research object whose approach variables are mainly of the qualitative type. In our case it is confidence in the audit. A ruling on the concept is useful at this level:

Trust is to be seen here as the external audit governance system - summarizing in the strict sense the call again for certification by a major audit firm.

The confidence we seek to grasp is perceived by the listeners themselves. The target population of our research is then composed mainly of accountants and auditors.

The author of the paper, Audit Committee Quality, Auditor Independence and Internal Control Weaknesses, used the logit model to model the relationship between three elements (quality of the audit committee, independence of The auditor and weaknesses of internal control, which is similar to our approach of linking several variables. Let's recall the key elements of this work:

The sample: the author of the article worked on a sample of 208 companies.

The variable to be explained by the work of the author is "the existence or not within the company of an internal control and the impact on the quality of audit and the independence of the auditor", it is a dichotomous variable (0 or 1);

Explanation of the explanatory variables used:-

The majority of the variables are qualitative and codified in a gradual way.

In this sense, the character of independence between the components of the model is to be proved in view of the proximity of the variables used in external audit, in particular, responsibility, involvement of the individual, commitment to work, motivation, the remuneration, in this case. On the other hand, the validation and then the correction of our empirical model built previously, based on a combination of parameters of measures of practices and behaviors of individuals within audit firms in view of the sensitivity of our empirical objectives. To the question of the dependence of the variable to be explained and the independence that should be ensured between our explanatory variables. The discussion of the results involves searching for the meaning of each variable in the model, then the significance of the model in general, the elimination of the variables dependent on the operational model and the interpretation of the results after consultation with the professionals in the market.

Results Of Research:-

We sent 100 questionnaires, received 40 responses, and re-launched the remaining 60 to retrieve unoperable responses on 36 questionnaires, as shown in the graph:

This response rate is conclusive on observations:

- The reminders of 60 accounting experts were on two stages by mailing. These people did not respond to our solicitations. Several respondents asked us for explanations on several occasions, the research being difficult to apprehend the professionals themselves. This request served as an indicator of the need to start a qualitative phase since the direct tact with professionals and their maintenance would prove richer.

- Poor interpretation of questions by professionals inducing unexpected responses (bias of non-understanding); Questions received incomplete answers which did not allow the exploitation of their contributions (bias of incompleteness);
- Confusion among many professionals on the specialized jargon of international auditing (mid-tier companies, large companies, etc.), this evidence is reasonable regardless of whether they are professionals of the number and supposed to be trained in the trade and its actors.
- This observation reveals a large gap between two worlds of experts, one domestic (local) and the other Anglo-Saxon (standardized and globalized);
- Respect for the succession of the questioning has not been done, evidenced by the inconsistencies raised between otherwise reformulated questions having received different answers;
- The auditors admit in their answers that they are ignorant of many mechanisms and that they know little about the big 4 environment;
- Questionnaires received show that the certifiers of accounts do not give an interest to the strategy and the management in external audit.
- This also indicates that auditors of mid- and small-sized firms have no incentive to defend the profession and to consider reform and innovation for its benefit.
- This is the responsibility of large firms that are more risky and resource intensive. They accuse these firms of lobbying and affect the free play of competition.

STATA Software Logistics Data Processing:-

The results of using the Logit model are conclusive: The treatment of the results by the logit (logistic regression) model is more solicited in view of the dichotomous character of the variable to be explained or dependent on "confidence" in the governance system of the big 4 firms (ConfSysGov).

- Independent variables record coefficients that denote a positive or negative correlation with the variable to be explained (size, responsibility, control of the regulator ...).
- This allows us to ascertain the sensitivity of ConfSysGov to endogenous variables (involvement, commitment to work (ENGAGGT), reductive behavior of quality (QAUDIT), size (TAILLECAB), responsibility (RESAUDIT), Contextual or exogenous (mistrust of the auditee (MEFAUDITE), control of the regulator (CONTREGUL.).
- From the 40 observations, we sought the meaning of the model (excluded was the mistrust variable of the audit), the latter is significant $P < 0.0176$ on logit, and $P < 0.0174$ on the probit. Let us recall that the logit model is no longer useful when dealing with observations that are weak in numbers. We performed model iterations on logit to test the meaning of the model on 10 observations, then on 15, then on 30. The modeling problem was solved on logit and Probit once our exploitation of the ground reached the 40 observations. We could have done more iterations however, limitations of feedback from the field met our statistical work. This exploitation has also shown us that it would be necessary to reproduce the results by means of logit on a population more interesting in size of the affected population.
- Another important observation deserves to be reiterated. As such, the Logit model is used here as a descriptive model and not as a predictive or explanatory tool. Thus, we could put forward hypotheses that could be the object of further research, especially since the exploration of the audit market in Morocco and its players is at the beginning if not until this date unavailable for several reasons : Reluctance of professionals to share their expertise and retention of information about the profession; Inaccessibility of the sector and lack of academic writing in this field; Unavailability of work, institutional investigations on important issues professional audit; Interest mainly granted to the accounting and fiscal technique and weakly to the work on the management of the structures, the behaviors of the market and those of the players and their strategies.

a) Test of the model (Quaudit, SizeCab, Enggt, Respons, Contregulat)

```
. logit ConfSysGov Quaudit TailleCab enggt Respons Contrégulat
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Iteration 0: log likelihood = -27.725887
Iteration 1: log likelihood = -21.00482
Iteration 2: log likelihood = -20.87563
Iteration 3: log likelihood = -20.873445
Iteration 4: log likelihood = -20.873443
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Logistic regression               Number of obs   =       40
                                LR chi2(5)         =      13.70
                                Prob > chi2         =     0.0176
Log likelihood = -20.873443       Pseudo R2       =     0.2471
```

ConfSysGov	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
Quaudit	-.7116803	.9590116	-0.74	0.458	-2.591309	1.167948
TailleCab	.1145905	.0813636	1.41	0.159	-.0448792	.2740602
enggt	1.022391	1.092268	0.94	0.349	-1.118416	3.163197
Respons	.9208792	.5333803	1.73	0.084	-.124527	1.966285
Contrégulat	-2.65495	1.063348	-2.50	0.013	-4.739074	-.5708266
_cons	-1.715167	1.587822	-1.08	0.280	-4.827241	1.396906

As the above results show, the logit model is significant when we excluded explanatory variables, the one related to distrust of the audit. This seems logical. The model loses coherence and does not admit a resolution of iterations. The variable (MéfAudit) is the opposite of the variable to be explained (ConfSysGov). The model we have constructed and tested, consisting of variables that can explain confidence in the governance system, shows that a contextual variable (mistrust in corporate auditing) can skew the game of the auditor ' audit.

b) Variable (Mistrust) source of failure of model iterations

```
. logit ConfSysGov MéfAudit Quaudit TailleCab enggt Respons Contrégulat
```

```
note: MéfAudit != 1 predicts failure perfectly
      MéfAudit dropped and 4 obs not used
```

```
Iteration 0: log likelihood = -24.730617
Iteration 1: log likelihood = -5.6258395
Iteration 2: log likelihood = -3.7065028
Iteration 3: log likelihood = -1.4911919
Iteration 4: log likelihood = 0
Iteration 5: log likelihood = 0
```

```
Logistic regression               Number of obs   =       36
                                LR chi2(-1)        =      49.46
                                Prob > chi2         =       .
Log likelihood = 0                Pseudo R2       =     1.0000
```

ConfSysGov	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
MéfAudit	(omitted)					
Quaudit	235.8353	.	.	.	.	.
TailleCab	12.06253	.	.	.	.	.
enggt	48.29743	.	.	.	.	.
Respons	-6.015579	.	.	.	.	.
Contrégulat	-4.863597	.	.	.	.	.
_cons	-305.6252	.	.	.	.	.

Note: 16 failures and 20 successes completely determined.

c) Combination (SizeCab-Enggt-Respons-ContRegulat)

```
. logit ConfSysGov TailleCab enggt Respons ContrRegulat
```

```
Iteration 0: log likelihood = -27.725887
Iteration 1: log likelihood = -21.291047
Iteration 2: log likelihood = -21.152006
Iteration 3: log likelihood = -21.150067
Iteration 4: log likelihood = -21.150066
```

```
Logistic regression      Number of obs   =      40
                        LR chi2(4)      =      13.15
                        Prob > chi2     =      0.0106
Log likelihood = -21.150066      Pseudo R2      =      0.2372
```

ConfSysGov	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
TailleCab	.1208344	.0788102	1.53	0.125	-.0336308	.2752996
enggt	.6896437	1.007838	0.68	0.494	-1.285683	2.66497
Respons	1.015002	.5142309	1.97	0.048	.0071279	2.022876
ContrRegulat	-2.491545	1.020519	-2.44	0.015	-4.491726	-.4913633
_cons	-2.242387	1.420517	-1.58	0.114	-5.026549	.5417745

d) Combination (Enggt-Respons-ContRegulat)

```
. logit ConfSysGov enggt Respons ContrRegulat
```

```
Iteration 0: log likelihood = -27.725887
Iteration 1: log likelihood = -23.108632
Iteration 2: log likelihood = -23.048315
Iteration 3: log likelihood = -23.048091
Iteration 4: log likelihood = -23.048091
```

```
Logistic regression      Number of obs   =      40
                        LR chi2(3)      =       9.36
                        Prob > chi2     =      0.0249
Log likelihood = -23.048091      Pseudo R2      =      0.1687
```

ConfSysGov	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
enggt	.5113006	.9647329	0.53	0.596	-1.379541	2.402142
Respons	.7092897	.4874201	1.46	0.146	-.2460361	1.664616
ContrRegulat	-2.525521	1.079144	-2.34	0.019	-4.640605	-.4104376
_cons	-.4718447	1.004389	-0.47	0.639	-2.44041	1.496721

e) Combination (Respons-ContRegulat)

```
. logit ConfSysGov Respons ContrRegulat
```

```
Iteration 0: log likelihood = -27.725887
Iteration 1: log likelihood = -23.226113
Iteration 2: log likelihood = -23.19067
Iteration 3: log likelihood = -23.190606
Iteration 4: log likelihood = -23.190606
```

```
Logistic regression      Number of obs   =      40
                        LR chi2(2)      =       9.07
                        Prob > chi2     =      0.0107
Log likelihood = -23.190606      Pseudo R2      =      0.1636
```

ConfSysGov	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
Respons	.6144272	.4391686	1.40	0.162	-.2463276	1.475182
ContrRegulat	-2.189757	.8333984	-2.63	0.009	-3.823188	-.5563266
_cons	-.0949559	.7020242	-0.14	0.892	-1.470898	1.280986

In conclusion, the iterations allowed us to identify 4 combinations of explanatory variables:

Variables choice	Justification of significance Of the model by Chi Square (P <0.05)
1) V3+V4+V5+V6+V7	P=0,0176
2) V4+V5+V6+V7	P=0,0106
3) V5+V6+V7	P=0,0249
4) V3+V7	P=0,0107

According to the results achieved:

- The best combination we have noted in terms of power of significance is composed of the four variables (TAILLECAB, ENG GT, RESRP, CONTREGUL). The second combination constructed with three variables (ENG GT, RESRP, CONTREGUL) also validates the model. The third combination is made from two variables (QUAUDIT, CONTREGUL) which explains perfectly the variable to be explained.
- The results of our iterations using a logistic estimate show that the statistical significance of the coefficient associated with the firm size variable, commitment and responsibility of the auditor shows a significantly positive relationship with the dependent variable of Confidence (ConfSysGov).

Moreover, since our quantitative approach a series of observations are made :

- A confusion between the governance mechanisms entered in the internal or external audit firm register; The definition of audit governance is not as clear in the eyes of national professionals;
- Professionals are aware of the nature of mechanisms that can constitute a system of governance, whatever the interest of debating the contours in a context of monopoly of profession does not feel;
- The functional approach is in order, professionals no longer debate these regulatory issues at the domestic level. The change comes from above or from abroad (the case of accounting standardization is edifying as such, IFRS).
- The impact of size is observed in public procurement and awarding of studies and tests assessment and advisory services to size firms; According to the CACs, audit reviews and studies are all oriented to size firms and not trustees.
- This reality seems to us true insofar as the certification work is mainly carried out by 7 firms on the market. This dominance is a trend, but it is compatible with the international trend. A wider study could corroborate this industrial observation.
- Moreover, the size reveals the experience and the industrial and staff expertise (auditors), quality-reducing behaviors are frequent but are not declared within the audit branch -CAC or controlled, they remain strongly linked to Ethical and accountability aspects, and direct supervision within the structure.

Conclusion:-

The conclusions are the following:

- The choice of External Audit confidence as a variable to be explained imposed a modeling using logistic regression. This is a binary variable. Without this we will not have been able to measure the effects of endogenous and exogenous variables of the governance evaluation model as we have constructed it. The proposed operating model serves in the approach by means of a logistic estimation of the explanatory force of governance mechanisms.
- The modeling processing can answer practical questions such as micro-economic decision-making, human resources optimization and strategic analysis of audit firms. Nevertheless, we have not been able to validate it with the so-called big 4 affiliates, so the observations do not include answers from these international networks. This means that we have not been able to ensure that the determinants of the model explain the state of external Audit confidence in the case of the big 4.
- The behavioral and contractual dimensions represent areas of vulnerability In the system of governance of External Audit structures. We have integrated the social aspect within the External Audit structures into the model, yet a true description of the complex reality within these firms and their networks is far from being achieved. The theory is poorly provided around the behavioral effects on external audit governance and merits further exploratory work.

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