

# EFFECTS OF STRATEGIC COMPREHENSIVE AUDIT PROCESS AND AUDIT SUCCESS OF TAX AUDITORS (TAs) IN THAILAND

Amarit Sompong<sup>1</sup>, Phaprukbaramee Ussahawanitichakit<sup>2</sup>, and Suparak Janjarasjit<sup>3</sup>

**Abstract:** *The audit business operation under a high competitive environment requires the audit process comprehensive mixed strategy which progressively contributes auditors' survival. This research investigates the strategic comprehensive audit process relevant to audit in excellent practice, report quality, information reliability and success. The sample group were tax auditors in Thailand. According to the multiple regression hypothetical testing, the finding revealed that the audit success related to practice excellence and information reliability. Those generated from tax auditors competency towards each dimension of strategic comprehensive audit process to audit work. However, there was no relationship shown between the audit report quality and success. Stemming from this research outcome, the antecedent variables and moderating variables should be concerned for further study.*

**Keywords:** *Strategic Comprehensive Audit Process (SCAP), Audit Practice Excellence (APX), Audit Report Quality (ARQ), Audit Information Reliability (AIR), Audit Success (ASS)*

## 1. Introduction

The audit process is a preliminary activity which consists of planning the audit, risk assessment procedures, risk response, and reporting, but the audit process is an effective means to process a combination of people, processes and technology to achieve the best audit practices (Chow, Ho & Mo, 2006). The best audit practices require audit management. An auditor needs to develop his/ her comprehensive strategic auditing process for a description to define the scope, duration, guidelines for auditing and resources needed for the audit under the terms of the International Standard and

Auditing edition No. 300. Therefore, the strategic formulation is important to the audit process development through strategic and tactics. It also contributes to corporate productivity, profitability and business success (Abraham, 2005; Bowman & Helfat, 2001). Such strategies need to analyze the business environment, both inside and outside, in a systematic way for firms that can be adjusted to the business operations of the company and achieve compliance (Jackson, 1991). Moreover, the implementation of a comprehensive strategy is an integrative process and products of

---

<sup>1</sup> Amarit Sompong, a Ph.D. (Candidate) in Accounting at Mahasarakham Business School, Mahasarakham University, Thailand; M.S. (Accounting) from Thammasat University, Thailand in 2003

<sup>2</sup> Associate Professor Dr. Phaprukbaramee Ussahawanitichakit, a lecturer in accounting, Mahasarakham Business School, Mahasarakham University, Thailand; Ph.D. from Washington State University, USA in 2002

<sup>3</sup> Dr. Suparak Janjarasjit, a lecturer in accounting, Mahasarakham University, Thailand, Ph.D. from Washington State University, USA

the company's resources to achieve competitiveness and competitive advantage (Schendel & Hofer, 1979). Thus, the auditor must develop a strategy to ensure that conducting all audit activities within the company is worked (Bani-Ahmed & Al-Sharairi, 2014). Kizirian, Mayhew and Sneathen (2005) found that an auditor's comprehensive management influenced the planning and risk assessment for auditing affected the audit report.

In particular, the quality of the strategic comprehensive audit process is derived from the knowledgeable and independent auditors. The auditors develop their knowledge towards the investigative process to obtain evidences with sufficiency and reliability. Qualities arisen from the strategic comprehensive audit process quality with one's team can make the right decisions during the audit with credible evidences; then, leading to accurate comments on the audit reports. The quality of audit practices presented in the report becomes credible and beneficial for readers. The auditors need to improve the audit process for continually motivating and changing the audit team's behavior as to perform better. (Hammersley, 2011). Moreover, the auditors need resources to work with the allocation methods that are efficient and effective (Knechel, Rouse, & Schelleman, 2009). Brown and Blackmon (2005) suggest that a operational method of employees' involvement in a strategy has become competitive advantage for a company.

Due to the constant change of the environment at current, businesses and competitors are challenged to comprehend customers' needs. The pressure from customers has been increasing in business service sector as well as the delivery of value-added products among competitors (Baker, 2003). Concerning a a member of the Asean Economic Community (AEC), Thailand –a group of ASEAN countries also has a common goal of economic integration in the marketing economy and production in late 2015 (Ledda, 2012). In

view of AEC, the accounting profession requires a sphere of liberalization. As a result, the competition of accounting profession among ASEAN workforce has been increasing in the labor market either foreign or resident workers in Thailand. Auditors will have an impact on fee, competition increased, and information reliability (Kleimann, 2013). Concerning the atmosphere of competitive profession, Thai auditors need to adjust strategies of audit processes towards their own capabilities, lower cost, and timely achievement for a competitive advantage (Niezen & Weller, 2006). The joint strategy audit process formulation allow the auditors understanding and having a focus on the practice exam to achieve this goal by implementing the strategy. This is the capacity development of the auditor working with specific expertise and achieve competitive advantage (Floyd & Wooldridge, 2000). It is important to contribute to the operational performance in both short and long term (Kunc & Bandahari, 2011). It was unexpected that researches about audit process had studied only in Europe or developed nations especially in larger companies (Manita, Elommal 2010). Besides, there was not any research about the caliber of the audit process via those areas apparent in Asia (Krishansing 2011). Therefore, this research is developed to examine the effects of the strategic comprehensive audit process to audit success of tax auditors in this developing country, Thailand. For those reasons, this study aimed to initially applied the strategic comprehensive audit process in the developing country in Asia.

Thus, this research intended to study the effects of strategic comprehensive audit process on the audit success of tax auditors in Thailand. This research was structured in 4 steps as follows. The first section provided the description on the origin of strategic comprehensive audit process and its consequence. The second section was the research methodology and design. The third section showed the findings. The

conclusions and suggestions were finally drew at the end of the paper.

## **2. Literature Review and Hypotheses Development**

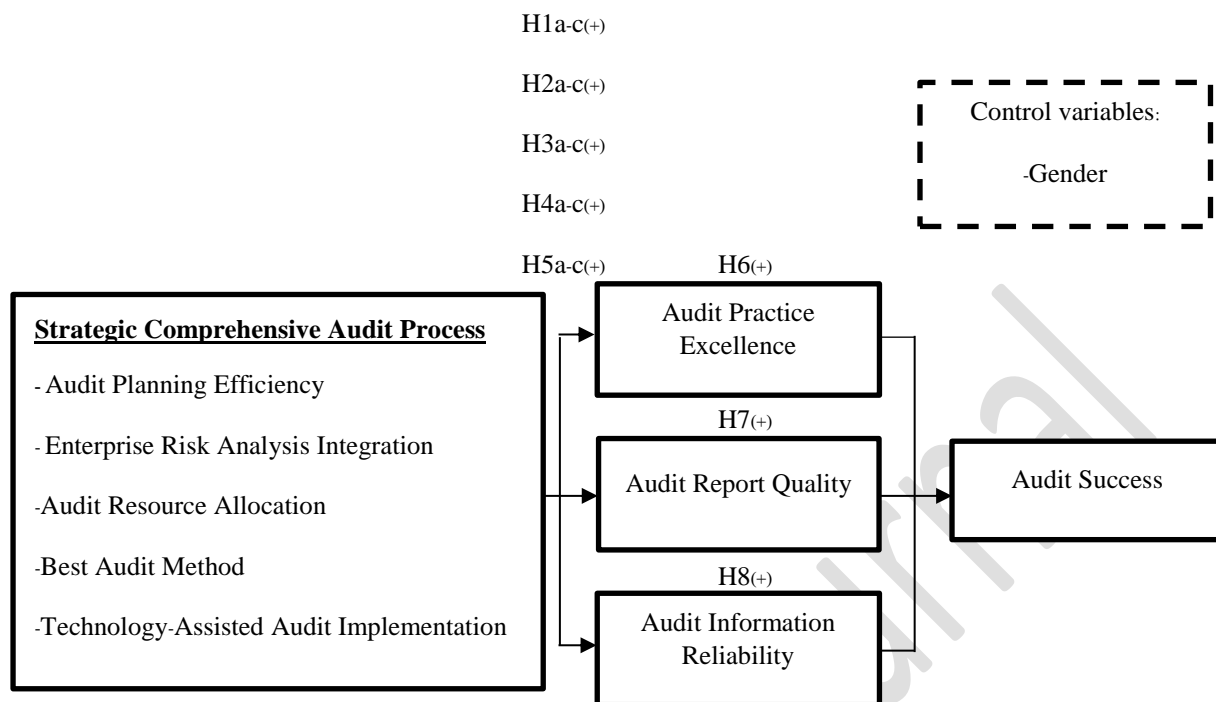
### **- *Strategic Comprehensive Audit Process (SCAP)***

The strategic comprehensive audit process (SCAP) is the process of determining the scope, timing, knowledge of the auditor, necessary resources and other factors that are significant to the auditor under the agreement. Thus, strategic comprehensive audit process is a method of auditing success on the environment of turbulence or changeable economic policy for competitive advantage and sustainable success for auditors. The audit process follows auditing standards that can entirely be summarized as preliminary activities, planning the audit, risk assessment procedures, risk response, and reporting (Goppelt, 2002). Hyatt and Prawitt (2001) characterized the audit process by comprising the best practices and design tools for decisions-making about building confidence and consistency, directing, controlling the operation, and reducing discretion in decision-making. Beaulieu (2001) found the relationships between risk assessment and planning in the audit with the decision-made through comprehensive management. Fafatas (2010) stated that a large audit firm required more resources and was investing in resources that significantly affected the quality of auditing. Adelaja (2009) showed that the best audit method was positively associated with audit reports accepted by the public. The auditors were required to show ethical behaviors to ensure the best auditing method. Additionally, various computer assisted audit tools and techniques have been developed to enable the auditor showing the audit information, software and computer accounts. General inspection is one of the most commonly used types of

technology-assisted audit implementation (Singleton, 2006). Thus, the strategy can lead auditors to fairly compete in the audit market (Tegarden, Sarason, Childers & Hatfield, 2005). The strategy can generate auditors to understand better and focus on practice exam for the the goal of auditing achievement (Roberts & Dörrenbächer, 2012). The concept of strategic comprehensive audit process (SCAP) combines audit process and strategy together. The SCAP in this research, subsequently, is defined as the process of determining the scope, timing, knowledge of the auditor, necessary resources and other factors that are significant to the auditors under the agreement. The SCAP motivates qualities and affects audit performances.

Thus, the auditors need to improve the audit process to continuously motivate and change the audit team's behavior to obtain better performance, There is a method to control the audit for making quality of audit performance (Francis, 2011). In line with all above reviews, this research examines the effects of the strategic comprehensive audit process. Such process consists of five dimensions: audit planning efficiency, enterprise risk analysis integration, audit resource allocation, best audit method, and technology-assisted audit implementation affecting consequences. The hypothesis of the study is the strategic comprehensive audit process positively associated with audit success. Hence, the conceptual model of the study is presented in Figure 1 below.

Figure 1: A Conceptual Framework of Strategic Comprehensive Audit Process and Audit Success



- *Audit Planning Efficiency (APE)*

The audit plan begins with characteristic, timing, scope of planned risk analysis, and planned audit methods. The auditors develop the plans and strategies with effective audits in the plans to help solving problems and to create neutrality and fairness of giving opinion on the reliable and accurate audit report (Mani, 2000). In addition, the audit plan should be designed towards manner accommodating to the environment changed overtime that help to increase the efficiency and effectiveness of the audit (Ludwig, 2000). The Audit Planning Efficiency (APE) is defined as clarity in determining the nature, scope, timing, risk assessment methods, and approaches to audit with worthy used resources in accordance with the purposes of the audit and the audit profession standard. APE helps reducing unnecessary procedures, data collection, the cost of monitoring and improving operation by means of reliability impacted to the resulting efficiency and be useful to the users (Arel, Beaudoin & Cianci, 2012).

These ideas lead to the following hypotheses:

H1a-c: Audit planning efficiency would be positively related to (a) audit practice excellence, (b) audit report quality, and (c) audit information reliability.

- *Enterprise Risk Analysis Integration (ERI)*

The risk assessment is gathering amounts of sufficient evidences to identify the risks that actual business customers used in risk assessment and compliance audits (Bedard, Graham & Jackson, 2005). Auditors are required to understand the customers as a basis to assess the overall risk of the customers (Salterio & Weirich, 2001). In this research, Enterprise Risk Analysis Integration (ERI) is defined as the combinations among methods, analyses, and observations. All of those are thoroughly reviewed to determine the probability displaying information contrary to the facts which are material to the financial statements and the executives who have approved it. The former studies had

showed the ERI influent on the subsequent audit planning, financial report decision making, an auditor's opinion in the auditing report and audit performed (Blay, Sneathen & Kizirian, 2007). Subsequently, hypothesis 2 can be showed as:

H2a-c: Enterprise risk analysis integration would be positively related to audit practice excellence, (b) audit report quality, and (c) audit information reliability.

- *Audit Resource Allocation (ARA)*

The allocation of the resources refers to the way of resource management with operational performance sufficiency as well as more effectiveness through supportive information systems to ensure quality (Khamkanya & Sloan, 2008). The auditors need resources to work with the allocation methods efficiently (Knechel & Sharma, 2012). This research defines Audit Resource Allocation (ARA) as the resource allocation method meeting the plan of environmental monitoring and facilitating an operational efficiency audit in accordance with auditing purposes. The former research showed that a large audit firm needed to have more resources and invest in human resources under changeable environment through significant affection on the quality of auditing (Fukukawa, Mock & Wright, 2006). These ideas lead to posit the following hypothesis:

H3a-c: Audit resource allocation would be positively related to (a) audit practice excellence, (b) audit report quality, and (c) audit information reliability.

- *Best Audit Method (BAM)*

In line with the International Standard on Auditing No. 200, the auditors must comply with auditing standards and other auditing method to achieve the purpose of that provision. The auditing standards contain an impact on auditor behavior, inspections, enforcement and firm methodologies (Burns & Fogarty, 2010). Additionally, the ethical issue of the

external auditor generates the value of the company accepted by the stakeholders (Ionescu, 2009). In this research, Best Audit Method (BAM) is defined as an excellent practice guide based on the auditing standards and regulations for the judgment. Such method also complies with the extreme situation to achieve the objective audit plan and reliable report. The audit performs under auditing standards, professional skepticism, ethical behavior, independence and good governance achievement affected the audit efficiency and the quality of the financial statements (Coppage & Shastri, 2014). Thus, the hypothesis are represented as follow:

H4a-c: Best audit method would be positively related to (a) audit practice excellence, (b) audit report quality, and (c) audit information reliability.

- *Technology-Assisted Audit Implementation (TAI)*

Computer-assisted auditing techniques are audit tools and techniques used to help completing the review of external and internal corporate financial reporting and internal control systems. Audit technologies generate the efficiency and effectiveness of the audit job (Curtis & Payne, 2008). An auditing by computer reduces the costs incurred an audit and improves the audit quality (Banker, Chang & Kao, 2002).

In this research, Technology-Assisted Audit Implementation (TAI) is defined as the computer skills and contemporary technology in an auditing process to encourage greater operational efficiency and effectiveness. According to Williams & Shah (2013), technologies took part in achieving the best performance on competition towards working standard process in allocating resources to reach performances, undoubtedly. These ideas lead to posit the following hypothesis:

H5a-c: Technology-assisted audit implementation would be positively related

to (a) audit practice excellence, (b) audit report quality, and (c) audit information reliability.

- *Audit Practice Excellence (APX)*

The best practices can be defined as excellent strategy, business operations and stakeholders related to the performance reviewed by the evaluation and a proven business excellence model (Mann, Adebajo & Tickle, 2011). Dennis (2000) described the best practices through four important steps in achieving performance monitoring. Firstly, the efficacy of the audit achievement depends on auditor age and their amount customers. Secondly, keeping customers and employees, can enhance audit efficiency. Thirdly, proper planning is critical to performance monitoring. Finally, the survey study revealed that a relationship to determine the level of risk was significantly enhances performance.

Thus, Audit Practice Excellence (APX) is defined as how operations are in accordance with a plan by specialization, more wise resource usage, and achievement of excellent professional standards. For Edvardsson and Enquist (2011), service excellence meant providing an excellent quality management system and exceeding the expectations of customers, resulting in customer satisfaction and loyalty to the company. These ideas lead to posit the following hypothesis:

H6: Audit practice excellence would be positively related to audit success.

- *Audit Report Quality (ARQ)*

Audit reports need to validate the business because users prefer the report audit providing assurance on the financial statements of the company (Adiloglu & Vuran, 2011). The report of an auditor's opinion represents the validity, fairness and compliance with accounting standards and legal requirements of the financial statements (Jovkovic, 2014). For audits of companies, the opinion may be an unqualified opinion in accordance with a

qualified opinion or an adverse opinion (Knapp, 2011). Opinions are qualified to receive financial statements presented accurately in compliance with accounting standards and legal requirements (Soltani, 2007). The auditors are responsible to consider fraud in an audit of financial statements (Popoola, Che-Ahmad & Samsudin, 2014). The Audit Report Quality (ARQ) is defined as appropriateness to reliably express an opinion in a situation and provide significant assurances to stakeholders that are timely, cost effective, and useful in making economic decisions. The qualified report may signify investors for managers as good stewards of the company. In addition, the report has directly related to stock prices and the market value that effecting the wealth of business (Jackson, Moldrich & Roebuck, 2008). The auditor's report adds credibility to the financial reporting to ensure the accounting statements in compliance with general acceptance and accuracy. Those related to acceptable audit and resulted in more customers (Olowookere, 2011). Hence, it can be hypothesized as:

H7: Audit report quality would be positively related to audit success.

- *Audit Information Reliability (AIR)*

The qualitative characteristics are features that make the data useful to the users based on the concept of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB). Those focus on the first couple –the “Relevance” and “Credibility” as features which are identified importantly and accurately (Christensen, 2010). During the implementation of these standards, the auditors provide the reliability of accounting data; then, users would have better decisions (Maines & Wahlen, 2006). Thus, Audit Information Reliability (AIR) is defined as information from the audit report that provides reasonable assurance, accuracy, and completeness, also accepted by the stakeholders. In view of Duréndez

Gómez-Guillamón (2003), the useful audit was relevant to information on the auditing decision-made to grant a loan or investment to a company. These ideas lead to the following hypothesis:

H8: Audit information reliability would be positively related to audit success.

- *Audit Success (ASS)*

Measuring the success of the operation can be assessed by income, including company size and business expansion (Van Praag, 2003). The increased size of the business investment represents the sustainability of the business (Cader & Leatherman, 2011). Moreover, the audit success is a reputable company with less litigation and higher client valuation (Wooten, 2003). Audit success determines confidence to the financial statements through professional auditors to achieve quality in the implementation of audit processes. Those ensure the fulfillment of the audit profession of their responsibility towards all the parties concerned. Finally, audit success becomes the competitive advantage factor among audit firms due to competition surrounded by them (Scott & Pitman, 2005). In this research, Audit Success (ASS) is defined as the performance achieved by auditing which generates confidence among users. Those relate to others and are recognized by the accounting professionals.

### **3. Research Methodology**

#### **3.1 Sampling, data collection procedure and method**

The research employs a questionnaire as the instrument for collecting data. The population was chosen from the database list of the Revenue Department, Ministry of Finance in Thailand. According to the list of the Revenue Department, Ministry of Finance as of May 21<sup>st</sup>, 2015, there were 2,963 tax auditors (TAs) around Thailand. As the tax auditor's right, an auditor is able to audit, certify the accounts and audit report of small partnership entity with up to 5 million Baht grants, total assets of 30 million Baht, and total revenue of 30 million Baht (Kawatkul, 2001). The context of tax auditors is interesting because most of the previous auditing studies always focused on the role of the certified public auditors of a big audit firm, especially in the developed countries. However, a number of tax auditors in Thailand had also been increasing (Gunby, 2009). As the research instrument of data collection, the questionnaire was measured by a five-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree). The 1,765 questionnaires were directly distributed by mail to the tax auditors. 211 of them were responded, completely and acceptably. The non-response bias problem were tested. The results revealed the nonproblematic in this issue. Moreover, the validity and reliability of the questionnaire were identified. Table 1 shows the factor loading of each construct ranging from 0.599 to 0.907 that presents a value higher than 0.40. This indicates an occurrence of the construct validity.

**Table 1:** Validity and Reliability Testing Output

Constructs	Factor Loadings	Alpha Coefficient
Audit Planning Efficiency (APE)	.647 - .869	.835
Enterprise Risk Analysis Integration (ERI)	.620 - .886	.831
Audit Resource Allocation (ARA)	.599 - .837	.812
Best Audit Method (BAM)	.692 - .857	.823
Technology-Assisted Audit Implementation (TAI)	.759 - .891	.900
Audit Practice Excellence (APX)	.683 - .840	.821
Audit Report Quality (ARQ)	.782 - .907	.907
Audit Information Reliability (AIR)	.634 - .878	.877
Audit Success (ASS)	.782 - .886	.876

### 3.2 Statistical techniques

The statistical techniques include factor analysis, variance inflation factor, correlation analysis, and regression analysis. The Ordinary Least Squares (OLS) regression analysis is used to test all hypotheses to follow the conceptual model. Thus, all hypotheses in this research are transformed into four equations. The details of each equation are presented as follows.

$$\text{Equation 1: } APX = \alpha_1 + \beta_1 APE + \beta_2 ERI + \beta_3 ARA + \beta_4 BAM + \beta_5 TAI + \beta_6 GD + \beta_7 AE + \varepsilon$$

$$\text{Equation 2: } ARQ = \alpha_2 + \beta_8 APE + \beta_9 ERI + \beta_{10} ARA + \beta_{11} BAM + \beta_{12} TAI + \beta_{13} GD + \beta_{14} AE + \varepsilon$$

$$\text{Equation 3: } AIR = \alpha_3 + \beta_{15} APE + \beta_{16} ERI + \beta_{17} ARA + \beta_{18} BAM + \beta_{19} TAI + \beta_{20} GD + \beta_{21} AE + \varepsilon$$

$$\text{Equation 4: } ASS = \alpha_4 + \beta_{22} APX + \beta_{23} ARQ + \beta_{24} AIR + \beta_{25} GD + \beta_{26} AE + \varepsilon$$

Cronbach's alpha coefficients resulted in between 0.812 and 0.907. Those indicated that the reliability level of these constructs were accepted (Nunnally & Bernstein, 1994).

Table 2 demonstrates the descriptive statistics, including the means and standard deviation. In general, the range of mean scores for all constructs is 3.995 – 4.310. The standard deviation value of the strategic comprehensive audit process shows at 0.427–0.569. Regarding the results the ARQ and AIR shows their significant and positive correlation at  $r = .867$ . According to Berry and Feldman, 1985, the value of intercorrelations among independent variables less than 0.9 is acceptable.

Therefore, the problem of multicollinearity apparent in this analysis becomes inconsiderable. The statistical techniques include factor analysis, variance inflation factor, correlation analysis as shown in Table 2. Besides, the Ordinary Least Squares (OLS) regression analysis is used to test all hypotheses towards the conceptual model as presented in Table 3.



**Table 2:** Descriptive Statistics and Correlation Matrix

Variable	APE	ERI	ARA	BAM	TAI	APX	ARQ	AIR	ASS	GD
MEAN	4.31	3.99	4.2	4.12	4.11	4.05	4.2	4.22	3.99	0.63
S.D.	0.42	0.51	0.42	0.50	0.55	0.48	0.47	0.49	0.56	0.48
APE	1									
ERI	.579** *	1								
ARA	.613** *	.580** *	1							
BAM	.645** *	.594** *	.734** *	1						
TAI	.478** *	.461** *	.509** *	.599** *	1					
APX	.601** *	.564** *	.592** *	.696** *	.605** *	1				
ARQ	.568** *	.528** *	.574** *	.652** *	.459** *	.740** *	1			
AIR	.570** *	.506** *	.646** *	.655** *	.431** *	.736** *	.867** *	1		
ASS	.448** *	.447** *	.543** *	.607** *	.486** *	.684** *	.600** *	.642** *	1	
GD	0.006	0.124	0.036	0.064	0.015	0.01	0.031	0.062	0.03	1

\*\*\* Correlation is significant at the 0.01 level (2-tailed).

#### 4. Results and Discussion

The findings in Table 3 show that APE provides positive significant effect on the APX ( $H1a: \beta_1 = .179, p < .01$ ), ARQ ( $H1b: \beta_7 = .166, p < .01$ ), and AIR ( $H1c: \beta_{13} = .152, p < .05$ ). The results show that APE helps reducing problems in audit practice and gives equitable opinions on the financial statement in the audit report. This also showed the reliability and relationship of the audit information for any users on decision-making (Bani-Ahmed & Al-Sharairi, 2014). Thus, Hypotheses 1a - 1c are supportive among another. In light of ERI (Hypotheses 2a - 2c), the results indicate that ERI has positive significant effect on APX ( $\beta_2 = .130, p < .05$ ), and ARQ ( $\beta_8 = .134, p < .05$ ). The risk analysis is influent on APX and ARQ, which

identify the customer business's actual risk affection on audit performance of material misstatement. Furthermore, ERI represents the auditor's opinion instead of the misstatement that are not the material for the whole financial statements (Blay, Sneathen & Kiziran, 2007). Hence, Hypotheses 2a and 2b are supported. Nevertheless, ERI has no significant effect on AIR ( $\beta_{14} = .062, p > .10$ ). In fact, the information reliability is important for an organization, still it may reveal the value limited by the organization's policy. Similarly, a firm with high individual auditor leaves risk propensity with effect on the low risk analysis leading to low quality of audit (Al Khattab, 2006). Therefore, Hypothesis 2c is unsupportive.

**Table 3:** Regression Analysis Output

Independent Variables	Dependent Variables			
	APX Eq.1	ARQ Eq.2	AIR Eq.3	ASS Eq.4
<b>Strategic Comprehensive Audit Process:</b>				
Audit Planning Efficiency (APE: H1a-c)	<b>.179***</b> (.065)	<b>.166**</b> (.072)	<b>.152**</b> (.069)	
Enterprise Risk Analysis Integration (ERI: H2a-c)	<b>.130**</b> (.061)	<b>.134**</b> (.068)	.062 (.065)	
Audit Resource Allocation (ARA: H3a-c)	.035 (.071)	.097 (.079)	<b>.276***</b> (.077)	
Best Audit Method (BAM: H4a-c)	<b>.327***</b> (.077)	<b>.365***</b> (.086)	<b>.317***</b> (.083)	
Technology-Assisted Audit Implementation (TAI: H5a-c)	<b>.247***</b> (.058)	.055 (.065)	.006 (.063)	
Audit Practice Excellence (APX: H6)				<b>.456***</b> (.076)
Audit Report Quality (ERI: H7)				-.047 (.103)
Audit Information Reliability (AIR: H8)				<b>.356***</b> (.103)
<b>Control Variables</b>				
Gender (GN)	-.059 (.095)	-.022 (.106)	.058 (.102)	-.113 (.101)
Adjusted R <sup>2</sup>	.570	.470	.502	.510
Maximum VIF	2.906	2.906	2.906	4.588
*** p<0.01, ** p<0.05, * p<0.10, Beta coefficients with standard errors in parenthesis				

The relationship between ARA and AIR has a significant positive effect at  $\beta_{15} = .276$ ,  $p < .01$ , towards the consistency of Snell (2011) –in terms of ARA, a method to improve audit program and increase information reliability for auditing. Thus, Hypothesis 3c is supported.

On the contrary, the evidence reveals that ARA is insignificant through the effect on APX ( $\beta_3 = .035$ ,  $p > .10$ ), and ARQ ( $\beta_7 = .097$ ,  $p > .10$ ). According to Nelson and Tan (2005), the resource allocation step does not provide audit practice efficiency because some business audits have limited approaches. Therefore, Hypotheses 3a and 3b are unsupportive.

In regard to BAM (Hypotheses 4a - 4c), the results indicate that BAM has a

significant effect on the APX ( $\beta_4 = .327$ ,  $p < .01$ ), ARQ ( $\beta_{10} = .365$ ,  $p < .01$ ), and AIR ( $\beta_{16} = .317$ ,  $p < .01$ ). Those can be seen that BAM helps providing audit operation efficiency and quality of financial statement, containing information reliability for decision-making to the stakeholders. Moreover, the auditors has professed skepticism and independence on the audit method, depending positively on the performance of the audit quality (García, Cuadrado, and Eslava, 2011). Therefore, Hypotheses 4a - 4c are supported.

Concerning the relationship of TAI (Hypotheses 5a-5c), the results indicate that TAI positively relates to APX ( $\beta_5 = .247$ ,  $p < .01$ ). In consistency with Morris and

Venkatesh's study (2010), technology encourages the auditor practice through the audit software to generate audit objective achievement. Hence, Hypothesis 5a is supported.

On the other hand, TAI shows insignificant effect on ARQ ( $\beta_{10} = .055, p > .10$ ). Similarly, the previous research showed that the auditors might use less technology in the audit process because they were lack of IT knowledge and skills (Ismail & Abidin, 2009). TAI, also, shows insignificant effect on AIR ( $\beta_{17} = .006, p > .10$ ). However, the previous research argued that the traditional auditors with less technology usage for audit evidence undoubtedly led to less information reliability (Caster & Verardo, 2007). Hence, hypotheses 5b and 5c are unsupportive.

The correlations between the mediating variables and the dependent variable indicates that APX shows significant and positive relationships with ASS ( $\beta_{19} = .456, p < .01$ ). In reference to Mittendorf (2010), the audit practice affected opinions on the audit report. In other words, none of any report distortion in equilibrium and customers had generated loyalty the achievement of the audit success. Hence, Hypothesis 6 is supported.

In the interrim, the results also indicate that ARQ does not provide a significant effect on ASS ( $\beta_{20} = -.047, p > .10$ ). In relation to the former studies, those can be seen that the audit report has no effect on benefit of stakeholder's decision. By that reason, the opinion of a tax auditor contributes more confidence on tax payment to the revenue department rather than financial information sent to the stakeholders (Antonio, 2003). Thus, Hypothesis 7 is unsupportive.

For Hypothesis 8, AIR shows a significant and positive relationship to ASS ( $\beta_{21} = .356, p < .01$ ). In this regard, the credibility information presents the audit quality because the stakeholder understands the information and uses it for making

decisions to economize (Cox, 2007). Hence, Hypothesis 8 is supported.

Concernng the control variable, there is not any relationship shown either in each factor or the gender: APX ( $\beta_6 = -.059, p > .10$ ), ARQ ( $\beta_{12} = -.022, p > .10$ ), and AIR ( $\beta_{18} = .058, p > .10$ ). Meanwhile, the results indicate that gender does not affect ASS ( $\beta_{22} = -.113, p > .10$ ). Hence, gender factor does not impact on ASS.

With regard to the multicollinearity problem, VIF was used to test the correlation among the independent variables (See Table 3). According to the reseach outcome, the maximum value of VIF at 4.588 ( $> 10$ ) indicated that there were no significant multicollinearity problem confronted in this study (Hair, Black, Babin, Anderson, & Tatham, 2006).

## 5. Conclusions and Suggestions

By the reason of more competitive and high expectation from customers in the audit service business, the strategic comprehensive audit process becomes necessary for tax auditors. It is an auditing instrument to support a business environment that gradually changes throughout the time. The auditors, subsequently, need to operate their obligation efficiently and competitively. This research aimed to examine the effects of strategic comprehensive audit process to audit success of tax auditors in Thailand. The study used a new framework of strategic comprehensive audit process. There were five dimensions towards the independent variables through the sampling group of the tax auditors in Thailand. As the research tool, the total of 211 complete questionnaires were responded. The results showed that strategic comprehensive audit process, audit planning efficiency, enterprise risk analysis integration, audit resource allocation, best audit method, and technology-assisted audit implementation were positively influential on its consequences; those were, audit practice excellence, audit report quality, and audit information reliability. In particular, audit

planning efficiency and best audit method became the key element of strategic comprehensive audit process to obtain those consequences. The audit practice excellence and audit report quality accordingly affected the audit success.

There were several managerial implications implied by the study. Firstly, it revealed that tax auditors should merge strategies in their audit process to increase competitive advantages in an intense audit market. Secondly, audit planning was the essential step of audit process that could significantly reduce risks. However, the achievement of those required audit knowledge and expertise. Thirdly, the research indicated the tax auditors' focuses on vision, accounting and audit standards, and technology support to achieve the best audit practice. Tax auditors should also accumulate their audit experience and utilize it during the audit process design. Furthermore, the study revealed that strategic comprehensive audit process was important for audit consequence and audit success. Therefore, tax auditors should thoroughly understand, manage, and utilize strategic comprehensive audit process.

Due to the limitation of the population in this research, only organisations in Thailand, the study of different effects of strategic comprehensive audit process and audit success of tax auditors issues between Thailand and other countries should be explored for further studies. In other words, to improve the level of reliable results, the future researches need to collect data from other populations, mediators and moderators with respect to a framework of the effects on strategic comprehensive audit process and audit success of tax auditors.

## References

Abraham S. (2005). Stretching strategic thinking. *Strategy & Leadership*, 33(5), 5-12.

Adelaja, S. O. (2009). An evaluation of the perception of auditors' independence

in Nigeria. *Niger. J. Manage. Stud*, 10(1), 122-145.

Adiloglu, B., & Vuran, B. (2011). A Multicriterion Decision Support Methodology For Audit Opinions: The Case Of Audit Reports Of Distressed Firms In Turkey. *The International Business & Economics Research Journal*, 10(12), 37-n/a.

Al Khattab, A. (2006). Political risk assessment in Jordanian international firms (Doctoral dissertation, University of Huddersfield).

Arel, B., Beaudoin, C. A., & Cianci, A. M. (2012). The Impact of Ethical Leadership, the Internal Audit Function, and Moral Intensity on a Financial Reporting Decision. *Journal of Business Ethics*, 109(3), 351-366.

Baker, B. (2003). Lean six sigma: Combining six sigma quality with lean speed. *Quality Progress*, 36(10), 96.

Bani-Ahmed, A. A., & Al-Sharairi, J. A. (2014). The Relationship between Planning of Audit Process and Total Quality Management. *International Journal of Business and Management*, 9(5), 96-108.

Banker, R. D., Chang, H., & Kao, Y.-c. (2002). Impact of information technology on public accounting firm productivity. *Journal of Information Systems*, 16(2), 209-222.

Bardhan, I., Mithas, S., & Lin, S. (2007). Performance Impacts of Strategy, Information Technology Applications, and Business Process Outsourcing in U.S. Manufacturing Plants. *Production and Operations Management*, 16(6), 747-762.

Bedard, J. C., Graham, L., & Jackson, C. (2005). Information systems risk and

audit planning. *International Journal of Auditing*, 9(2), 147-163.

Beaulieu, P. R. (2001). The effects of judgments of new clients' integrity upon risk judgments, audit evidence, and fees. *Auditing. A Journal of Practice & Theory*, 20(2), 85-99.

Berry, W. D., & Feldman, S. (1985). *Multiple Regression in Practice*, 50(1). Sage

Biegelman, M. T., & Bartow, J. T. (2012). Executive roadmap to fraud prevention and internal control: Creating a culture of compliance. John Wiley & Sons.

Blay, A. D., Sneathen, L. D., & Kizirian, T. (2007). The effects of fraud and going-concern risk on auditors' assessments of the risk of material misstatement and resulting audit procedures. *International Journal of Auditing*, 11(3), 149-163.

Bowen, R. M., Call, A. C., & Rajgopal, S. (2010). Whistle-blowing: Target firm characteristics and economic consequences. *The Accounting Review*, 85(4), 1239-1271.

Bowman, E.H. & Helfat, C.E. (2001). Does corporate strategy matter?, *Strategic Management Journal*, 22(1), 1-23.

Brown, S., & Blackmon, K. (2005). Aligning manufacturing strategy and business-level competitive strategy in new competitive environments: The case for strategic resonance. *Journal of Management Studies*, 42(4), 793-815.

Burns, J., & Fogarty, J. (2010). Approaches to auditing standards and their possible impact on auditor behavior. *International Journal of Disclosure and Governance*, 7(4), 310-319.

Cader, H. A., & Leatherman, J. C. (2011). Small business survival and sample selection bias. *Small Business Economics*, 37(2), 155-165.

Caster, P., & Verardo, D. (2007). Technology changes the form and competence of audit evidence. *The CPA Journal*, 77(1), 68.

Chau, V. S., & Witcher, B. J. (2008). Dynamic capabilities for strategic team performance management: the case of Nissan. *Team Performance Management*, 14(3/4), 179-191.

Chow, C. W., Ho, J. L., & Mo, P. L. L. (2006). Toward understanding Chinese auditors' structuring of audit approaches, client acceptance decisions, risk assessment, and stringency of imposed reporting standards. *Journal of international accounting research*, 5(1), 1-23.

Christensen, J. (2010). Conceptual frameworks of accounting from an information perspective. *Accounting and Business research*, 40(3), 287-299.

Coppage, R., & Shastri, T. (2014). Effectively Applying Professional Skepticism to Improve Audit Quality. *The CPA Journal*, 84(8), 24-28.

Curtis, M. B., & Payne, E. A. (2008). An examination of contextual factors and individual characteristics affecting technology implementation decisions in auditing. *International Journal of Accounting Information Systems*, 9(2), 104-121.

Dennis, A. (2000). Best practices for audit efficiency. *Journal of Accountancy*, 190(3), 65-68.

Duréndez Gómez-Guillamón, A. (2003). The usefulness of the audit report in investment and financing decisions.

*Managerial Auditing Journal*, 18(6/7), 549-559.

Dyck, A., Morse, A., & Zingales, L. (2010). Who blows the whistle on corporate fraud?. *The Journal of Finance*, 6(56), 2213-2253.

Edvardsson, B., & Enquist, B. (2011). The service excellence and innovation model: lessons from IKEA and other service frontiers. *Total Quality Management & Business Excellence*, 22(5), 535-551.

Ernst & Young. (2015). Transparency International, Corruption Perceptions Index 2015. <http://www.transparency.org>

Fafatas, S. A. (2010). Auditor conservatism following audit failures. *Managerial Auditing Journal*, 25(7), 639-658

Floyd, S. W., and Wooldridge, B. (2000). *Building Strategy From The Middle: Reconceptualizing Strategy Process*. Sage.

Francis, J. R. (2011). A Framework for Understanding and Researching Audit Quality. *Auditing*, 30(2), 125-152.

Fukukawa, H., Mock, T. J., and Wright, A. (2006). Audit programs and audit risk: A study of Japanese practice. *International Journal of Auditing*, 10(1), 41-65.

García Jara, E., Cuadrado Ebrero, A., and Eslava Zapata, R. (2011). Effect of international financial reporting standards on financial information quality. *Journal of Financial Reporting and Accounting*, 9(2), 176-196.

Goppelt, W. (2002). International federation of accountants (IFAC). *Handwörterbuch der Rechnungslegung und Prüfung*, (hrsg.) Ballwieser,

W/Coenenberg, AG/Wysocki, K, 3(1), 1200-1207.

Gunby, N.W. Jr. (2009). Firm performance and complementary strategy development processes, *Management Decision*, 47(5), 806-18.

Hair, J. F., Black, B., Babin, B., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis*. New Jersey: Pearson Education, 6, 770-842.

Hakim, F., & Omri, M. A. (2010). Quality of the external auditor, information asymmetry, and bid-ask spread. *International Journal of Accounting & Information Management*, 18(1), 5-18.

Hammersley, J. S. (2011). A review and model of auditor judgments in fraud-related planning tasks. *Auditing: A Journal of Practice & Theory*, 30(4), 101-128.

Hyatt, T. A., & Prawitt, D. F. (2001). Does congruence between audit structure and auditors' locus of control affect job performance?. *The Accounting Review*, 76(2), 263-274.

Ionescu, L. (2009). Ethical Practices of the Auditing Profession. *Economics, Management, and Financial Markets*, 2, 103-106.

Ismail, N. A., & Abidin, A. Z. (2009). Perception towards the importance and knowledge of information technology among auditors in Malaysia. *Journal of Accounting and Taxation*, 1(4), 61.

Issa, S. M. (2008). The Impact of external audit on the operation of earnings management-Applied study. *Journal of Commerce College for Scientific Research*, 45(2), 1-47.

Jackson, A. B., Moldrich, M., & Roebuck, P. (2008). Mandatory audit firm

rotation and audit quality. *Managerial Auditing Journal*, 23(5), 420-437.

Jackson, M. C. (1991). Systems Methodology for the Management Sciences. *Plenum Press*, 13(10).

Jovković, B. (2014). Application of evidence-collection techniques in examining the basic audit objectives in insurance companies. *Ekonomski horizonti*, 16(1), 47-61.

Kawatkul, S. (2001). The Revenue Department, Thailand.  
<http://www.rd.go.th/publish/2650.0.html>.

Khamkanya, T., & Sloan, B. (2008). Flexible working in Scottish local authority property: Developing a combined resource management strategy. *International Journal of Strategic Property Management*, 12(3), 183-202.

Kizirian, T. G., Mayhew, B. W., & Sneathen, L. D., Jr. (2005). The Impact of Management Integrity on Audit Planning and Evidence. *Auditing*, 24(2), 49-67.

Kleimann, D. (2013). Beyond market access? *The Anatomy of ASEAN's Preferential Trade Agreements*, 1-53.

Knapp, M. C. (2011). Auditing and assurance services: Understanding the integrated audit. *Issues in Accounting Education*, 26(2), 456-457.

Knechel, W. R., Rouse, P., and Schelleman, C. (2009). A modified audit production framework: Evaluating the relative efficiency of audit engagements. *The Accounting Review*, 84(5), 1607-1638.

Knechel, W. R., & Sharma, D. S. (2012). Auditor-provided nonaudit services and audit effectiveness and efficiency: Evidence from pre-and post-SOX audit report lags. *Auditing: A Journal of Practice & Theory*, 31(4), 85-114.

Krishansing Boolaky, P. (2011). Auditing and reporting in Europe: an analysis using county-level data. *Managerial Auditing Journal*, 27(1), 41-65.

Kunc, M., & Bandahari, R. (2011). Strategic development processes during economic and financial crisis. *Management Decision*, 49(8), 1343-1353.

Ledda, V. M. (2012). AEC 2015: Issues and challenges in standards and conformance. *Philippine Journal of Development*, 39(1-2), 171.

Lee, C. C., & Welker, R. B. (2007). The effect of audit inquiries on the ability to detect financial misrepresentations. *Behavioral Research in Accounting*, 19(1), 161-178.

Leuz, C., Nanda, D., & Wysocki, P. D. (2003). Earnings management and investor protection: an international comparison. *Journal of Financial Economics*, 69(3), 505-527.

Ludwig, S. E. (2000). Audit efficiency: The impact of positive surprise. 3010169 Ph.D., University of Arkansas, Ann Arbor. Retrieved from  
<http://search.proquest.com/docview/251780014?accountid=50152.ABI/INFORM>  
*Complete; ProQuest Dissertations & Theses Global database*.

Maines, L. A., & Wahlen, J. M. (2006). The nature of accounting information reliability: inferences from archival and experimental research. *Accounting Horizons*, 20(4), 399-425.

Mani, B. (2000). Job feedback: Giving, seeking, and using feedback for performance improvement. *Review of Public Personnel Administration*, 20(1), 68-72.

Manita, R., & Elommal, N. (2010). The Quality of Audit Process: An Empirical Study with Audit Committees. *International Journal of Business*, 15(1), 87-99.

Mann, R., Adebajo, D., & Tickle, M. (2011). Deployment of business excellence in Asia: an exploratory study. *The International Journal of Quality & Reliability Management*, 28(6), 604-627.

McAdam, R. and Bailie, C. (2002). Business performance measures and alignment impact on strategy, *International Journal of Operations and Production Management*, 22(1), 972-996.

Mittendorf, B. (2010). The role of audit thresholds in the misreporting of private information. *Review of Accounting Studies*, 15(2), 243-263.

Morris, M. G., & Venkatesh, V. (2010). Job characteristics and job satisfaction: understanding the role of enterprise resource planning system implementation. *Mis Quarterly*, 143-161.

Nelson, M., & Tan, H. T. (2005). Judgment and decision making research in auditing: A task, person, and interpersonal interaction perspective. *Auditing: A Journal of Practice & Theory*, 24(1), 41-71.

Niezen, C., and Weller, W. (2006). Procurement as strategy. *Harvard Business Review*, 84(9), 24-25.

Nunnally, J., & Bernstein, I. (1994). *Psychometric Theory* 3rd edition (MacGraw-Hill, New York).

Olowookere, J. K. (2011) Stakeholders' Perception of Audit Performance Gap in Nigeria. *International Journal of Accounting and Financial Reporting*, 1(1), 29-49.

Popoola, O. M. J., Che-Ahmad, A., & Samsudin, R. S. (2014). Impact of task performance fraud risk assessment on forensic skills and mindsets: Experience from Nigeria. *International Journal of Business and Social Science*, 5(9), 216-224.

Roberts, J., & Dörrenbächer, C. (2012). The futures of critical perspectives on international business. *Critical Perspectives on International Business*, 8(1), 4-13.

Salterio, S., & Weirich, T. (2001). A primer on the strategic systems approach to auditing: Working paper.

Schendel, D., & Hofer, C. (1979). *Strategic Management: A New View of Business Policy and Planning*. Boston: MA: Little, Brown.

Scott, B., & Pitman, M. (2005). Auditors and earnings management. Retrieved from <http://www.nysscpa.org>.

Snell, R. (2011). Audit and compliance: Two closely linked professions with very distinct roles. *Journal of Health Care Compliance*, 13(6), 29-34.

Sengur, E. D. (2012). Auditors' perception of fraud prevention measure: Evidence from Turkey. *Annales Universitatis Apulensis: Series Oeconomica*, 14(1), 128.

Singleton, T. (2006). IT audit basics: Generalized audit software: Effective and efficient tool for today's IT audits. *Information Systems Control Journal*, 2(1), 11.

Soltani, B. (2007). *Auditing: An international approach*. Pearson Education.

Tegarden, L. F., Sarason, Y., Childers, J. S., & Hatfield, D. E. (2005). The engagement of employees in the strategy



process and firm performance: The role of strategic goals and environment. *Journal of Business Strategies*, 22(2), 75.

Van Praag, C. M. (2003). Business survival and success of young small business owners. *Small Business Economics*, 21(1), 1-17.

Watts, R. L., & Zimmerman, J. L. (1990). Positive Accounting Theory: A Ten Year Perspective. *The Accounting Review*, 65(1), 131.

White Gunby Jr, N. (2009). Firm performance and complementary strategy development processes. *Management Decision*, 47(5), 806-818.

White, H. (2009). The content of the form: Narrative discourse and historical representation. JHU Press.

Williams, H. E., & Shah, B. K. (2013). Administering Information Technology Capabilities in Competitive Global Business by Preventing Replication of Technology Portfolio. *International Journal of Innovation, Management and Technology*, 4(6), 619.

Wooten, S. (2003). Women, men, and market gardens: Gender relations and income generation in rural mali. *Human Organization*, 62(2), 166-177.