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The Effect of Auditing Fees on the Relationship Between Auditor Time Pressure and Profit Quality

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Abstract

The purpose of this study is to investigate the effect of audit fees on the relationship between auditor time pressure and profit quality. The statistical sample of this research includes the financial information of 125 companies in the period 2016-2019. This research is a descriptive-correlation type and regression method and fixed effects method have been used to estimate the model. The results show that the auditor time pressure has a negative and significant relationship with the quality of companies' profits and the audit fee has a positive and significant effect on the relationship between auditor time pressure and profit quality.

Keywords: Auditor time pressure, Auditing fee, Profit quality.

1 | Introduction

Due to the limited resources and facilities due to the stability and unlimited human needs in social life, human beings have used their analytical power and predictive power and have tried to achieve maximum productivity by resorting to planning. This theme uses budgeting tools. Auditors are no exception to this rule and are often pressured by tight time budgets. Due to the great importance that audit firms place on achieving time budgets as a measure of efficiency, and the difficulties they face in measuring audit quality, there is a potential contrast between the costs of controlling and achieving high quality audits [10].

Competitive culture in auditing firms has been introduced as a reason for the deterioration of audit quality related to time pressure or time budget pressure.

One of the important factors that should be considered in the efficient planning of audit operations is the appropriate time budget and attention to the complexity of the audit work of the unit under consideration. Paying attention to the complexity of the audit work and gaining the necessary knowledge of the device and the company under review can play an important role in improving the

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quality of the audit and, consequently, the effectiveness of the audit. Time budgeting has also been a comprehensive and important management tool in many contemporary audit scheduling.

Because they provide a basis for estimating and controlling costs, and provide evidence of compliance with the appropriate accounting and planning and auditing standards for the first time. One of the steps that is particularly sensitive in auditing firms is to identify and control the pressures that are placed on auditors based on various factors [15].

De Zoort and Lord [6] define stress as the creation of objective stimuli in relation to individual characteristics or composition or characteristics and events that negatively affect an individual's cognitive and perceptual processes. Work-related pressures play an important role in the accounting profession. Research has shown that time budget pressure and client pressure have a negative effect on the auditor's judgment. As long as the time budget is formulated in a normal and appropriate way, the suitable context for achieving optimal performance is not only possible but also partially guaranteed. Audit fees include any amount paid to the auditor or auditing firm for the provision of audit services in accordance with the agreement or contract. In other words, the price of any service or product is the price that the consumer is willing to pay to use it. Remuneration should be a function of the amount of work done (quantity) and according to the skill needed to do the work (quality) and the amount of related costs (including salaries and benefits and indirect and high costs) and finally the responsibility that It is accepted. Remuneration for one hour or one day of different auditing classes (Managing Director, Senior Auditor and Senior Auditing Expert) in the country or in other countries varies according to the reputation and expertise of each auditing firm or auditor, because in most countries, including Iran, independent auditors do not work individually, but have set up an auditing firm, so the auditing fee is included in the contracts is more than the amount that the auditing firm pays to its supervisors and staff [16].

Time pressure leads to auditors concealing inconsistent evidence with initial findings. Therefore, the accountability of auditors increases the likelihood of concealing evidence that calls into question the initial findings or violates previous judgments. In addition, it is assumed that the likelihood of concealing audit evidence increases with time pressure [1].

Profit quality is one of the most important aspects of corporate financial health that is considered by all users of financial statements. Earnings quality refers to the ability of reported earnings to reflect actual earnings, usefulness in predicting future earnings, as well as the stability, constancy, and immutability of reported earnings. Therefore, the criticism of users of such profits is logical and serious, and in economic societies such as Iran, which is in the effects of the privatization process, measuring the true profitability and correct valuation of companies, which is essentially related to reporting profits, is vital [19].

Profit quality is the degree of stability of revenue performance in the future. Profit quality is the probability of the stability of current income in the future. Profit quality is defined as the ability of a profit to show future earnings. Profit quality is related to the desired profit, ie in their view, the quality of profit is a degree of honesty that shows the income reported in the desired profit report. Profit quality is the degree of difference between the reported net profit and the actual income. Quality profits are known to be profits, which are closer to the value of the company in the long run and contain more informative content. Defines earnings quality as the relationship between accruals and cash flows. One of the possible reasons for the variation in the definitions of profit quality can be the different views of researchers on different aspects of this concept [13].

Audit quality decreases when auditors are subject to increased time limits. This negative impact persists even among auditors who have more resources. Auditors complete procedures within the required (or extended) filing time frame, which may compromise the quality of the audit to respond to the required reporting. Time budget pressures can have positive or negative effects, which may force auditors to

work harder and thus work to increase efficiency. But if the time budget pressure is unconventional, its negative effects will occur [18].

This pressure may cause auditors to feel stressed and react differently. These reactions can appear in various forms. They may pay attention to the time of the operation in the previous year and try to keep the time of the operation in the same year. This is done by doing the work at a specific time. This stress may force them to take action to reduce the quality of the audit in order to meet the time budget. It is also likely that with a positive approach they will request an increase in time budget. This stress becomes more severe when time budget compliance is considered an important factor in performance appraisal [13].

1.1 | Theoretical Foundations

Planning means the development of a general plan and a detailed plan of the audit plan to determine the type and nature of implementation schedule and the scope of audit procedures related to each audit. The purpose of planning audit operations is to perform timely and effective auditing. Efficient planning of audit operations will be directly related to the effectiveness of the audit. One of the important factors that should be considered in efficient planning of audit operations before starting it, is the appropriate time budget and attention to the complexity of the audit work of the unit under review. The audit program is used as an instruction arm of the members of the audit team and a tool to control and record the correct execution of work. The auditor's schedule can include audit objectives for each of the areas of review and execution schedules. Timing is an important tool for supervisors, meaning that it is used to determine whether the progress of operations at any stage is satisfactory.

It is also used to measure employee performance. This feedback is also important to the auditors themselves. Because it can evaluate the planner's reaction to achieving a time budget in relation to evaluating its performance.

Auditors' motivation may lead to tendencies and actions to undermine the budget control system and achieve the set time. Such tendencies and actions can distort the execution of the audit program and its schedule and thus reduce the quality of the audit. Personnel evaluation to be used. Now if the time budget is improperly prepared. On the other hand, the need to increase budgeting makes auditors feel pressured. This pressure, in turn, creates an inclination among auditors to achieve a time budget [18].

Auditors are often in a position to test and evaluate audit evidence to guide the audit team in a specific direction. Changes in decisions made, especially when there is time pressure, can be costly. In an audit environment, time pressure is almost always present. The auditors should maintain the quality of the audit and try to complete it within the time limit set by the client and the government and within the allocated budget [9].

If the assumption of time pressure and accountability for decisions that are costly to change motivates auditors to conceal inconsistent evidence, and questionable evidence is unlikely to be found, questionable evidence may not be available to supervisors. Failure to provide such evidence may be problematic for them. Understanding how time pressure and accountability affect the audit collection process can provide insights for human resource management and training in auditing firms and motivate improvements in review and control methods [1].

Due to the time pressure of the complexity of the work of the audited unit, the extent of knowledge of the main members of the audit team from the audited unit and considering other effective factors in planning the audit operation in order to play a key role in the evaluation process of employees of auditing firms and other regulatory units, they should be aware of the motivation of behavioral tendencies and the effects of these factors and try to review existing policies and strengthen their control systems in order to make the audit work more effective [18]. Low quality of profit or in other words, profit management often occurs in companies that do not have quality mechanisms to protect the interests of investors and control the

opportunistic behavior of managers. On the other hand, the recent wave of scandals of the world's largest joint stock companies has caused companies to pay great attention to the need to improve corporate governance mechanisms and increase transparency in accounting information. The structure of public limited companies is very diverse and therefore it seems that the quality of monitoring the activities of managers varies from company to company. With the growth of competition in the profession, auditing firms have increasingly realized the need to provide better quality services and lower prices to the market. To compete on a basis other than quality and differentiation of services, auditing firms seek to optimize their remuneration and the best offers for it. In this way, they both maximize their income and do not lose their jobs in a competitive environment. To this end, being aware of the effects of auditing fees can be very helpful [2].

Today, independent auditors face increasing pressure to control and reduce audit fees. This has led the auditor and the employer to examine the relationship between the fee and the audit work to facilitate this issue, the factors affecting the audit fee are divided into two general groups. The first group is the characteristics of the auditing firm and the second group is the characteristics of the employer or company that invites the auditing firm [20]. Also in this regard, the most important aspect of auditing quality control and management can be considered as audit fees. Audit service fees are a prerequisite for ensuring audit quality. Although more auditing fees do not always indicate higher quality auditing costs, in addition to having good audit quality, auditing firms charge a standard fee for doing their job, which naturally earns more than these fees [21].

Time budget pressure is an important element in evaluating audit performance. Budget pressure is a factor that affects the behavior of auditors in all developed and developing countries [22]. In other words, budgetary pressures may lead to auditors' underreporting behavior, which ultimately leads to poor employee performance. Coram et al. [3] and [4] showed that in the face of time budget pressure, auditors accept dubious audit evidence in order to expedite auditing. Their results also showed that in situations of high budget pressure, auditors do not perform all the tests for the selected sample when the level of distortion risk is low.

Sadri and Aliahmadi [16] point out that time budgeting and accountability affect the performance of audit judgment. Auditors who are less likely to evaluate performance and experience may feel more pressured by the employer [23]. In addition, the results of research by Hotfield et al. [7]. Show that the amount of auditing adjustment proposed by the auditor decreases with increasing staff pressure. Auditing firms should also reduce their costs to keep profit margins at an acceptable level. This is the first reason for reducing time budget and pressure on auditors. This pressure leads to a loss of audit quality that can not be detected in the short term [16].

Due to the fact that auditors face time constraints and time pressure, and due to the accuracy and supervision of auditors in the financial statements of the company under review, it offers proposed corrections and better presentation of quality financial statement items, and in terms of audit fees. It also motivates and profits audit firms and is related to the time of audit work, so the purpose of this study is to answer the questions: Does the audit time pressure have a significant relationship with profit quality? Will the auditing fee adjust this relationship or not?

2 | Research Background

A summary of the results of previous research is collected in the *Table 1*:

Table 1. Summary of research results.

S/N	The results	Research topic researchers	
1	The results show that the reduction of audit fees has a positive relationship with the second type of audit error. However, there is no significant relationship between audit fee reduction and the first type of audit error. In addition, the recession does not affect the relationship between audit fee reductions and audit error. Also, the reduction of audit fees leads to a decrease in the quality of profits, and the economic downturn exacerbates the negative relationship between the reduction of audit fees and the quality of profits.	The Relationship between Audit Fee Reduction and Audit Error and Profit Quality in a Recession.	Sarlak et al. (2020)
2	The results showed that time budget pressure and client pressure have a significant effect on the auditor's judgment. Also, the interaction of emotional intelligence with the variables of time budget pressure and client stress does not have a significant effect on the auditor's judgment.	Investigating the effect of time budget pressure and client pressure on the auditor's judgment with emphasis on emotional intelligence.	Sadri and Aliahmadi (2019)
3	The results showed that auditor stress has a positive relationship with the quality of accruals, in other words, with increasing job stress, audit quality decreases and in companies with a first auditor, this effect is greater.	The effect of auditors' work stress on audit quality.	Foroui Rad and Bazazzadeh Torbati (2019)
4	The results showed that the audit time pressure has a significant relationship on earnings quality.	Investigating the effect of audit time pressure on earnings quality in companies listed on the Tehran Stock Exchange.	Ramezani (2018)
5	The results show that there is a negative and significant relationship between profit quality and auditor's remuneration.	Investigating the Relationship between Quality of Profit and Auditor's Remuneration in Companies Listed on the Tehran Stock Exchange.	Razdar and Movahedi (2018)
6	It was found that the importance and direction of this relationship is related to the level of managerial ownership. When the owner-manager level is consistent with shareholder interests, the relationship between managerial ownership and the size of the audit firm and audit costs is negative. Conversely, there is a positive relationship when levels of managerial ownership conflict with the interests of shareholders.	Examine managerial ownership and audit fees and audit size.	He et al. (2020)
7	Showed that the financial expertise of the audit committee has a positive and significant relationship with earnings quality and financial accounting professionals have a stronger relationship with earnings quality than non-accounting financial professionals. On the other hand, corporate governance systems and international financial reporting standards moderate the relationship between the financial expertise of the audit committee and the quality of earnings.	The relationship between the financial expertise of the audit committee and the quality of corporate profits using the meta-analysis technique.	Chen et al. (2010)

3 | Research Hypotheses

According to the theoretical foundations and researches, the hypotheses of this research are expressed as follows:

Hypothesis 1: The auditor time pressure has a significant relationship with the quality of companies' profits.

Hypothesis 2: Audit fees affect the relationship between auditor time pressure and profit quality.

4 | Research Method

The present study is an applied research in terms of purpose-based classification. The purpose of applied research is to develop applied knowledge in a specific field. Also, the present study, in terms of method and nature, is of the causal-correlation type and its data are of the post-event approach type (using past information). The research data were collected from the new Rahavard software and the official website of the Tehran Stock Exchange, as well as the financial statements of the published companies. After the initial processing, Excel software was used and the final analysis was performed using Eviews software.

The statistical population of the study is the companies listed on the Tehran Stock Exchange in the 4-year period from 2016 to 2017. The sampling method in this study is the systematic removal method. In this way, for the homogeneity of the research sample, a series of initial conditions are considered for the statistical sample and companies that do not meet the following conditions are excluded from the sample:

- *The audited financial information of each of the studied companies is available.*
- *Companies whose fiscal year ends on March 20.*
- *Companies have not changed their fiscal year during the research period.*
- *Companies that are active in the stock market during the period 95 to 98.*
- *Not to be part of investment and financial intermediation companies.*

Applying the above restrictions, the statistical sample of the research is as follows:

Table 2. Steps for selecting a statistical sample.

Questions	Options
Total number of companies listed on the Tehran Stock Exchange until 2020/03/20.	485
Number of companies whose fiscal year is not March 20.	(97)
Have been admitted to the stock exchange after 2016.	(38)
Except for investment and financial intermediation companies.	(65)
Number of companies whose information is not available in the scope of the research.	(160)
Number of sample companies.	125

5 | Research Regression Model

The first hypothesis:

$$Qb_{it} = \beta_0 + \beta_1 PRessure_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 Mve_{it} + \varepsilon_{it}. \quad (1)$$

The second hypothesis:

$$Qb_{it} = \beta_0 + \beta_1 PRessure_{it} + \beta_2 LnAudit\_fees_{it} + \beta_4 (PRessure_{it} \times LnAudit\_fees_{it}) + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 Mve_{it} + \varepsilon_{it}. \quad (2)$$

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6 | Research Variables and How to Measure Them

6.1 | Independent Variable

Audit Time Pressure: The difference between the audit report time and the days set by the Exchange Organization [13].

6.2 | The Dependent Variable

Profit quality (Qb) = is obtained from the following equation [13]:

$$\frac{TACC}{A} = \frac{1}{A} + \frac{\Delta Rev - \Delta Rec}{A} + \frac{PPE}{A} + \varepsilon_{it}. \quad (3)$$

TACC = Accruals are the difference between operating profit and operating cash flow.

A = book value of total assets.

REV Δ = Sales revenue changes.

Rec Δ = Changes in accounts receivable.

PPE = Gross Tangible Fixed Assets.

ε = residual is a regression model that is considered as a measure of profit quality.

6.3 | Modifier Variable

Audit Fee (LnAudit-fees): Logarithm of Audit Fee [11].

6.4 | Control Variables

Company size (SIZE): is obtained from the natural logarithm of all assets [13].

Financial leverage (LEV): which is obtained from the ratio of total debt to total assets [13].

Company value (Mve): the ratio of market value divided by the book value of shares [13].

7 | Classic Hypothesis Test

According to the literature of panel data econometrics, before estimating the model, it is necessary to test the homogeneity of the data using F-Limer test statistics and thus using the panel data estimation method. Also, in order to select the appropriate estimation method from the method with fixed and random effects, Hausman test statistics should be used.

Also, a linear test was performed before estimating the model, and this test indicates that there was no alignment between the model variables. The figure below shows the VIF test. The closer the statistic is to one, the less alignment there is, and the closer it is to 10, the higher the alignment. As can be seen in the figure below, there is no alignment between the research variables.

Table 3. Alignment check.

vif	Variable
1/008154	PRESSURE
1/008860	LNAUDIT_FEES
1/029682	SIZE
1/015785	LEV
1/010735	MVE

Before estimating the model, it is necessary to examine the maneuverability (reliability) of the variables. A variable is when the mean, variance, and autocorrelation coefficients remain constant over time. In general, if the temporal origin of a variable changes and its mean, variance, and covariance do not change, then the variable is mana (constant), and otherwise the variable will be anonymous (namana). In the present study, Levin Lin Chao test was used to determine the significance of the variables.

Hypotheses related to the meaning of variables are as follows:

– H0 = is an unknown variable (namana).
– H1 = is a mana variable (constant).

Table 4. Investigating the significance of research variables.

Mana / namana	Statistics	Significance level	The order of difference	Mana test	Variable
mana I(0)	-24/1412	0.0000	No difference	Levin, Lin & Chu t*	QB
mana I(0)	-36/1275	0.0000	No difference	Levin, Lin & Chu t*	PRESSURE
mana I(0)	-5/34993	0.0000	No difference	Levin, Lin & Chu t*	LNAUDIT_FEES
mana I(0)	-27/2086	0.0000	No difference	Levin, Lin & Chu t*	PRESSURE*LNAUDIT_FEES
mana I(0)	-24/4340	0.0000	No difference	Levin, Lin & Chu t*	SIZE
mana I(0)	-27/1285	0.0000	No difference	Levin, Lin & Chu t*	LEV
mana I(0)	-17/6107	0.0000	No difference	Levin, Lin & Chu t*	MVE

The information in the table above shows the significance test for the research variables. All studied variables according to Levin, Lin & Chu t *'s mana test are without mana difference. The order of difference in the significance test indicates the level and degree of significance of the research variables. In fact, if a variable is anonymous(namana) and becomes meaningful (mana) with a difference of one, then that meaning of the variable is called degree 1 or so-called I (1).

In the table above, the variables have a mana without differentiation, so the variables are at the mana level or are so-called I (0). The significance level of the mana test is less than 0.05%, indicating its mana variable. Also, in order for a variable to be meaningful, the relevant test statistic in absolute terms must be greater than 2, which is the same level of significance and the relevant test statistic in the table above.

Before estimating the model, the related tests should be performed first. The first test we perform is a test to test the following hypothesis. Given the assumption that the coefficients of the variables are constant, is the width of the origin constant in all years or not. In general, we use the following test to choose between the Pooled and Panel models:

H0: $\alpha 1 = \alpha 2 = \alpha 3 = \ldots = \alpha T$- $\Longleftrightarrow$ All widths of the origins are equal. $\Longleftrightarrow$ Pooled model

H1: $\alpha i \neq \alpha j$ $\Longleftrightarrow$ At least one width of the origins is different from the rest. $\Longleftrightarrow$ Panel model

Chav statistics is used to test the above hypothesis. The results of this test are summarized in the table below. If the P-value is less than 5%, the panel method is used for estimation. *Table 5* shows the results of the Chow test (F-statistic) related to the mentioned hypothesis about the research model.

Table 5. F (Limer) test results for choosing the combined method (Pooling) or combined (Panel).

Test reult	Compare with 0.05	p-value	Statistics	Model
H0 is rejected (panel data method is selected)	smaller	0/0000	9/375988	First model
H0 is rejected	smaller	0/0000	9/344708	Second model

According to *Table 5*, the significance level of F statistic for research regression models is less than 0.05. Thus, it can be concluded that the 0 H hypothesis (integrated model) is rejected and the hybrid model is confirmed.

Once it is determined that the width of the origin is not the same for different years, the method used in estimating the model (fixed or random effects) should be determined, for which the Hausman test is used. Hypothesis zero and the opposite hypothesis are as follows.

- *H0: The hybrid model is suitable with random effects.*
- *H1: The hybrid model is suitable with fixed effects.*

Method of medicine: If at 95% confidence level the statistic calculated from the regression equation is less than the value obtained from the graph, the hypothesis can not be rejected and otherwise it is rejected. In other words, if the significance level of Hausman test is greater than 0.05, the model with random effect and if the significance level of this test is less than 0.05, the combined model with fixed effect is used.

Table 6. Hausman test results for choosing between fixed effects model and random effects.

Test result	p-value	statistics χ^2	Model
H0 Confirmed (random effects method selected)	0/0546	9/274935	First model
H0 is rejected (fixed effects method is selected)	0/0352	13/544983	Second model

According to Hausman's test in *Table 6* of regression model processing, this research will be suitable for the model using both fixed and random effects method estimation of the combined data model.

Hypothesis 1: The auditor's time pressure has a significant relationship with the quality of companies' profits.

Table 7. Statistical results of the first model research test, the dependent variable of profit quality.

Relationship type and significance (5% error)	Significance level (sig)	Statistics t	Standard deviation	Coefficients	Variable
Negative and meaningful	0/0156	-2/155760	0/001048	-0/002259	PRESSURE
Positive and meaningful	0/0000	2/917688	0/041377	0/120725	SIZE
No relationship	0/2887	1/061958	0/303253	0/322042	LEV
No relationship	0/4706	-0/721937	0/021724	-0/015683	MVE
-	0/2719	-1/099572	0/609151	-0/669805	C
1/751393		Watson Camera Statistics		5/623214 (0/000093)	Statistics F (significance level)
0/402421		Adjusted coefficient of determination		0/444005	The coefficient of determination

In evaluating the significance of the whole model, considering that the probability value of F statistic is less than 0.05 (0.000093), the significance of the whole model is confirmed with 95% confidence. If the Watson camera statistics are between 1.5 and 2.5, there is no need to worry. In the first model of the

research, Watson's camera statistic shows the value (1.751393), so there is no sequential correlation between the residues. An important difference between the coefficient of determination and the adjusted coefficient of determination is that the coefficient of determination assumes that each independent variable observed in the model explains the changes in the dependent variable. Therefore, the percentage shown by the coefficient of determination (0.444005) is assuming the effect of all independent variables on the dependent variable. If the percentage shown by the adjusted coefficient of determination (0.402421) is only the result of the real effect of the independent variables of the model on the dependent and not all the independent variables. Another difference is that the suitability of the variables for the model can not be determined by the coefficient of determination even with a high value if the estimated value of the modified coefficient of determination can be trusted. Therefore, the modified coefficient of determination of the model indicates that 40% the dependent variable of profit quality is explained by independent and control variables of the model.

The first hypothesis of the research states: The auditor time pressure has a significant relationship with the quality of companies' profits. As can be seen in the table above, the estimated coefficient (-0.002259) and t-statistic (-155760) related to the variable PRESSURE are negative and statistically significant (0.0156). Accordingly, the results of the first research hypothesis are confirmed at an error level of 5%.

Therefore, according to these results, it can be said that there is a negative and significant relationship between audit time pressure and profit quality and the control variable of company size has a positive and significant relationship with the dependent variable, ie company profit quality. Because the absolute value of t-statistic of auditor time pressure variable is more than 1.96 and its significance level is less than 5%, so the first hypothesis of the research is confirmed.

Hypothesis 2: Audit fees affect the relationship between auditor time pressure and profit quality.

Table 8. Statistical results of the second research model test, the dependent variable of profit quality.

Relationship type and significance (5% error)	Significance level (sig)	Statistics t	Standard deviation	Coefficients	Variable
Negative and meaningful	0/0000	-2/753248	0/004554	-0/012538	PRESSURE
Positive and meaningful	0/0005	2/666933	0/070425	0/187818	LNAUDIT___FEES
Positive and meaningful	0/0000	2/745023	0/000678	0/001861	PRESSURE_LNAUDIT*FEES
Positive and meaningful	0/0000	5/194010	0/052369	0/272004	SIZE
Positive and meaningful	0/0002	3/711271	0/161903	0/600864	LEV
No relationship	0/8788	-0/152517	0/012805	-0/001953	MVE
-	0/0000	-4/844214	0/894296	-4/332162	C
1/657306		Watson Camera Statistics		26/32920 (0/000000)	Statistics F (significance level)
0/640686		Adjusted coefficient of determination		0/673877	The coefficient of determination

In evaluating the significance of the whole model, considering that the probability value of F statistic is less than 0.05 (0.00000), the significance of the whole model is confirmed with 95% confidence.

The second hypothesis of the research states: audit fee has an effect on the relationship between auditor time pressure and quality of profit. The auditor's time pressure on the audit fee is positive and statistically significant (0.0000).

Accordingly, the results of the second hypothesis of the research are confirmed at an error level of 5%. Therefore, according to these results, it can be said that audit fees affect the relationship between auditor time pressure and profit quality and the control variables of company size and financial leverage have a positive and significant relationship with the dependent variable, ie company profit quality.

Because the absolute value of t-statistic of the auditor's time pressure variable in the audit fee is more than 1.96 and its significance level is less than 5%, so the second hypothesis of the research is confirmed.

Finding

Hypothesis 1: The auditor time pressure has a significant relationship with the quality of companies' profits.

There is a negative and significant relationship between auditor time pressure and profit quality. According to the research results, the existence of pressures in the auditing profession increases the perception of auditors' personal reputation costs and motivates them to perform activities that may jeopardize the effectiveness of the process of gathering and evaluating impartial audit evidence.

Time pressures studied in this study, taking into account the background of accountability -A common phenomenon in the audit environment. The results indicate that accountability for the audit work is performed and time pressure leads auditors to understand the costs of individual reputation when faced with subsequent conflicting evidence in the audit. This means that accountability for the audit work performed can be considered as an incentive for auditors to engage in profit-threatening behavior in such circumstances.

Hypothesis 2: Audit fees affect the relationship between time pressure and profit quality.

The results of the second hypothesis of the research are confirmed at the error level of 5%. Therefore, according to these results, it can be said that audit fees have a positive and significant effect on the relationship between time pressure and profit quality. Given that the auditor's time pressure has a logical relationship with earnings quality, the inference is that performing audits at the right time should be sufficiently effective in providing companies' earnings quality. In a way, the lower the time pressure, the higher the quality of the profit, and vice versa, in a way that the audit fee, which is commensurate with the auditor's time budget, affects the intensity of this relationship. Therefore, determining the correct amount of auditing fees in companies is important for auditing firms. In such a way that if the amount of the audit fee is unreasonable, one can expect cases resulting from profit manipulation and similar cases.

Based on the findings of this study, the following suggestions are presented:

It is suggested to perform the audit at the right time, taking into account the appropriate time budget of the audit. Because in this case the quality of profit may decrease.

Due to the effect of auditing fees on the severity of the relationship between time pressure and profit quality on companies, it is suggested that auditors' fees be more in line with their time budget.

Suggestions for future researchers are also provided below:

1. It is suggested to examine the relationship between auditor time pressure and profit management and audit quality.
2. The effect of audit firm characteristics on the relationship between auditor time pressure and profit quality should be investigated.

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