

DETERMINANTS OF EXTERNAL AUDITORS' INDEPENDENCE: A CASE STUDY ON ETHIOPIAN AUTHORIZED AUDIT FIRMS

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ABSTRACT

This study was examined determining factors of auditors' independence with reference to authorized audit firms in Ethiopia. To this end, the researcher employed mixed research approach with explanatory research design where the effect caused by the independent variable on the dependent variable is observed through regression analysis. Primary data was collected through structured question from randomly selected private audit firm. Accordingly, the result of multiple liner regression analysis done through SPSS version 21, variables such as size of audit firm, size of audit fee, professional audit standard, competition, audit committee and information technology have positive and statistically significant effect on external auditors' independence. Whereas, the one explanatory variable which is provision was not statistically significant in this study. Based on the findings of the study, the researcher recommended that for audit firms in Ethiopia and other concerned bodies haveto work on statistically significant variables due to fact that they have positive influence on auditors' independence.

KEYWORDS: *Determinants, Auditors' Independence, Authorized Audit Firms, Ethiopia*

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