

## **THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE MECHANISMS AND AUDIT QUALITY WITH INVESTMENT EFFICIENCY IN IRAN**

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### **ABSTRACT**

**Purpose :** Main purpose of this study is to investigate the impact of corporate governance mechanisms on Investment efficiency and also the impact of audit quality on Investment efficiency among the listed companies on the Tehran Stock Exchange (TSE).

**Research Design, Data and Methodology:** The population includes 110 firms selected through systematic sampling. The data are collected from the audited financial statements of the forms provided by TSE's website from 2012 to 2016. Corporate Governance and audit quality is considered as independent variables, and their impact is examined on the dependent variable (Investment efficiency).

**Results:** The statistical results based on data collected from 110 listed companies on the TSE during 2010–2016 Stated that there is a significant relationship between audit quality (auditor industry specialization, auditor reputation, auditor tenure, auditor independence) with Investment efficiency. The results also showed that there is a significant relationship between corporate governance mechanisms (board non-executive members, controlling shareholders, institutional shareholders, CEO duality, board size) with Investment efficiency.

**Conclusions:** The current study is the first paper on the subject which conducted in the developing country such like Iran, the results of the study may give the strength to the auditing literature and can assist auditing and accounting researchers

**KEYWORDS:** Corporate Governance Mechanisms, Audit Quality, Investment Efficiency, Fuzzy Regression

**JEL Classifications:** G34, M41, M48