

Moral reasoning of tax auditors in Thailand: an empirical investigation of the antecedents and Consequences

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Keywords

Moral reasoning, Audit Judgment, Audit Quality, Ethical Orientation, Regulation Force, Audit Learning

Abstract

The objective of this study is to investigate the impact of moral reasoning, audit judgment, audit quality, ethical orientation, and regulation force of tax auditors in Thailand. Moral reasoning emphasize on four dimensions: moral sensitivity, moral judgement, moral intent, and moral character. The moderating is audit learning. Data collection used mail survey questionnaires from 185 tax auditors in Thailand. The results suggest moral sensitivity and moral character have significant positive effects on audit judgment. Moral Intent has significant positive effects on audit quality. Moreover, audit judgment and audit quality have significant positive effects on audit quality. Finally, ethical orientation and regulation force impact on the four dimensions of moral reasoning including moral sensitivity, Moral judgement, moral intent, and moral character.

1. Introduction

Businesses Sector, governance regulator and investors are determining moral reasoning of auditor highly owing to bankruptcy of Enron and Worldcom. Thus stakeholders raise question about auditor's moral reasoning in accounting professional. Eynon et al., (1997) issued concern of elements that impact on moral reasoning competency become important in academic institution. Several universities try to improve moral reasoning for students. Furthermore universities also include moral reasoning in course. Universities prepare perfect accounting student ready for organization. Recently, increasing focus on the accountant's personal ethical values as likely factor of behavior. Although the accounting profession has many codes of ethics for accountants in distinct career, many circumstances are not particular mentioned in the codes of ethics and their suitability can be considered questionable from accountants (Elias 2006). Due to ambiguity of accounting standards effects on auditor's judgment.

Regulation Force is one factor which impacts on moral reasoning. United States Congress legislate Sarbanes-Oxley 2002 (SOX) for corporate governance after bankruptcy of Enron and Worldcom. Thus SOX is an important instrument to help Certified Public Accountant (CPA) for professional. CPA's Commitment is moral reasoning service to assure for public as auditor expertise. Allen and Ennis (2010) suggest that Certified Public Accountant and Tax Auditor needs ability, knowledge, moral reasoning to increase audit quality. Moreover, second factor that may impact on moral reasoning is personal's ethical orientation, which can be explained as a continuous sequence with relativism and idealism at the other. Greenfield et al (2007) the results suggest that relate between a person's ethical orientation and decision-making. Further auditor demographics also relate to moral reasoning. Elm et al. (2001) many authors have offered men and women use distinction frameworks of moral reasoning. Peterson and Kozmetsky (1984) found women were higher concerned about moral than men.

2. Literature Review and Conceptual Model

This paper studies the relationship between moral reasoning, audit judgement, audit learning, and audit quality which the moral reasoning is an independent variable of the study consisted of moral sensitivity, moral judgment, moral intent, and moral character. Likewise, audit quality is a dependent variable and the moderating is audit learning in tax auditors in Thailand. Thus the conceptual model is explained by the model as shown in Figure 1.

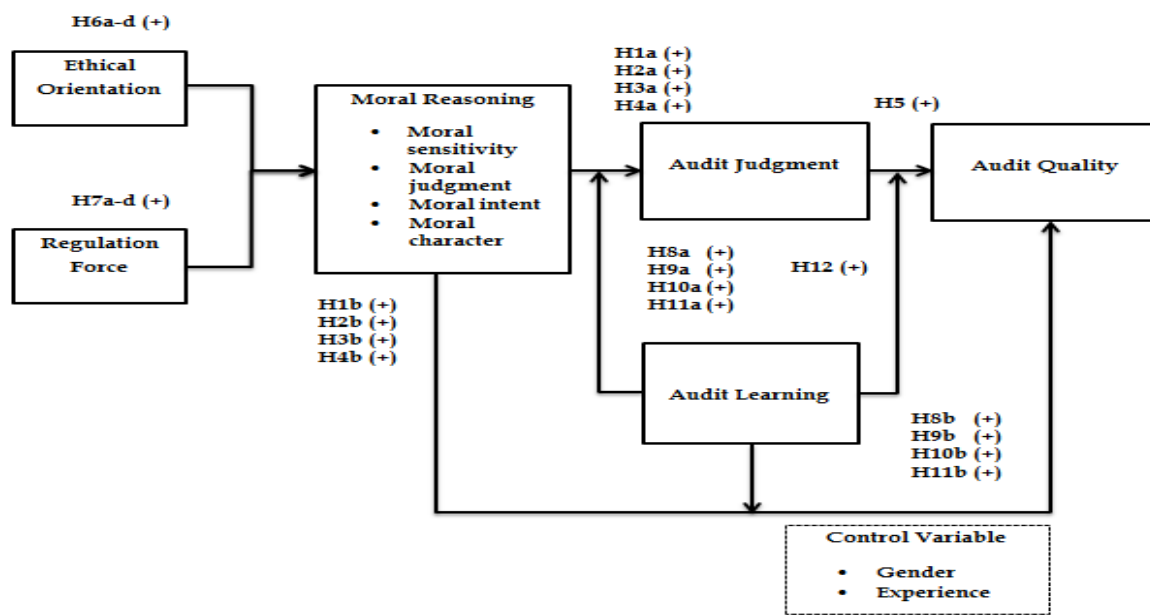


Figure 1: Relationship Model of Moral Reasoning on Tax Auditors in Thailand

2.1 Moral development theory

Marnburg (2001) mentioned that this paper is how moral development theory is able to educate the insight of ethical behavior in trading operation. Several researchers in business ethics suppose Moral development theory is essential of moral reasoning in business entourage. The papers study associate among moral reasoning, ethical opinion, and adjudication behavior. Jean Piaget initially creates moral development theory and its method as outcome of learning's children's morality, then Lawrence Kohlberg prolong Piaget's stage model from three to six stages for adults. Then Jams Rest (Rest, 1979) extends Kohlberg's theory by little distinction and more elastic theory thus the theory of moral development evinces rational and system method to ethics.

2.2 Moral reasoning

Moral reasoning is a variable explaining the cognitive process an individual uses to analyze moral issues and determine feasible scheme of execution to solve moral dilemmas. Windsor (2002) a major trait of specialist judgment is the auditor's ability fair decisions making and auditor must give fair notion and independent auditing.

The finding of Windsor (2002) also suggests auditor needs potentiality to manage when confront with ethical crisis. Kohlberg's (1969) expands theory of moral reasoning to investigate auditors' the scientific study of the human mind and its functions, especially those affecting behavior in a given context for offering fair judgments and suggest moral reasoning is suitable for investigate auditors' propensity to give fair judgment and independent notion in financial reporting.

1. Moral sensitivity refers to the potentiality to analyze the dominant of nature moral dilemma. (Rest, 1979)

Hypothesis 1: Moral sensitivity is positively related to (a) audit judgment (b) audit quality.

2. Moral Judgment is an individual selection a moral result upon an immoral one. (Rest, 1979)

Hypothesis 2: Moral Judgment is positively related to (a) audit judgment (b) audit quality.

3. Moral Intent is the potentiality to identify among moral and immoral values and engage to the moral value. (Rest, 1979)

Hypothesis 3: Moral intent is positively related to (a) audit judgment (b) audit quality.

4. Moral Character is the potentiality to judge the moral execution as an outcome of engage to moral values upon individual values. (Rest, 1979)

Hypothesis 4: Moral character is positively related to (a) audit judgment (b) audit quality.

2.3 Consequences of Moral reasoning

2.3.1 Audit judgment

Audit judgment is defined as the evaluation of evidence to make a decision. Cianci et al., (2009) investigate the effect of emotion on the assumption generation and auditor ethical judgment and the results show emotion state influence on auditor's judgment by comparing between bad emotion and good emotion. Auditor has banned emotion more correct explanations for undulations in financial rations, but week ethical judgments. Sweeny and Fisher (1998) Virtue has increasingly important in auditing research area, researcher attempted to investigate a relationship among auditor moral judgment and their point of view or behavior. Rebertson (2010) suggests that auditors can convince auditor judgment over relationship under exact behavior and customer can guide positive impact on auditor judgment. Peytcheva and Gillett (2011) find intellect of superiors' attitude.

Hypothesis 5: Audit judgment is positively related to audit quality.

2.4 Antecedents of Moral reasoning

2.4.1 Ethical Orientation

Bigel (2000) mentioned that several researches of ethical orientation have been investigated with accounting and another area. MaCarthy (1997) suggested the researcher to summarize that disclosure to the accountant's Professional Code of proceed in auditing course did not rectify congruence to the code highlighted a staring shortcoming in accountant's professional education. Traditionally, declaration to the code in an auditing program has been the only expertise ethical orientation that accountants received in learning process. Forsyth (1980) explained personal's ethical orientation as continuous sequence with relativism and idealism. Relativism can explicate a personal's concern of international set of convention. Idealism emphasize on person prosperity. A person's ethical orientation (relativism vs. idealism) impacted auditor decision-making. Personals have idealistic that will not earnings management which causes hazard and should avoid (Forsyth, 1982). Forsyth's classify provides valuable in describing distinction in moral judgments (Forsyth 1980, 1982)

Hypothesis 6: Ethics orientation is positively related to (a) moral sensitivity (b) moral Judgment (c) moral intent (d) moral character.

2.4.2 Regulation Force

Allen and Ennis (2010) suggest the Sarbanes-Oxley Act of 2002 (SOX) as magisterial meddling attend to reinforce the corporate governance of the public business enterprise. As such, SOX is seen as fussing government try to supporting the CPA profession in satisfaction its moral duty to prevent the public gain from unrighteous financial reporting by firm administration. Since CPAs are inform across their professional code of conduct(s) to perform in the public gain, this paper investigate whether CPAs' moral reasoning associate advocate for increasing SOX to nonpublic identity. The results show that the moral reasoning of CPAs is negatively associates to their advocate for increasing SOX to nonpublic entities. The result show that a moral view, CPA's view point an increasing of SOX to nonpublic identity as unessential to supporting the profession face with its moral duty to service the public gain. Maroney and McDevitt (2008) suggest the Sarbanes-Oxley Act can be proficient controlling for an exaggeration of financial statement income by person at down levels of moral reasoning thus this finding should be of well regard to regulators as they try to evaluate the effects of the Sarbanes-Oxley Act.

Hypothesis 7: Regulation Force is positively related to (a) moral sensitivity (b) moral Judgment (c) moral intent (d) moral character.

2.5 The moderating effects of Auditor learning

Auditor Learning Russo (1997) mentioned that the state of a specific auditor's intellect base that is a vector explanation the material and availability of the intellect component that auditor's intellect base. As a task performance, an auditor's emphatic problem-solving behaviors will modify

for three reasons. First, as implicit by the repeat problem-solving process, problem-solving behaviors of auditors will modify reaction the development task environment. Second, new intellect about auditing or the task predicament may be received. Finally, interaction with the task predicament will create alter in the feature and proficiency of an auditor's access to intellect-base content. The last two alter means represent learning and emerge with content and aptness dimensions, respectively. Specifically, more over experience, learning is the association among unavailable and attendant intellect content and, secondly, modify in the associate among unavailable and available intellect.

Hypothesis 8: The relationships between moral sensitivity, (a) audit judgement and (b) audit quality will be positively moderated by audit learning.

Hypothesis 9: The relationships between moral judgment, (a) audit judgement and (b) audit quality will be positively moderated by audit learning.

Hypothesis 10: The relationships between moral intent, (a) audit judgement and (b) audit quality will be positively moderated by audit learning.

Hypothesis 11: The relationships between moral character, (a) audit judgement and audit quality will be positively moderated by audit learning.

Hypothesis 12: The relationships between audit judgement and audit quality will be positively moderated by audit learning.

3. Research Methods

3.1 Sample Selection and Data Collection Procedure

This study chooses tax auditors in Thailand as the population of the study. A database of 1,874 names and addresses were obtained from the Revenue department Website.

A mail survey procedure by way of a questionnaire is directly distributed to a randomly chosen population with a confidence level of 95 % is 1,000 CPAs in Thailand. With respect to the questionnaire mailing, 185 responses were returned and usable.

To indemnify response bias problems among respondents and non-respondents, Armstrong and Overton (1997) suggest using t-test for comparison the mean of all variables among early and late respondents. The results show no significant among respondents and non-respondents.

3.2 Questionnaire Development

In this paper, a questionnaire comprise of four parts. The first parts for personal demography such as gender, age, status, education level, tax audit experience, incomes from tax audit per month, training, else experience. The second parts are four constructs in the conceptual model. In this part using a five -point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). In the second parts questions are measurements for the four dimensions of moral reasoning of Tax Auditor in Thailand. In the third parts questions measurement for Audit judgment, Audit quality, Audit learning, in the fourth part questions are measurements for Ethical Orientation and Regulation Force.

3.3 Reliability and Validity

The data collection uses Cronbach's alpha coefficients for reliability testing. The purpose of this step is international consistency checking of items in the questionnaire. Every construct is measured by a 5-point Likert scale. Table 1 shows an alpha coefficient more than 0.70 and the coefficients were higher than 0.70 (Nunnally and Bernstein, 1994).

The constructs have coefficients ranging from 0.714-0.954 with the lowest coefficient is Audit Quality and the highest coefficient is Audit Learning. The validity testing, in this paper uses confirmatory factor analysis (CFA) to investigate instrument construct validity. In Table 1 shows the factor loadings of each construct are more than 0.70 (ranging from 0.823-0.911).

3.4 Variable Measurements

Every variable is obtained and measured by a Five - Point Likert scale, ranging strongly disagree is 1 to strongly agree is 5. More over the definition of all variables are developed for measurement. Thus dependent variables, independent variables, moderating variable, and control variable measurement are explained below:

3.4.1 Dependent Variable

Audit quality is audit firms that are necessary to organize a system of quality control that agree with regulations and law and guarantee that its audit reports are suitable. An audit firm's system of quality control emphasis to comprise exact key component, for example independence, integrity, objectivity, personnel organization (which consist adequacy of resources, academic knowledge, and experience), undertaking performance, dealing, reporting, and monitoring. (Flesher et al., 2014)

3.4.2 Independent Variables

Definition of Moral reasoning is the real cognitive moral construct one use to the determined of a special ethical dilemma. Rest (1979) explained the component of four important types of psychological processes.

1. *Moral sensitivity* refers to the potentiality to analyze the dominant of nature moral dilemma.
2. *Moral judgment* refers to an individual selection a moral result upon an immoral one.
3. *Moral Intent* refers to the potentiality to identify among moral and immoral values and engage to the moral value.
4. *Moral character* refers to the potentiality to judging to moral execution as an outcome of engage to moral values upon individual values.

3.4.3 Moderating Variable

Audit Learning refers to learning that is the concept associated invariable alter in the state of an auditor's intellect base consequence from experience in an audit task performance. (Russo 1997)

3.4.3 Antecedent Variables

Ethics Orientation Forsyth (1980) explains personal's ethical orientation as continuous sequence with relativism and idealism. Relativism can explicate a personal's concern of international set of convention. Idealism emphasize on person prosperity.

Regulation Force Allen and Ennis (2010) suggest the Sarbanes-Oxley Act of 2002 (SOX) as magisterial meddling attend to reinforce the corporate governance of the public business enterprise. As such, SOX is seen as fussing government try to support the CPA profession in satisfaction its moral duty to prevent the public gain from unrighteous financial reporting by firm administration.

3.4.4 Control Variables

Gender affects the association between moral reasoning, audit judgment, and audit quality. Previous study suggests that male auditors have weaker audit ethics than females (Emerson and others, 2007; Karacaer and others, 2009). Peterson and Kozmetsky (1984) found women were higher concerned about moral than men. Chung and Monroe (2001) study about impact of gender and task complicated on the infallibility of audit judgments and the results show in less complicated task. Women were precise than men. In the more complicated task, women were more precise than men. In this study auditors' gender is represented by dummy variables which 0 is male, and 1 is female.

Experience affects the association between ethic orientation, audit judgment, and audit quality. Previous study suggests that auditors with short-term experience have lower audit ethics than long-term auditors (Emerson and others, 2007; Karacaer and others, 2009). In this study, the period of the CPAs tenure is measured by dummy variables in which 0 is less than or equal to 10 years, and 1 is more than 10 years.

4. Result

4.1 Statistical Techniques

This paper used the ordinary least squared regression (OLS) analysis for test hypotheses.

As a result all hypotheses comprise of ten statistical equations show as follow:

$$\text{Equation 1: } AJ = \beta_{01} + \beta_{11}MS + \beta_{21}MJ + \beta_{31}MI + \beta_{41}MC + \beta_{51}GENDER + \beta_{61}EXP + \epsilon$$

$$\text{Equation 2: } AJ = \beta_{02} + \beta_{71}MS + \beta_{81}MJ + \beta_{91}MI + \beta_{101}MC + \beta_{111}AL + \beta_{121}(MS*AL) + \beta_{131}(MJ*AL) + \beta_{141}(MI*AL) + \beta_{151}(MC*AL) + \beta_{161}GENDER + \beta_{171}EXP + \epsilon$$

$$\text{Equation 3: } AQ = \beta_{03} + \beta_{181}MS + \beta_{191}MJ + \beta_{201}MI + \beta_{211}MC + \beta_{221}GENDER + \beta_{231}EXP + \epsilon$$

$$\text{Equation 4: } AQ = \beta_{04} + \beta_{241}MS + \beta_{251}MJ + \beta_{261}MI + \beta_{271}MC + \beta_{281}AL + \beta_{291}(MS*AL) +$$

$$\begin{aligned} \text{Equation 5: AQ} &= \beta_{30}(\text{MJ} \cdot \text{AL}) + \beta_{31}(\text{MI} \cdot \text{AL}) + \beta_{32}(\text{MC} \cdot \text{AL}) + \beta_{33}\text{GENDER} + \beta_{34}\text{EXP} + \varepsilon \\ \text{Equation 6: AQ} &= \beta_{05} + \beta_{35}\text{AJ} + \beta_{36}\text{GENDER} + \beta_{37}\text{EXP} + \varepsilon \\ \text{Equation 7: MS} &= \beta_{06} + \beta_{38}\text{AJ} + \beta_{39}\text{AL} + \beta_{40}(\text{AJ} \cdot \text{AL}) + \beta_{41}\text{GENDER} + \beta_{42}\text{EXP} + \varepsilon \\ \text{Equation 8: MJ} &= \beta_{07} + \beta_{43}\text{EthO} + \beta_{44}\text{RF} + \beta_{45}\text{GENDER} + \beta_{46}\text{EXP} + \varepsilon \\ \text{Equation 9: MI} &= \beta_{08} + \beta_{47}\text{EthO} + \beta_{48}\text{RF} + \beta_{49}\text{GENDER} + \beta_{50}\text{EXP} + \varepsilon \\ \text{Equation 10: MC} &= \beta_{09} + \beta_{51}\text{EthO} + \beta_{52}\text{RF} + \beta_{53}\text{GENDER} + \beta_{54}\text{EXP} + \varepsilon \\ \text{Equation 10: MC} &= \beta_{10} + \beta_{55}\text{RthO} + \beta_{56}\text{RF} + \beta_{57}\text{GENDER} + \beta_{58}\text{EXP} + \varepsilon \end{aligned}$$

Variable	Factor Loading	Cronbrach's Alpha
Audit Quality (AQ)	0.714-0.826	0.905
Moral Sensitivity (MS)	0.767-0.869	0.828
Moral Judgement (MJ)	0.836-0.878	0.828
Moral Intent (MI)	0.849-0.857	0.823
Moral Character (MC)	0.845-0.891	0.842
Audit Judgment (AJ)	0.753-0.900	0.866
Audit Learning (AL)	0.898-0.954	0.911
Ethical Orientation(EthO)	0.850-0.880	0.881
Regulation Force (RF)	0.851-0.899	0.883

Table 1: Results of Factor Loadings and Cronbach's Alpha coefficients

Table 1 shows that all variables have factor loading scores between 0.714-0.954 indicating that there is construct validity. Furthermore, Cronbach's alpha coefficients for all variables are presented between 0.823-0.911 (Nunnally and Bernstein, 1994). Consequently, the reliability of all variables is acceptable.

The descriptive statistics and correlation matrix for all variables are presented in Table 2. With respect to potential problems relating to multicollinearity, Variance Inflation Factors (VIFs) are used to provide information on the extent to which non-orthogonally among independent variables inflates standard errors. The VIFs range from 1.026-7.811 to, which is well below the cut-off value of 10 recommended by (Hair et al., 2010), meaning that the independent variables are not correlated with each other. Therefore, there are no significant multicollinearity problems encountered in this study.

Variable	AQ	MS	MJ	MI	MC	AJ	ETHO	RF	AL	GENDER	EXP
Mean	3.96	4.03	4.14	3.99	4.08	4.13	3.86	4.26	4.26	0.66	0.44
S.D.	0.611	0.54	0.52	0.55	0.63	0.56	0.60	0.61	0.66	0.47	0.50
AQ	1										
MS	.400***	1									
MJ	.387***	.756***	1								
MI	.424***	.649***	.668***	1							
MC	.418***	.613***	.703***	.766***	1						
AJ	.634***	.609***	.563***	.576***	.588***	1					
ETHO	.499***	.496***	.459***	.559***	.561***	.617***	1				
RF	.405***	.396***	.473***	.504***	.514***	.487***	.530***	1			
AL	.361***	.418***	.482***	.572***	.586***	.527***	.537***	.765***	1		
GENDE R	-.051	.115	.244***	.197***	.166***	.108	-.008	.048	-.016	1	
EXP	.126	-.020	.090	-.008	.028	.023	.087	.010	-.066	-.114	1

***p<0.01,**p<0.05,*p<0.10

Table2: Descriptive Statistics and Correlation Matrix

Table 3 and 4 present the results of OLS regression analysis of the relationships among the four dimensions of moral reasoning and audit judgement (AJ). The results show that moral sensitivity (MS) ($b_1=0.331$, $p < 0.01$) and moral character (MC) ($b_4=0.239$, $p < 0.05$) have significant positive effects on audit judgement (AJ), but moral judgement (MJ) ($b_2=0.151$, $p > 0.05$) and moral intent (MI) ($b_3=0.151$, $p > 0.05$) have no effect on audit judgement (AJ). Thus, hypotheses 1a and 3a supported, but 2a and 3a are not supported.

The relationships among the four dimensions of moral reasoning and audit quality (hypotheses 1b-4b) show Moral Intent (MI) ($b_{20} = 0.196$, $p < 0.10$) have significant positive effects on audit quality. But moral sensitivity (MS) ($b_{18} = 0.150$, $p > 0.05$), moral judgement (MJ) ($b_{19} = 0.057$, $p > 0.05$) and moral character (MC) ($b_{21} = 0.155$, $p > 0.05$) Thus, hypotheses 3b supported, 1b, 2b, and 4b are not supported. Moreover, the relationships among audit judgement (AJ) and audit quality (AQ) (hypotheses 5) ($b_{35} = 0.644$, $p < 0.01$) have significant positive effects on audit quality (AQ). Thus, hypothesis 5 is supported.

The relationships among ethical orientation (EthO) and regulation force (RF) with the four dimensions of moral reasoning including moral sensitivity (MS), moral judgement (MJ), moral intent (MI), and moral character (MC) are significant. The results show ethical orientation (EthO) (hypotheses 6a-d) $b_{43} = 0.405$, $b_{47} = 0.292$, $b_{51} = 0.421$ and $b_{55} = 0.402$, $p < 0.01$) and regulation force (RF) (hypotheses 7a-d) ($b_{44} = 0.179$, $p < 0.05$) ($b_{48} = 0.306$, $b_{52} = 0.271$ and $b_{56} = 0.299$, $p < 0.01$) have significant positive effects on the four dimensions of moral reasoning. Thus, hypotheses 6a-d and 7a-d are supported.

In addition, the impact of Audit learning as it moderates the relationships among the four dimensions of moral reasoning and Audit judgment and Audit quality. The results show audit learning has no moderates between relationships.

Independent Variables	Dependent Variables					
	EQ1 AJ	EQ2 AJ	EQ3 AQ	EQ4 AQ	EQ5 AQ	EQ6 AQ
Moral Sensitivity (MS)	0.331*** (0.091)	0.323*** (0.090)	0.150 (0.107)	-0.060 (0.098)		
Moral Judgement (MJ)	0.042 (0.101)	-0.014 (0.101)	0.057 (0.118)	0.027 (0.098)		
Moral Intent (MI)	0.151 (0.094)	0.096 (0.098)	0.196* (0.110)	0.107 (0.100)		
Moral Character (MC)	0.239** (0.095)	0.173** (0.096)	0.155 (0.111)	0.034 (0.101)		
Gender (GEN)	-0.010 (0.124)	0.078 (0.125)	-0.282* (0.145)	-0.297** (0.130)	-0.233* (0.121)	
Experience (EXP)	0.033 (0.115)	0.062 (0.114)	0.209 (0.135)	0.194 (0.120)	0.199* (0.144)	
Audit Judgment (AJ)					0.644*** (0.057)	0.631*** (0.067)
Audit Learning (AL)		0.263*** (0.076)		0.582*** (0.077)		0.045 (0.068)
Ethical Orientation(EthO)						
Regulation Force (RF)						
MS*AL		-0.002 (0.097)		0.062 (0.101)		
MJ*AL		-0.070 (0.090)		-0.069 (0.095)		
MI*AL		0.104 (0.102)		0.128 (0.103)		
MC*AL		-0.006 (0.113)		-0.078 (0.117)		
AJ*AL						0.075 (0.049)
Adjust R Square	0.435	0.462	0.224	0.408	0.416	
Maximum VIF	3.290	7.811	3.290	7.594	1.026	

$p < .10$, ** $p < .05$, *** $p < .01$, a Beta coefficients with standard errors in parenthesis.

Table 3: Results of OLS Regression Analysis

Independent Variables	Dependent Variables			
	EQ7	EQ8	EQ9	EQ10
	MS	MJ	MI	MC
Ethical Orientation(EthO)	0.405*** (0.075)	0.292*** (0.072)	0.421*** (0.068)	0.402*** (0.068)
Regulation Force (RF)	0.179** (0.075)	0.306*** (0.072)	0.271*** (0.068)	0.299*** (0.068)
Gender (GEN)	0.210 (0.134)	0.508*** (0.129)	0.387*** (0.122)	0.333*** (0.122)
Experience (EXP)	-0.091 (0.129)	0.179 (0.123)	-0.053 (0.117)	0.016 (0.117)
Adjust R Square	0.269	0.332	0.396	0.394
Maximum VIF	1.415	1.415	1.415	1.415

*p<.10, **p<.05, ***p<.01, a Beta coefficients with standard errors in parenthesis.

Table 4: Results of OLS Regression Analysis

5. Contributions and Directions for Future Research

5.1 Theoretical Contributions and directions for future Research

This paper demonstrated obvious of the relationship among moral reasoning, audit judgment, audit quality, ethical orientation, regulation force of tax auditors in Thailand. The moderating effect of audit learning does not moderate the relationships among the four dimensions of moral reasoning and audit judgment and audit quality. Thus future research should investigate another moderate variable for this relationship among the four dimensions of moral reasoning and audit judgment such as professional learning.

5.2 Managerial Contributions

This study is the guide for tax auditors to improve and apply moral reasoning in their audit task. Dimension of moral reasoning can help tax auditors better audit judgment than higher audit quality. Tax auditor should consider about regulation force continuously for update information which usefulness for audit performance and pay attention about ethical orientation due to it is an important factor with higher moral reasoning. If tax auditors have higher moral reasoning, users will have confidence in financial reporting and reduce dishonest.

6. Conclusion

This study examined the impact of moral reasoning, audit judgment, audit quality, audit learning, ethical orientation and regulation force of tax auditors in Thailand. Moral reasoning emphasis on four dimensions: moral sensitivity, moral judgement, moral intent and moral character. Also the results suggest that moral sensitivity and moral character have significant positive effects on audit judgement. Moral intent has significant positive effects on audit quality. Moreover audit judgement and audit quality have significant positive effects on audit quality. Finally, ethical orientation and regulation force has impact on with the four dimensions of moral reasoning including moral sensitivity, moral judgment, moral intent, and moral character.

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