

Table S1. List of Measures.

Constructs	Items	Statement	Source
Auditors' responsibility for fraud detection (ARF)	ARF1	The auditor is primarily responsible for the prevention and detection of fraud and error of the entity.	Pourheydari & Abousaiedi, 2011, Dixon et al., 2006; Ruhnke & Schmidt, 2014; Porter & Gowthorpe, 2004; Hogan et al., 2008; Salehi & Azary, 2009.
	ARF2	Auditor can detect all misstatements due to fraud and error.	
	ARF3	Auditor should be held responsible if the entity goes bankrupt due to fraud.	
	ARF4	Auditor can conclude that there are no illegal operations conducted by the audited company.	
Meaning and usefulness of audit report (MUAR)	MUAR1	The unmodified audit report is a clean report and gives users significantly high level of confidence in the company's management.	Asare & Wright, 2012; T. J. Mock et al., 2012; Coram et al., 2011; Gray et al., 2011; Dixon et al., 2006.
	MUAR2	A modified opinion is used when the auditor's scope has been restricted by clients or the auditor is not independent.	
	MUAR3	Audit report is useful for taking investment decision.	
	MUAR4	Audit report is useful for assessing whether the company is well managed.	
	MUAR5	Audited financial statements are useful for monitoring the performance of the entity.	
Expectation for going concern reporting assessment (EGCR)	EGCR1	Auditor make an assessment of an entity's ability to continue as a going concern.	IAASB, 2009e; IAASB, 2015a; Carson et al., 2012; Gray et al., 2011; Lee et al., 2009.
	EGCR2	The auditors can conclude that the company will continue as a going concern in the near future.	
	EGCR3	Auditor can forecast whether the entity has sufficient liquidity to operate through the next year.	
	EGCR4	Audit report can provide early warning of corporate failure.	
Expectation for other assurance (EOA)	EOA1	Information contained in the management discussion and analysis (MD&A), directors report, management performance analysis, graphs and charts, are useful and that information is audited.	Mock et al., 2012; Simnett, Vanstraelen, & Chua, 2009; Brown-Liburd & Zamora, 2014.
	EOA2	Auditors provide opinion on the entity's corporate social reporting (CSR) included in the annual report.	
	EOA3	Information contained in the enmity's environmental and sustainability reports are useful indicators of investment decision and those are audited by the external auditor.	
Restriction on provision of non-audit services (RNASs)	RNAS1	Provision of non-audit services creates conflict of interest between auditor and client.	Salehi 2009; Beattie et al., 1999; Olagunju, 2011; Lim and Tan 2008; Umar and Anandarajan 2004.
	RNAS2	Audit firm should not provide other services except audit like review, consultancy and other attestation services.	
	RNAS3	Auditors can provide non audit services and still remain independent.	
	RNAS4	Restriction on providing non audit service enhances audit independence, therefore increase confidence in audit services.	
Mandatory audit firm rotation (MAR)	MAR1	Due to long audit tenure, auditors become familiar with the client and work to maximize client interest.	Bazerman et al. 1997; Yip & Pang, 2017; PCAOB 2011a.
	MAR2	Mandatory Audit firm rotation after every 3 years, enhances audit independence.	
	MAR4	Mandatory Auditors Rotation increase audit startup cost and increase the risk of audit failure.	
Communication with the active audit committee (CAC)	CAC1	Auditors maintain ongoing communication with Audit committee ensure better transparency of audit work.	IAASB, 2009c; IAASB, 2009d, 1976; Salleh and Stewart 2012; Krishnamoorthy et al. 2002.

	CAC2	Presence of an effective audit committee can ensure auditors independence and act as a protector of investors' interest.	
	CAC3	Audit committee disclosure is an important source of information regarding the independence of auditor.	
Improving audit report (IAR)	IAR1	Audit reports contain information that entity is free from fraud.	IAASB, 2011; IAASB, 2015; IAASB, 2012; Asare & Wright, 2012; European commission, 2010; T. J. Mock et al., 2012.
	IAR2	Audit reports contain information regarding the key risk factors that materially affects the entity sustainability.	
	IAR3	Audit report should include information about any uncertainty with respect to entity's ability to continue as a going concern.	
Ensure audit education (EAED)	AEd1	Training program for shareholders specially discuss about role of audit in the annual general meeting enhances better understanding about audit.	Siddiqui et al., 2009; Epstein & Geiger, 1994; Monroe & Woodliff, 1994.
	AEd2	Public accounting firm should participate in local community activities of college and universities in order to create a good impression for the profession.	
	AEd3	Incorporating more audit courses in the undergraduate level for the accounting students in the university aware them about the role of auditors.	
Investors' confidence (ICF)	ICF1	Maintenance of auditor's perceived independence ensure investors' confidence.	FRC, 2016; Okafor & Otolor, 2013; Sikka et al., 1989; European commission, 2010;
	ICF2	Incorporation of specific information in the audit report regarding the entity is free from fraud enhance investor's confidence.	
	ICF3	Incorporating specific information regarding entity's going concern and sustainability helps to predict the potential failure and investors feel confident about the company.	
	ICF4	Investors' feel confident at the presence of an independent audit committee.	
Role of independent audit oversight (IAO)	IAO1	Investors feel confident if an independent body monitors the audit procedures done by the auditor.	FRC, 2016; Hossain, 2017; Siddiqui, J., 2018; Shil, N.C. 2015; Ahmed M. 2017.
	IAO2	Investors feel confident if an independent body regulate the audit profession and formulate the relevant standards.	
	IAO3	Investors feel confident if an independent body penalizes the auditors for violating any prescribed law.	