

## Legal Responsibility of the External Auditor Qualitative Case Study of Libyan Environment

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**Abstract :** The aim of this paper is to determine a general frame of the auditor's legal responsibilities in Libya which were implied in professional codes and rules, these codes and rules were concerned with the auditor's rights and duties in conducting his professional duties. This will provide a background for the Libyan accounting profession, and the challenges in tailoring Auditors to meet third party's needs. Being informed of the kinds of legal responsibilities which the external auditors could face during conducting their duties. The study is based on a literature review and archival research, reinforced by a qualitative case study comprised of interviews, questionnaire and a study of internal documents. To reach such an understanding, the researcher designed two questionnaires for collecting the data. One questionnaire was distributed among the certified public accountant firms in Libya and the second was distributed among a group of randomly selected lawyers and judges in the same country. Most auditors agreed upon the determination of their responsibilities toward the state and they emphasized that their responsibilities toward their clients were limited to the accepted standards of auditing. Moreover, all auditors who were surveyed emphasized that there has never been any juridical claims against them, and as a consequence they have never paid any legal fines. This study focuses on one country, which does limit its generalisability. However, it also suggests fruitful research areas in considering the impact and challenge of the historic factors in the accounting profession in emerging economies.

**Keywords :** accounting, external auditor, legal responsibilities, libyan accounting profession

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