**Abstract**

The drastic changes that have taken place in the auditing profession such as issuance of regulatory decisions and the direction of audit offices to adopt the sector specialization strategy, in addition to entering the audit profession within the GATT agreement and entering some local audit offices in partnership contracts with international offices, its impact on the concentration of the market of audit services. And in the presence of many options in front of the Egyptian companies to choose between different offices to mandate the performance of the task of review, the question arises as to the considerations under which the office of audit and the selection of different offices are proposed.

The aim of this study is measurement the degree of concentration of the audit profession market in the listed companies in the Egyptian stock exchange with the identification, study and analysis of the most important considerations affecting the decision of selecting the external auditor, measuring and analyzing the relative importance of these considerations from both the view of the external auditors of these listed companies and view of the listed companies in order to determine their impact on the degree of market concentration in the audit of listed companies in the stock market.

The researcher reviewed all financial reports issued by the boards of directors of listed companies in the Egyptian stock exchange in 2012, 2013 and 2014 in order to recognize the company's auditors.

To achieve the objectives of this study, two surveying were designed and considered as a basis for the field study which conducted on a two study samples, the persons who are responsible for leading financial and supervision audits related to establishments were decided by the decision of selecting the external auditor in the executive and financial departments is the companies listed in the stock exchange and the audit offices that review the financial statements of the listed companies in stock market.

The total number of questionnaires received and valid for the statistical analysis were (72) questionnaires (47 from listed companies and 25 from external auditors), and the data were analyzed and processed using statistical packages social sciences (spss).

The following represents the main findings as a result of the study:

* An eight major offices controlled the audit market in Egypt by 84% indicating the concentration of the market in a few audit firms.
* The results of this study agree with results of previous studies in relation with determining influencing considerations in selecting external auditors. This means that the effect of those considerations is not generally different in different environments.
* There are differences of statistical significance regarding the importance and effect of influencing considerations in selecting external auditors from the view points of both the external auditors and listed companies on the degree of market concentration.
* The results of the empirical study indicated the monopoly over the provision of the audit service by limited number of professional firms do negatively affect on the audit profession.

By way of conclusion, the researcher provided a number of important and practical recommendations, the most important is that the Egyptian Financial Supervisory Authority (EFSA) must implement various methods and strategies that can ensure limiting the spread of market concentration for the audit service, and categorization of audit firms by banks and financial institutions and requiring their clients to approach certain firms, and finally encouraging the mergers of small and medium sized audit firms so that they can compete with large firms.