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An investigation of Audit Expectation Gap in the Public Sector in Sub-Saharan Africa: The Case of The Gambia

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Title

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Abstract

The aspect of the audit expectation gap continues to be an issue and detrimental to the auditing profession especially as auditors and the public continues to hold different beliefs about the auditors' duties and responsibilities, and the messages conveyed by audit reports. This phenomenon has long been investigated in several Western and Asian countries with numerous studies that empirically confirmed the existence of this phenomenon between auditors and non-auditors (audit stakeholders). However, it appears paradoxical that only few studies have been conducted empirically in establishing the existence of this gap, in Sub-Saharan Africa, especially in the public sector. Meaning, there is a dearth of research regarding an AEG in the public sector. Besides, regarding The Gambia, it appears that no study has ever been conducted to establish the existence of an AEG.

Hence, this thesis aims to investigate the existence of AEG in The Gambia public sector from the viewpoints of public auditors and non-auditing professionals to establish the existence and nature of the audit expectations gap and how this phenomenon can be bridged to uphold the credibility of the auditing profession. A purposive sampling was used to select 13 participants with a structured interview data collection approach. The results of the study shows that the non-auditing professionals perceived 'detection and prevention of fraud and corruption', and 'assurance on the effectiveness of internal controls' to include auditors' roles and responsibilities, and faithfully expect them to perform these tasks; and also associate absolute assurance to audit opinions, thus resulting in naive or an unreasonable expectations gap.

Keywords

Audit expectation gap, auditors, non-auditing professionals, perceived auditors roles, audit reports, bridging the expectation gap, Public sector auditing, The Gambia.

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Chapter 1. Introduction

This section consists of the background of the research topic, which is discussed in relation to some scientific literature. The background is mainly about the conceptual delineation of audit expectation gap (AEG) in terms of definition, relevance of the topic (AEG) to the auditing profession and why the need for continuous research on the topic with the realm of bridging the gap. Also, public sector auditing in The Gambia will be briefly discussed. Moreover, the ensuing sub-sections comprise the problematization and purpose of the work; followed by the research questions; and ends with the disposition of the thesis.

1.1. Background

Auditing literature has recognized the existence of an audit expectations gap between the perceptions of auditors and the perceptions of users of such audit reports (Chowdhury, & Innes, (1998). Dixon, Woodhead and Sohlman, (2006), revealed various studies have long-established the existence of the so-called ‘Audit Expectation Gap’: Gay et al. (1993) in Australia; Humphrey et al. (1993) in the UK; Frank et al. (2001) in the US; and Best et al. (2001) in Singapore; Dixon et al. (2006) in Egypt and Adeyemi & Uadiale, (2011) in Nigeria etc. The term audit expectation gap (AEG) emerged during the 1970s (Humphrey et al., 1993) as cited in Salehi (2011). And for the last thirty years, the audit expectation gap has become the topic of considerable interest to worldwide contemporary in the area propelled by litigious audit environments (Salehi, 2011). It has become one of the most debated phenomena animating the international scientific research scene in public sector accounting and auditing. The volume of papers focused on defining the AEG concept, examining its determinants, implications, and mechanisms to minimize the gap almost exceeds those dedicated to the exploration of creative accounting (Laurențiu et al., 2009). This is not surprising given that the expectations gap between auditors and financial statement users or audit beneficiaries has existed for the past hundred years (Humphrey et al., 1993) cited in Salehi (2011). This shows that there has always been a widespread concern with the existence of the ‘expectation gap’ between the auditing profession and the public (Koh & Woo, 1998). The audit ‘expectation gap’ broadly measures public concern about audit. The persistence of the expectation gap reflects, in part, the fact that

public expectations of audit can grow in line with what auditors can accomplish (ACCA Global, 2019). However, this has not been the case, hence the persistence of the gap. The expectation gap exists when auditors and the public hold different beliefs about the auditors' duties and responsibilities and the messages conveyed by audit reports (Koh & Woo, 1998). Seemingly, there is a gap between what the public expects from the audit profession and what it actually gets (ibid), as a result of the critical, litigious environment which characterizes auditing today (e.g. Porter, 1993). Based on the widespread concern about the existence of the 'gap', the auditing literature not only accepted the existence of the gap, but calls for its reduction in order to ensure trust and safeguard the credibility of the audit profession (e.g. ACCA Global, 2019; Monroe & Woodliff, 1993).

Further, the role of auditing in the public sector is both long-standing and entrenched (Hay & Cordery, 2017). Public sector auditing is primarily concerned with 'value for money auditing' and financial statement auditing (ibid); and as such, public sector auditors are responsible for ensuring that public corporations and government ministries, departments and agencies spend their monies in a manner that is efficient, economical and fit for purpose; and also ensuring that the published financial statements represent the true and fair view of these institutions. Moreover, public sector audit institutions (Supreme Audit Institutions and Internal Audit Agencies) are heavily funded by the public purse to strengthen accountability, ensure transparency and integrity of government and public sector entities; and also act as the interface between the government and the general populace. As such, the general populace usually has high and varying expectations of public sector auditors and the services being rendered by the audit profession. According to Limperg (1932) cited in Porter (1993), the audit function is rooted in the confidence that society and stakeholders place in the effectiveness of the audit and in the opinion of the accountant. Therefore, if this confidence is betrayed, the function is destroyed, since it becomes useless. Consequently, in order for the audit profession to foster perpetual confidence and preserve its integrity and prestige, it will need to align its services to stakeholders expectations; a feat that has proven too much to accomplish for the audit profession, hence the expectation gap. The 'expectation gap' exists when the public expectations of the audit profession varies from what the auditors actually do (Monroe & Woodliff, 1993).

1.2 Public Sector Auditing in The Gambia

Auditing in the public sector is both age-old and ingrained, as evidenced by the over 192 countries' Supreme Audit Institutions (SAIs) bodies that are members of the International Organization of Supreme Audit Institutions (INTOSAI) (www.wgtn.ac.nz). These SAIs are essential bodies of the institutional framework of democratic nations that hold public bodies to account for the use of public funds and the performance of the services entrusted to execute (Pollitt & Summa, 1997; cited in Talbot & Wiggan, 2010). In Sub-Saharan Africa, the African Organization of Supreme Audit Institutions (AFROSAI) is a body that works in accordance with the aims of the INTOSAI in promoting the exchange of ideas and knowledge within public auditing among the African states to meet INTOSAI expectations. AFROSAI membership consists of Supreme Audit Institutions (SAIs) of 54 African countries (Gustavson, 2012; www.afrosai.org). The SAIs of each country are autonomous state entities that embark on external audits of public sector bodies in overseeing public resources and ensure domestic accountability (World Bank Group/African Development Bank, 2010). In terms of model, there are three main models of SAL in Sub-Saharan Africa, with individual variations between countries, but in general, there are three approaches. One approach is adopted by the Anglophone countries and the other two are adopted by the Francophone countries and, with minor variations, by the Lusophone and Spanish speaking countries. The Anglophone African countries adopt the parliamentary (or Westminster) model; wherein an individual auditor general heads an office which is, ideally, independent of the executive (Wynne, 2010).

The Anglophone (i.e. the parliamentary or Westminster) model is the one being practiced in the Gambia. The auditing profession in The Gambia is still young compared to other West African countries ascribed to the Westminster model like Ghana and Nigeria. The country has undergone a lot of reforms during the late 90s to early 2000s with the realm of ensuring accountability and transparency and efficient use of state's resources. The auditing and accounting sector started to gain recognition during the 90s when The Gambia Technical Training Institute (GTTI) and Management Development Institute (MDI) started offering courses in Accounting, notably AAT. Before then, AAT and other Accounting qualifications are obtained abroad (Jallow, 2019). According to Jallow (2019), the number of professional accountants in The Gambia was not more than ten in the late 1980s. Before the establishment of the

National Audit Office (NAO) in 1997 and subsequently Internal Audit Directorate (IAD), most of auditing was carried out in parastatals and government agencies via outsourcing from the few external audit firms in the country during that period. Public sector auditing started taking center stage in the government ministries, departments and agencies in the early 2000s after the institutionalization of the National Audit Office. The National Audit Office was granted full autonomy status by the National Assembly through the National Audit Office Act 2015. After NAO was granted full independent status, the Internal Audit Directorate, which was formerly a unit under the Accountant General Department with the main task of only pre-vouching, was instituted in 2016 with semi-autonomous status under the Financial Regulations (2016) and Public Finance Act (2014) of the country. In addition to NAO and IAD, several institutions also emerged during the early 2000s which are now fully fledged bodies in ensuring accountability and transparency in the public sector of the country (The Gambia Bar Association, Gambia Bankers Association and The Gambia Association of Accountants now The Gambia Institute of Chartered Accountants).

The National Audit Office (NAO) is the supreme audit institution of the country with the primary task of providing independent professional audit services to the people of The Gambia on the economic, efficient and effective use of public resources (www.afrosai.org). As stated earlier, the NAO model is similar to the Westminster system practice in the UK and across other jurisdictions where submissions of audits reports are forwarded to a dedicated parliament committee (Public Account) for review. Audit reports conducted by NAO are forwarded directly to the Public Accounts Committee (PAC) and Public Enterprise Committee (PEC) on audits conducted at the central government level and state enterprises respectively. The NAO is headed by an Auditor General who is tasked with the responsibility to audit the accounts of all Government institutions and other public bodies as mandated by the 1997 constitution of the Republic of The Gambia, and in accordance with the International Standards of Supreme Audit Institutions. Further, as public sector auditors are in a unique position when it comes to serving their stakeholders (Piper, 2015); this approach is indoctrinated in the NAO as varieties of audits are performed within line ministries and agencies to serve the public. Quality assurance is another key aspect of the NAO mission as higher-quality audit reports would provide greater public understanding of audit findings and recommendations. However, despite registering autonomous status, most audits

regarding state-owned enterprises are usually outsourced to private audit firms which aim to develop both public and private sides of the accountancy profession (World Bank, 2010).

In addition to NAO, is the Internal Audit Directorate which provides coordination with the National Audit Office (NAO) to deliver high quality and effective audit services that are responsive to the needs of the Ministries, Departments and Agencies (MDAs). Auditors from the National Audit Office may rely on the work done by the Internal Audit Directorate to provide an objective examination of evidence for the purpose of providing independent assessments in carryout financial, compliance, performance, IT and forensic audits within all public bodies in The Gambia. The Internal Audit directorate has units in all Government ministries, departments and agencies, to provide their management with a means of securing independent and objective assurance on their financial and operational controls (Financial Regulations of The Gambia, 2016).

1.3. Problematization

In the past few decades with the rise of the New Public Management, public sector governance and auditing has witnessed reform of traditional bureaucratic encompasses policies and procedures in directing the activities of organizations to provide reasonable assurance that their operations are carried out in an ethical and accountable manner, thereby reducing the risk of public institutions corruption (Fukuyama, 2013; Savoie, 2012; in Rosa & Morote, 2015). This approach validates that good public sector governance requires regular financial and performance reporting by independent auditors to provide transparency, accountability and value for money (Curtin & Dekker (2005; in Rosa & Morote, 2015). And as such, with the political demands for greater accountability in providing better services to the public and efficiency in managing public resources, public sector auditing has become a necessity for the public in recent decades (Power 2003; in Dwiputrianti 2011; Rosa & Morote, 2015). Apparently, those demands from multiple stakeholders with reference to greater accountability as well the increasing public sector governance complexity places tedious responsibility on auditors (Vinod, 2013; in Rosa & Morote, 2015). Moreover, various studies posits an audit process is not an inaccessible gesture but rather a process that would make auditors to interact with users of audit reports to have their work effective and efficient (ibid). In other words, when such an approach is not considered would create some expected

doubt of an audit. Accordingly, these arguments are linked to the concept of “audit expectation gap” (Rosa & Morote, 2015; Dwiputrianti 2011).

Evidently, the issue of audit expectation gap has a long and persistent history and continues to receive widespread concern with regard to the auditing profession and the public (Koh & Woo, 1998). Auditors and the public continued to hold different beliefs about the auditors’ duties and responsibilities, and the messages conveyed by audit reports (Adeyemi & Uadiale, 2011; Dennis, 2010). Across jurisdictions such as the U.S, the U.K, New Zealand, Germany and Singapore, AEG has been a considerable interest for research focus as a result of series of incident of corporate failures, financial scandals and audit failures in these countries resulting to their subsequent impact on other countries’ audit profession (Salehi, 2011; Adeyemi & Uadiale, 2011). Though audit failures and financial scandals from Sub-Saharan Africa do not attract much media attention compared to the West, however, there have been well publicized audit failures and financial scandals in the continent in the recent past, notably the public sector; the ‘cash gate’ scandal in Malawi being a prime example which resulted to the suspension of budgetary aid from donors for the country as a result of embezzlement and misappropriation of funds by high level government officials which the audited accounts of Malawian government from 2009 to 2014 could not account for. This incident has not only raised doubt from the public about the audit profession, but brought a lot of misconceptions and questions about the auditors’ role and responsibilities (e.g. Strasser, 2016). Again, major corporate financial irregularities and related fraud incidents which occurred in Nigeria in recent times, in relation to financial institutions have captured the attention of investors and regulators alike which resulted to finding measures that would ensure reliable, high quality financial reporting on narrowing the audit expectation gap (Adeyemi & Uadiale, 2011).

Considering the Gambia as a case, the auditing profession in this nation has come a long way since in the 1970s and there has not been any publicized corporate scandal involving auditors in the Gambia (Jallow, 2019). However, according to the World Bank report, various stakeholders continue to reveal concerns about the quality of financial reporting with widespread view that the absence of mandated accounting and auditing standards, low-level skills among accounting professionals and clients, and ineffective enforcement mechanisms contribute to poor-quality financial statements

(World Bank, 2010). Again though the country has not recorded any major highline scandal that has occurred in other countries, one cannot solely establish that auditors in the Gambia are more objective, and the issue of AEG is of non-existence as compared to her fellow Sub-Saharan Africa counterparts like Ghana and Nigeria.

However, the aspect of the audit expectation gap continues to be an issue and detrimental to the auditing profession especially because the greater the gap, the lower the credibility and the prestige associated with the auditor's work; and given the significance and sensitivity of this to the audit profession, if the gap persist, society's confidence in the audit function will be diluted and the auditing profession will be perceived to have no value (Porter & Gowthorpe, 2004; cited in Adeyemi & Olowookere, 2011). With this, it is important that such a gap needs to be identified and bridged. Though AEG have attracted countless studies and research from academic scholars and professional accounting and auditing bodies for many decades now, most of these studies were conducted and can be traced to developed economies and Asian countries (e.g. Gold, Gronewold & Pott, 2012; Fadzly & Ahmad, 2004; Zhao & Brown, 2014; Kangarluie & Aalizadeh, 2017 etc). However, it appears paradoxical that only few studies have been conducted in sub-Saharan Africa to empirically establish the existence of the gap, more so in the public sector. Nevertheless, few studies were carried out in Ghana (Agyei, Kusi Aye & Owusu-Yeboah, 2013) and in Nigeria (Adeyemi and Uadiale, 2011; Adeyemi & Olowookere, 2011); but were basically focused on the private sector. Again, considering the auditing profession in The Gambia of still being an emerging profession and under-research as compared to other Sub-Saharan African countries ascribed to the Westminster model, it is crucial to investigate the phenomena of AEG. Therefore the authors argued given the complexity of public sector auditing, which is evident by the vast array of stakeholders it serves, and comparatively being under-research in terms of empirically establishing the existence of AEG in the context of Sub-Saharan Africa signifies the importance and timeliness of this research. This study, which appears to be the first to have ever been conducted in The Gambia on audit expectation gap, is of significant contribution to the extant literature on AEG. Moreover, there is relatively little research into whether or not an audit expectations gap exists in the public sector (Chowdhury & Innes, 1998). The dissertation contributes to the literature on the understanding of the issue of audit expectation gap particularly in the governmental sector in Sub-Saharan Africa (The

Gambia in particular), a context that is presently under-researched in the public sector auditing literature as the study tends to provide whether the issue of audit expectation gap does exist in The Gambia between auditors and non-auditors working in the public sector of the country.

1.4 Purpose of the study

Audit expectation gap has been empirically established to exist in several Western and Asian countries as well in few Sub-Saharan Africa countries with studies that proved this existence. Besides, one common feature of these studies and many others that have investigated the audit expectations gap is their concentration on the private sector. There is a dearth of research into the existence of an audit expectations gap in the public sector as most of the literature concentrates almost exclusively on the private sector (Chowdhury & Innes, 1998). Hence, in the case of the Gambia it seems no study has ever happened thus far; which motivated the authors of this paper to investigate the existence of AEG in The Gambia from the viewpoints of public auditors and professionals (civil servants; non-auditors) working in the public sector to establish the existence and nature of expectations gap in the Gambia and how this phenomena can be bridge to uphold the credibility of the auditing profession.

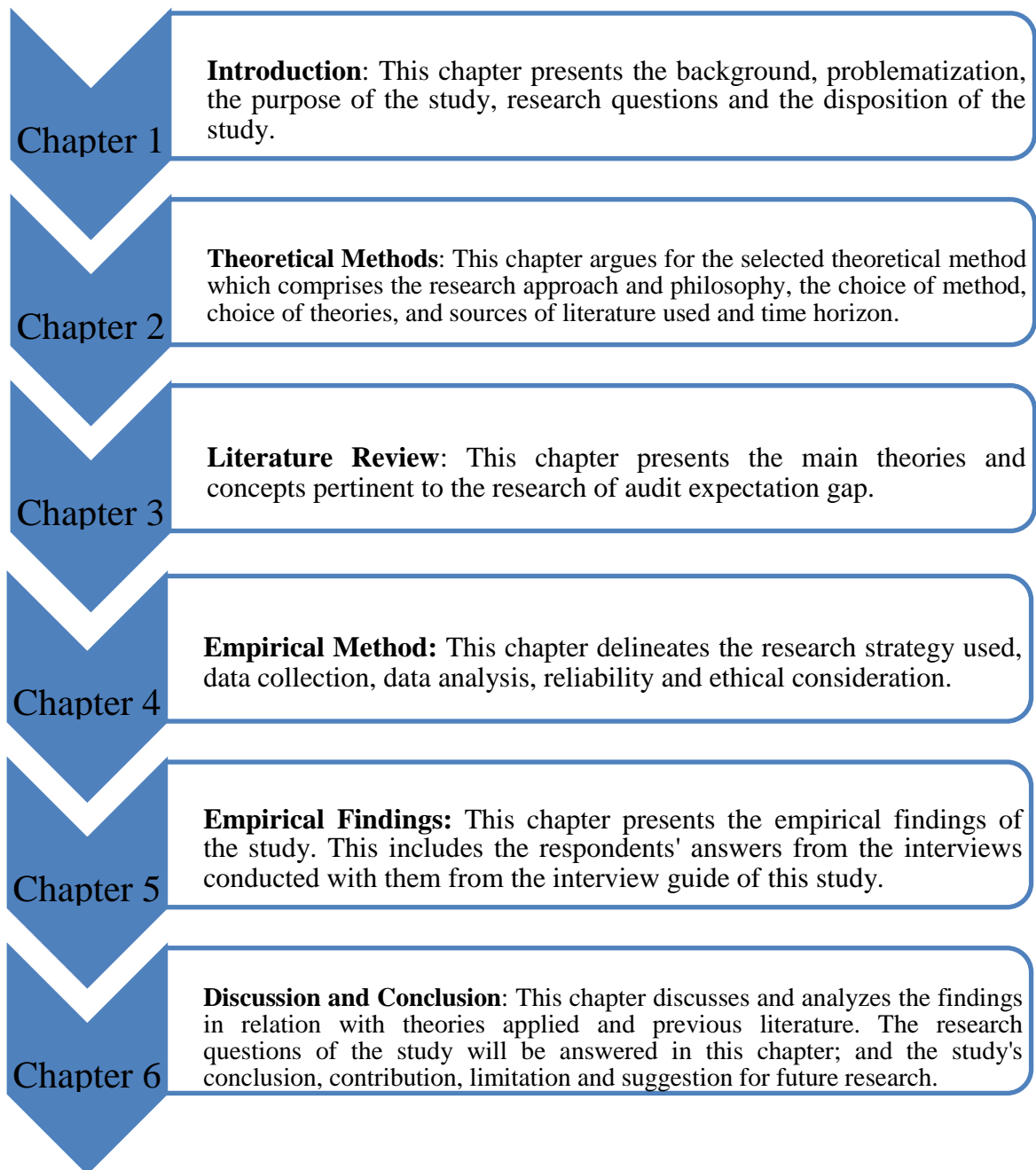
1.5. Research Questions

In order to achieve the aim of the study, the researchers adopt the following questions which are essential for the study.

- What types of tasks do non-audit professionals perceive auditors' role to include?
- What is the perception of non-audit professionals about an unqualified auditors' report?
- How could the phenomena of the expectation gap be bridged?

1.6 Outline of the study

The figure below (as figure 1) illustrates the layout of the thesis.



Chapter 2. Theoretical Method

This section defines the research philosophy and approach, provides arguments for the method, choice of theories and ends with the study time horizon.

2.1. Research Philosophy and Approach

Research is about creating new knowledge of a logical consequence to the emergence of a question that has not yet been answered. As such to develop this new knowledge, a researcher can either analyze an already examined phenomenon further or approach a completely new one (Graue, 2015). Saunders, Lewis and Thornhill, (2009) argued in a research process there are two major debatable positions or ideas that can be considered (i.e. ontology and epistemology), and each contains important diverse views that influence the way in which a research is conducted. In context, these two are often framed in terms of a choice between either the positivist or the interpretivist research philosophy. A research that reflects the philosophy of a positivist would probably adopt the philosophical stance of the natural scientist to work with an observable social reality. While the interpretivist emphasizes understanding human nature and their varying role as social actors by interpreting the social roles of other individuals in accordance with their own set of perspectives (Remenyi et al. 1998; in Saunders et al. 2009).

However, the authors research philosophy in this current thesis underlies the epistemological position of an interpretivist research philosophy as it focuses on the details of the situation, the reality behind such and the subjective meanings motivating such actions (Bryman & Bell, 2015; Saunders et al. 2009). Therefore, to investigate the AEG in the Gambia, an interpretive understanding of respondents' views are needed in order to arrive at a causal explanation since we human beings perceive things differently with one another, therefore this study cannot adopt the positivist approach to generalize its outcomes. Also, interpretivist provides understanding of an emphatic position and the world view of the research subject and causal explanation of its course and effects. (Bryman & Bell 2015; Graue 2015). This approach is consistent with this thesis outlook as it would enable researchers to ascertain the respondent's opinion, and provide an interpretative understanding to analyze and interpret what they have said of the research topic. In addition, this philosophical view (interpretivists) to its subject is broadly

interpretative and investigates the understanding and interpretation of individuals regarding their social world (Graue, 2015).

The authors of the current dissertation have preferred to work in line with the epistemological position of interpretivist research philosophy, selecting a methodology that is accountable for the approach to using theory is needed. This one can either be induction, deduction or abduction. Following the inductive approach (mainly qualitative) means that new theory is generated out of the data, whereas the deductive approach (mainly quantitative) uses theory or hypotheses to test it against data (Biber & Leavy 2011; in Graue 2015; Saunders et al. 2009; Bryman & Bell, 2015). Also, the abduction approach is the combining approaches which aim at addressing their weaknesses to make logical influences and construct theories (Saunders et al. 2009; Bryman & Bell, 2015). Therefore, in this dissertation the combination of both deduction and induction approaches are considered resulting in the researchers adopting an abduction approach wherein empirical material for theoretical concepts, and with established theories as well as prior literature are highly used. This sort of approach is applicable in this thesis as it would ensure the researchers swap between both empirics and literature to generate the study outcomes (Bryman & Bell, 2015; Saunders et al. 2009). In addition, it was adopted based on the researchers understanding of the research area (Bryman & Bell, 2015).

2.2. Research Method

The choice of research method is considered a vital component in conducting research. According to Saunders et al. (2009), there are two main choice of methods in research and the decision about whether to use them (qualitative, quantitative or both methods) depends on the research question and on the current stage of the research cycle (i.e. either inductive, deductive or both reasoning). According to Yilmaz (2013) these research methods differ in terms of their theoretical and methodological underpinnings. A quantitative approach seeks to develop explanatory universal laws in social behaviors by statistically measuring what it assumes to be a static reality and works with closed questions, which are elaborated from existing theories as they are tested in a deductive empirical cycle, while the qualitative offers an in-depth description of the phenomenon from the perspectives of the people involved (Saunders et al. 2009; Graue 2015). The qualitative method focused on an understanding of the way in which humans view their

social world as it consists of a set of interpretive, material practices that make the world visible. In context, researchers of this thesis aim to study things in their natural settings, attempting to make sense of or to interpret phenomena in terms of the meanings people bring to them (ibid).

With that being said, and based on the research philosophy of this thesis as informed by epistemological perspective of interpretivist which implies that a phenomenon is explained hermeneutically depending on one own perception and interpretation regarding that phenomenon, therefore, the research paradigm utilized in this study is qualitative which is well suited for the purpose of this study. Qualitative approach provides the flexibility to gather the data by using different techniques, which therefore enhances the quality of the data and insight generated. The benefit of a qualitative approach is that one does not start with a 'hypothesis' that needs to be proved, which can be very rigid. Rather, it is an open-ended approach that can be adapted and changed while the research is ongoing (e.g. Maxwell, 2012).

2.3 Critique of sources

The sources of literature used in this dissertation were mostly from well recognized Academic Journal ranked by Chartered Academic Business School on public auditing and accounting, management and public governance fields. In addition, others originated from global bodies like the World Bank and Africa Development Bank reports; and some reports from websites of the African Organization of Supreme Audit Institutions (AFROSAI) and the Victoria University of Wellington New Zealand were also sources used. Some literature from Ph.D. level thesis as well as methodology textbooks were considered as additional sources. Since the study focuses on the audit expectation which relates to literature in the area of auditing and accounting, key words such as public sector auditing, audit expectations, accountability and transparency in Sub-Saharan Africa were used to extract peer-reviewed scientific articles via Kristianstad University online library (Summon), and the Google scholar and Google search engines.

The articles selected were of high relevant quality to the subject matter of the study and well cited by most researchers. For instance, the article by Porter was used to a great extent on the debates of audit expectation gap by most researchers, and was considered as one of the key sources of literature in this study. To conclude, other recently

published studies on public sector auditing and accounting were used as sources to support this study. Empiric's findings from respondent's interviews are also sources as well.

2.4 Time Horizon

In conducting a study, the time horizon can be considered in two dimensions which can be longitudinal studies and cross-sectional studies (Saunders et al., 2009). In a longitudinal study, studies are done within a long period and have the capacity to study change and development, whereas the cross-sectional dimension; studies are done in a short period of time to obtain a study of a certain phenomenon (ibid). Also, the cross-sectional study is seen as the most preferable dimension for academic research as it is done under a short time frame since there are time constraints (ibid). Therefore, considering this thesis project as a course base requirement with a fixed limited time span of ten (10) weeks which runs from the 25th March, 2020 to 2nd June, 2020, which has a time interval of 10 weeks period, the researchers found it appropriate to adopt the cross-sectional studies since it is done within a short period of time and it will involve collecting data by interviewing sample members (Bryman & Bell, 2015).

2.5. Chosen Theories

According to Hayes et al (2005) cited in Ittonen (2010), there are diverse choices of theories that help explain why audit services are needed and can be applicable to when investigating AEG; hence some of these theories are more based on perceptions. In addition, these theories help evaluate the quality of the research, as their theoretical perspectives serve as a good source for research ideas and inform the interpretation of study data. Thus, in this thesis, the theoretical underpinning is based on three theories: the Policeman Theory, Role Conflict Theory and Theory of Inspired Confidence. These auditing theories (policeman theory; role conflict theory) provide a better understanding and theoretical contributions of the public perception of auditors in terms of expectation in relation to auditors' duties and responsibilities. They encompass the perceptions of the public towards the audit profession, which therefore enables the authors of this thesis to make a clear distinction of where lies the gap of expectation in terms of public perception and expectation in relation to auditor's roles and responsibilities.

The policeman theory argues that an auditor serves as a watchdog to search, discover and prevent fraud. It places more emphasis on the responsibilities of auditor and narrow it down that stakeholders of financial reports perceived auditor as a radar station that would provide early alarm of future insolvency, and a safety net that would provide general re-assurance of financial stability (Ittonen, 2010; Adebayo & Christian, 2012). Thus, the policeman concept would be applicable in this study to support and understand what the auditor responsibilities are, against what is expected of them from the public. Likewise, the role conflict theory supports the argument that the auditor is required to monitor its client's financial statements and in return the public expects the auditor to faithfully carry out that role (Koo & Sim, 1999; in James, 2015). Further, in line with this theory, auditors should portray as expert decision makers, who either as disinterested, respected professionals or rational economic individuals, seek to act unquestioningly in the public interest (Humphrey & Moizer, 1990). Moreover, the audit profession is frequently regarded as in a state of crisis or metaphorically at the "crossroads" (Hines, 1989b; Zeff, 1987; Armstrong & Vincent, 1988; cited in Humphrey & Moizer, 1990). Major debating notion of an expectations gap continually illuminates conflicting perceptions on the nature and purpose of the audit function and auditor responsibilities (Kaplan, 1987; Humphrey, 1990; cited in Humphrey & Moizer, 1990). However considering the ideologies of the policeman and the role conflict theories, it would be reasonable to expect that these theories are integrated into this thesis theoretical context to provide insights of the phenomena reflective of the public perception and expectation of auditors' roles and functions in the audit practices (Humphrey & Moizer, 1990).

In addition, the theory of inspired confidence (or theory of rational expectation) is another relevant theory considered which was proffered by Limperg (1932). It addresses the aspects of the demand and supply for audit services. According to Watts et al. (1986), cited in Ittonen (2010), in auditing there is a need for a natural demand for monitoring. This suggests in reference to the rational expectation theory literature the demand for audit services takes into account the important role of monitoring terms as the stakeholders at large cannot in the end be satisfied with accountability and data provided by persons who request the money and manage the same resources. In this case there would be another party involved since the information given to the stakeholders by the management might be biased, and an audit of this information is

needed (Hayes et al., 2005 in Ittonen, 2010; Limperg, 1985). The bringing in of third parties (auditor) aim to reassure the shareholders that their resources are secured and would increase their confidence in those financial information, yet accordingly there may be some perception as auditor duties is not an exact science (Humphrey et al., 1993). The inspired confidence theory support the arguments that the demand for third parties services can be attributed to the significant economic, or consequences of users' erroneous decisions; the average user of financial information (e.g. stakeholders) are not well-informed enough to fully understand financial reports, much less detect possible intentional or unintentional errors. Due to these, users (stakeholders) do rely on a third party (auditor) to assist in assessing the quality of financial information (Ittonen, 2010; Limperg, 1985). Hence this theory is used as a pillar to understand the needs for an auditor and what he can do to uphold the trust and credibility of the profession. The central area of Limperg's work relates to the social responsibility of public independent auditors, and possible mechanisms for ensuring that audits meet society's needs (Ghandour, 2019). Therefore, based on these theories concepts, in the next chapter they are discussed further to provide a useful theoretical background in exploring the phenomenon of what is perceived as the gap between public expectations of auditors and auditors' performance, as perceived by the public.

Chapter 3. Literature Review

This chapter of the thesis discusses further in-depth the understanding of the theories presented earlier. That is the policeman theory, role conflict theory and theory of rational expectation. In addition to these theories, concepts that are pertinent to the research topic are also dealt with to a broad conceptual perspective and understanding of the research topic. At the end, based on the conceptual underpinning in this section, a model was adopted to depict the holistic view and perspective of the researchers on the research topic.

3.1. The Policeman Theory

The policeman theory claims that the auditor is responsible for searching, discovering and preventing fraud (Ittonen, 2010), which was certainly the case in the early 20th century. However, the role of auditors' today is focused on providing reasonable assurance and attesting to the true and fair representation of institutions' finances. The perception and beliefs of the public and non-auditors who are stakeholders' are very much reflective of the philosophical foundation of this theory. The public and users of financial statements and audit reports not only believe that it is the responsibility of the auditor to detect and prevent fraud, but expects auditors' to fully carry out this task (e.g. Fulop et al., 2019; Xu & Akther, 2019; Fadzly & Ahmad, 2004; Lin, & Chen, 2004), thus creating a gap between auditors' and the public as a result of the mismatch in expectation between the two parties. The detection of fraud is a very hot topic of debate on the auditors' responsibilities, and typically after events where financial statement frauds have been revealed, the pressure increases on increasing the responsibilities of auditors in detecting fraud (Ittonen, 2010).

While in the context of public sector auditing, with the changes brought on by globalization and liberalization, access to information and the rising expectations of the citizens, Supreme Audit Institutions (SAIs) as "alternate watch dogs" examined expenditure and looks into the processes and procedures that influence the decisions to determine the cost-effectiveness of public expenditure (Khan, & Stern, 2007). In addition, as citizen or stakeholders demands for better delivery of services and more equity of resources, the policeman theory could support the argument there is need for strong monitoring, evaluation, audit, and information sharing with reference to the role of an independent and responsive SAI to assist the national government improves her

performance of oversight and ensure accountability and transparency for the benefit of the citizens (Khan, & Stern, 2007).

3.2. The Role Conflict Theory

Role Conflict Theory provides a theoretical explanation for the existence of an expectation gap (James, 2015). The Theory is based on the following assumptions: the auditor is required to monitor the client's financial statements and the public expects the auditor to faithfully carry out that role (Koo and Sim, 1999; in James, 2015). According to James (2015), the auditor is in conflict because he or she must firstly serve the professional regulations and rules governing auditor independence, then at the same time, try to meet the needs of the public in ensuring that misappropriation of funds and other acts such as corruption are prevented. This puts the auditor in a situational dilemma where he has to choose between performing his duty as required by his professional standards and regulations or according to what the public or third parties expect him to perform. The needs of the two conflicting parts cannot be satisfied simultaneously; therefore the auditor has to choose. When one is achieved, it must be at the expense of the other (Koo & Sim, 1998). The role of the auditor is subject to the interactions of the normative expectations of the various interest groups in the society having some direct or indirect relationship to the role position (Davidson, 1975; in James 2015), which therefore puts auditors' in multi-role and multi expectation situations (James, 2015). Public sector auditors have a responsibility for value for money auditing as well as for performance and financial statement auditing which vary widely according to the jurisdiction that they operate in (Hay & Cordery, 2018). In many cases there are responsibilities for value for money auditing, performance auditing, as well as for expressing an opinion on the fairness of financial statements. The value of these types of audit is an area about which there are conflicting views (Barrett 2012), for example because there are expectation gaps over what can be achieved (Hay & Cordery, 2017) from the standpoint of auditors' and from the public, and the public usually confuse the role of auditors' with what they expect from auditors. Further, users expect auditors to serve the public and to uncover management fraud (Mills & Bettner, 2012; in James, 2015), while the public auditor roles aimed at satisfying different financial management goals wherein audits are performed to assess the accuracy and fairness of both the accounting procedures utilized by a government

agency and the financial statements reported by the agency; assess whether funds were used for the purposes for which they were appropriated and in compliance with relevant laws and regulations (Ramkumar, & Krafchik, 2006). There is a role conflict when the auditor is unable to satisfy all the responsibilities expected by the public, hence the expectation gap. Role conflict occurs when conflicting roles are required to be carried out by an individual member within an organization. Faced with mutually exclusive expectations, the member experiences role conflict and cannot make a proper judgement about which one to satisfy (Koo & Sim, 1998).

3.3. Theory of Inspired Confidence

An effective public sector audit activity reinforces governance to significantly increase citizens' aptitude to hold their government accountable (Supplemental Guidance, IIA Global, 2012). And in so doing these obligations are entrusted to the SAIs as a critical component of any Government accountability system (ibid). The functions of these auditors play an important aspect of governance as they are crucial for promoting credibility, equity, and appropriate behavior of public sector officials, while reducing the risk of public corruption (Supplemental Guidance, IIA Global, 2012). These functions and obligations are theorized to explain Limperg's theory of inspired confidence. The theory posits there is always a need for the demand and supply of audit services in the public sector between various stakeholders to ascertain whether public resources are being utilized for the intended purpose by another party (Limperg, 1985; Ittonen, 2010). This theory argued that the public sector auditors' derives general function in the public from the need for an expert, and an independent opinion based on that examination (Ghandour, 2019).

In context, stakeholders such as the public would demand for audit services from NAO or IAD auditors as outside stakeholders (third parties). These public stakeholders will then go on to demand accountability from the executive branch of government (management) in accounting for their resources allotted to them (Limperg, 1985; Hayes et al., 2005 in Ittonen, 2010). Moreover, since information provided by government ministries and agencies management might be biased, a possible divergence between the interest of management and outside stakeholders, an audit of this information is required (e.g. Salehi, 2011; Limperg, 1985; Ittonen, 2010).

Further, drawing on the explanation of this theory, the independent auditors aims are to provide potential users (the public) with objective, independent and reliable information based on sufficient and appropriate evidence relating to public entities and reassures accountability and transparency, and sustained confidence in the appropriate use of public funds and assets (ISSAI 100, 2013; in Assakaf, Samsudin & Othman, 2018). In this context, public auditors at the Gambia NAO and the Internal Audit Directorate are called upon in ensuring transparency, efficiency, effectiveness, and accountability of public sector management in a way that limits the opportunity for corruption (Melo, Pereira, & Figueiredo, 2009; Santiso 2007, 2009; Stapenhurst & Titsworth 2006; United Nations 2011; cited in Cornejo, Guillan, & Lavin, 2013). Theoretically these arguments support the theory of inspired confidence assertions that auditors are to protect the core values of the public in helping government organizations achieve accountability and integrity, improve operations, and instill confidence among citizens and stakeholders (Supplemental Guidance, IIA Global, 2012). Limperg (1932) suggests that the auditor should always strive to meet the public expectations, because it is important for an auditor to be able to demonstrate accountability for the exercise of independence as a means of promoting understanding of, and confidence in, audit outcomes (Barret, 2012).

Furthermore, the auditor function is rooted in the confidence that society places on the effectiveness of the audit, and in the opinion of the accountant. Therefore, this confidence is a condition for the existence of that function. If such confidence is betrayed, the function is destroyed and becomes useless (Ghandour, 2019; Limperg, 1985). The public auditors as independent third parties should ensure their audit services provide checks and balances of the central government who are accountable to the citizens on how their resources are being managed (English & Guthri, 1991). Also, in the same line of duties, as stakeholders and citizens demand for audit services, it is the responsibilities of these public auditors to supply what has been required of them in the form of credible audit information (ibid). Because a credible outcome would minimize any expectation gap as some expectations are quite unrealistic, being overly optimistic or simply too pessimistic (Barret, 2012). Considering auditors as watchdog, their duties should be an interest in convincing the public that when they make statements about public expenditure or public assets it is credible, and that when it

makes decisions it is reliable information to inspire public confidence (Hay & Cordery, 2018; English & Guthri, 1991).

Again, given auditor duties as an important exercise to control and safeguard public expenditure by detecting and preventing fraud and combating corruption; obviously, there might be some expectations that would be expressed about such exercise and function (United Nation, 2007). And so, as the information communicated becomes more complex, users of information find it more difficult, or even impossible, to obtain direct assurance about the quality of the financial information received. Accordingly, the inspired confidence theory provides an understanding with regard to the level of audit assurance that the auditor should provide (i.e. the supply side). It argues, an auditor should perform his/her job in a way that the expectations of a rational outsider are not thwarted by doing everything to meet reasonable public expectations (Salehi, 2011). In this case since the stakeholders (government workers and the public) demands for audit services and auditors are called upon to supply such audit services, the auditor role is to provide unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results. Also they are to help public sector organizations achieve accountability and integrity, improve operations, and instill confidence among the public and support the governance responsibilities of oversight, insight, and foresight (Supplemental Guidance, IIA Global, 2012).

Drawing from the lens of this theory, the public confidence could be betrayed: if the expectation of the public is overstated, that is, it exceeds what the auditor is capable of performing and if the auditor under-performs. It claimed that people's needs are not static. They are dynamic and influenced by changing perceptions and changes in situation. In other words, the concept of rational expectations by Limperg assumed and relates to the social responsibility of the public sector independent auditor, and possible mechanisms for ensuring that public audits meet the general public needs (Ghandour, 2019; Limperg, 1985; Ittonen, 2010).

3.4. Audit Expectation Gap

The definition of the expectation gap varies among researchers (Koh & Woo, 1998). The phrase "Audit Expectation Gap" was first introduced into the literature over twenty years ago by Liggio (1974; in Adebayo & Christian, 2012). It was defined as the difference between the levels of expected performance "as envisioned by the

independent accountant and by the user of financial statements” (Liggio 1974; p. 27 cited in Koh & Woo, 1998). Monroe & Woodliff (1993) defined the audit expectation gap as the difference in beliefs between auditors and the public about the duties and responsibilities assumed by auditors and the messages conveyed by audit reports. Tricker (1982) viewed the AEG as the result of a natural time lag. The auditing profession does not identify and respond to continually evolving and expanding public expectations on a timely basis. Other authors argued that the AEG is an outcome of the contradiction of minimum government regulation and the profession’s self-regulation, and that the related actions of the profession must be seen in a more self-interested light (e.g. Humphrey et al. 1992; Sikka et al 1992). Porter (1993) defines it as the gap between society’s expectations of auditors and auditors’ performance, as perceived by society. Based on Porter (1993) definition, it can be seen that AEG has two major components: a gap between what society expects auditors to achieve and what they can reasonably be expected to accomplish reasonable gap; and a gap between what societies can reasonably expect auditors to accomplish and what they are perceived to achieve performance gap. According to Porter’s, the performance gap can be further subdivided into a gap between the duties which can be reasonably expected of auditors and auditors’ existing duties as defined by regulation (deficient standards), and a gap between the expected standard of performance of auditors’ existing duties and auditors’ perceived actual performance (deficient performance).

The definition by Porter (1993) denotes that the AEG is contingent upon the society’s level of expectation and perception of what auditors can possibly accomplish instead of understanding the nature and function of auditing. This misconception of what the society expects or perceived auditors to achieve and what auditors believe to achieve is what resulted in the gap between the two parties in terms of expectations, hence the term ‘audit expectation gap’. Users and the public expect too much and remain largely ignorant of the precise nature, purpose and capacities of the audit function (Humphrey et al. 1993). The above definitions convey that auditing is an independent function by means of an ordered and structured series of steps, critically examining assertions made by an individual or organization about economic activities in which they have engaged and communicated the results in the form of report to the users (Adebayo & Christian, 2012). According to Sweeney (1997), the typical areas where differences in expectations arise are: the role of auditors in fraud cases; the belief that an

unqualified opinion means that the entity is financially sound; the idea that the auditor should interpret the financial statements in such a manner that the user could evaluate whether to invest in the entity; the provision of an early warning of future insolvency; the provision of an evaluation of management performance; the nature and level of assurance provided by the auditor report; and the level of quality in the performance of audit.

3.4.1. Roles and Responsibilities of Public Sector Auditor

Auditors have responsibilities to plan and implement an audit to obtain reasonable assurance about whether the financial records are free of material misstatement, and whether caused by error or fraud (SAS No. 1:110. 1972). In public sector auditing context, auditors are seen as public finance watchdogs who act as critical links in enforcing the accountability of executive agencies to national and state legislatures and through them to the general public (Ramkumar, & Krafchik, 2006). Their aim is to review financial records of public sector bodies and conduct financial, compliance and performance audits to ensure financial transactions are undertaken with due regard to propriety and regularity (ibid). The public sector audit has evolved overtime from providing an independent and professional assurance that the resources of government have been managed properly, in accordance with the law, and that no fraud has taken place; today, public sector audit also includes forming opinions on a range of management matters, including value-for-money and efficiency and effectiveness audits of the performance of various governmental units (Guthrie, 1992). As auditors are responsible for several tasks, one key component of such is their ability to perform performance audits. Supreme Audit Institutions (SAIs) in many countries, for instance the Gambia NAO practice of performance auditing helps government agencies to meet their targets and to improve policy outcomes (e.g. Schelker, 2012; Raudla, Taro, Agu & Douglas, 2015). According to the Australian National Audit Office (ANAO, 2008a, p.3; cited in Barrett 2012), defines a performance audit as: ‘an independent, objective and systematic assessment of public sector entities’ programs, resources, information systems, performance measures, monitoring systems and legal and policy compliance’. However, the most well-known definition is proffered by INTOSAI, which states that the concept of performance auditing is based on the three “Es” (economy, efficiency and effectiveness). The economy aspect concerns keeping costs low. It requires that the

resources used by the audited entity for its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The aspect of efficiency addresses the direct products and services delivered (outputs) by a government agency. It is concerned with the best relationship between resources employed, conditions given, and the outputs. And the aspect of effectiveness is about meeting a set of objectives. It is concerned with achieving the intended results of the products and services (Arthur, Rydland, & Amundsen, 2012). These definitions entitled that public auditors are those tasked with responsibilities to provide an independent and objective examination of government undertakings, systems, and programs with regard to one or more of the three aspects of economy, efficiency and effectiveness (INTOSAI; Pollitt et al. 1999; Furubo 2011; in Raudla et al. 2015; Barrett 2012).

Furthermore, in carrying out these duties, auditors should ensure that governmental or public bodies adhere to compliance and evaluate how those responsible have met such requirements. Meaning, when probing governmental or public bodies, they should be an indication that these bodies are adhering to legislation, rules and policies (Gronlund, Svardsten & Ohman, 2011). According to INTOSAI (2004) auditing accountability or compliance is judging how well those responsible at different levels have reached relevant goals and met other requirements for which they are fully accountable (Gronlund et al. 2011). Notwithstanding performance and compliance auditing, financial auditing is also another key function of public sector auditors of which the aim is to obtain reasonable assurance that the financial statements of an audited entity are free from material misstatement (International Auditing and Assurance Standards Board [IAASB], 2009a; cited in Axelsen, Green & Ridley, 2017). Financial audits help reduce wasteful spending and improve the quality of information in the public sector (Schelker, 2012), and the auditor's responsibility is to express an opinion on the financial statements and effectiveness of internal controls (SAS No. 1:110, 1972). In most African countries financial auditing has emerged as the preferred mechanism of government for fighting bureaucratic fraud and this has resulted in the growth in importance of supreme audit institutions across the continent. In countries such as the Gambia, the growing importance of the supreme audit institution (i.e. the National Audit Office) to prevent fraud (Power, 1997, in Rahaman, 2009).

Alternatively, with reference to the ISSAI standards, all public auditing has four common principles which guide auditor's roles: provides all the potential users with objective, independent and reliable information based on sufficient and appropriate evidence relating to public entities; encourages accountability and transparency of public funds and resources; strengthens the effectiveness of constitutional bodies; and creates incentives for change by providing knowledge, comprehensive analysis and well-founded recommendations for improvement (ISSAI 100, 2013). With these principles, it is essential as in line with the responsibilities of the auditors to protect the core values of the public which serve all citizens (Assakaf, et al. 2018).

In addition, the Standards Guidance of IIA Global (2012), posit that government auditor's roles are to support the governance responsibilities of oversight, insight, and foresight. With these measures, auditors are assigned tasks to address whether government entities are doing what they are supposed to do to detect and deter public corruption; assists by providing an independent assessment of government programs, policies, operations, and results; and identifies trends and emerging challenges. These roles can be fulfilled by carrying out through tools such as financial audits, performance audits, and investigation and advisory services (Supplemental Guidance, IIA Global, 2012). Moreover, the auditor's oversight role helps provide accountability and access to performance information to stakeholders within and outside of the organization under audit and to monitor the effectiveness of management's internal control structure to identify and reduce the conditions that breed corruption (Supplemental Guidance, IIA Global, 2012).

Through these roles, auditors protect core public values with responsibilities of providing oversight, insight, and foresight services; and help ensure that managers and officials conduct the public's business transparently, fairly, and honestly, with equity and integrity, while executing their own work using the highest standards of integrity. In other words, while auditors performing these duties, they should not only assess the potential abuse of power, but also should be cognizant of their own power within an organization wherein their own work must reflect the same principles of transparency, equity, and integrity that are expected of the public sector (Supplemental Guidance, IIA Global, 2012). Meaning auditing issues that matter to people, writing accurate and

balanced reports, and making audit reports available for public examination should be upheld (Ibid).

Notwithstanding these roles and responsibilities, however, there appears to be misconception between the public and auditors' about the auditors' roles and responsibilities when it comes to detection and prevention of fraud; assurance about the effectiveness of internal controls; and protection of an entity's assets. Apparently, the public perceived the auditor to be responsible for maintaining accounting records; searching, discovering, reporting and preventing management fraud; safeguarding of the assets of public entities; ensuring that financial statement are free from material error; and providing a safety net and so on (e.g. Monroe & Woodliff, 1994). Moreover, another perception which is often revealed by survey-based research is related to the soundness of the internal controls (e.g. Fadzly and Ahmad, 2004). The public and stakeholders believe that the auditor is responsible for the soundness of the internal control structure of the entity, however, the auditor just has to evaluate the effectiveness of internal controls in preventing or detecting material misstatements on a timely basis (e.g. Fadzly and Ahmad, 2004). The detection and prevention of fraud; assurance of the effectiveness of internal controls and protection of entity's assets are a very hot topic of debate regarding the auditors' responsibilities, and typically after events where financial statement frauds have been revealed, lax internal controls, and mismanagement of public entity's assets, the pressure increases on increasing the responsibilities of auditors in detecting fraud, ensuring that internal controls are working effectively as designed, to protect the entity's assets and to deter other illegal acts by management and employees (e.g. Ittonen, 2010), and the public expects auditors' to faithfully carry out these tasks.

3.4.2. Public perceptions of audit reports

The existence of an audit expectation gap is not only limited to the difference in beliefs and perceptions between the public and the auditors concerning the duties and responsibilities of auditors', but also the messages conveyed by audit reports (e.g. Monroe & Woodliff, 1993). Several studies have investigated the messages communicated by audit reports and the public expectations of auditors across the USA, UK and Australia (Koh & Woo, 1998). The issuance of an unqualified audit opinion implies that the auditor believes that the financial statements give a true and fair view in

accordance with the applicable financial reporting framework (IFAC, 2008; in Gold, Gronewold & Pott, 2012). The public/ users often associate an absolute level of assurance when they read audit reports, thus resulting in naïve or unreasonable expectations (Epstein & Geiger, 1994), while in reality the auditor merely provides a reasonable level of assurance. Users and the public expect too much and remain largely ignorant of the precise nature, purpose and capacities of the audit function and limitation; and this is usually communicated in audit reports (e.g. Humphrey et al. 1993). An unqualified audit opinion is often misinterpreted and viewed as a guarantee for financial health (e.g. Koo & Woo, 1998; Gold et al. 2012; Gbadago 2015; Salehi 2016) and for the going concern of the audited entity (e.g. Olagunju and Leyira 2012). The public and financial statement users often assume audits to have a broader scope than they actually have. For example, users may erroneously associate audits with an approval of management adequacy, a guarantee of the absence of fraud; and an effective and sound internal control (Gold, Gronewold & Pott, 2012). According to Koh & Woo (1998), the public should be educated on the meaning of the audit report and the scope of work required to express an audit opinion. In accordance with previous studies (e.g. Monroe et Woodliff, 1993; Monroe & Woodliff, 1994; Koh & Woo, 1998; Gold et al. 2012), it appears that the expectation gap is linked to the users/ public understanding and interpretation of audit reports.

3.4.3. Bridging the expectation gap in auditing

A careful examination of extant literature on the AEG tends to stress three key areas of significant differences in perceptions between users of financial statements and those of the accounting profession: (1) ignorance, misconceptions and misinterpretations of the auditing and reporting processes; (2) little understanding of the work and role of the auditor; and (3) misunderstanding of the respective responsibilities of auditors and corporate management (AICPA, 1978; Humphrey et al., 1992; Porter, 1993; Schelluch, 1996; Epstein and Geiger, 2004; in Adafula et al., 2016). Interestingly, despite the underlying objective of the revised ISA 700 auditor's report, which was aimed at reducing the gap through extensive explanations of the auditor responsibilities and limitations, however, it appears that this approach of revising the audit standards and delineating the auditor's responsibilities and limitations in audit reports do not have much impact in narrowing the gap as users of audit reports

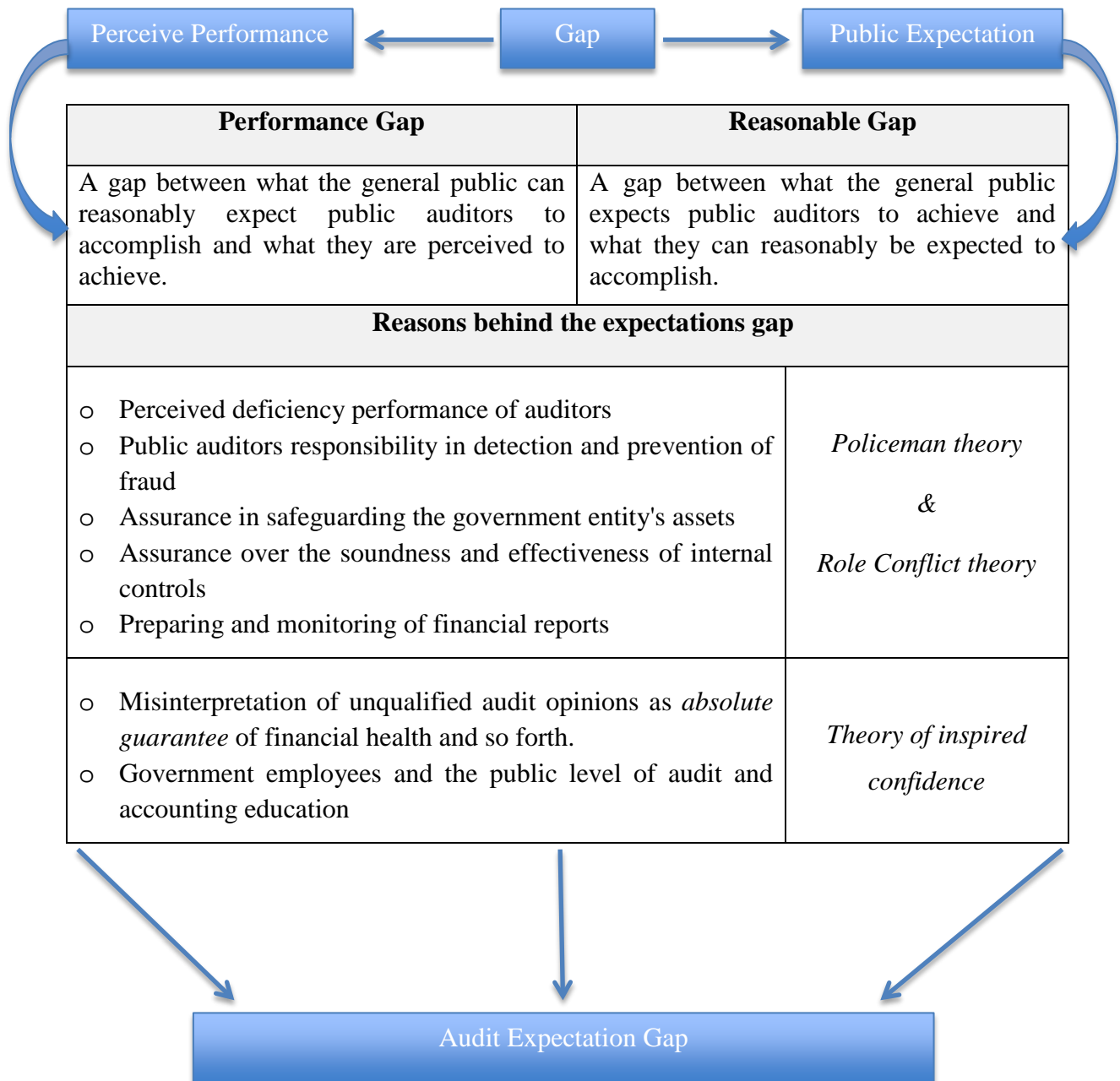
are only interested in an unqualified audit opinion rather than the long text of audit reports (e.g. Gold, Gronewold & Pott, 2012). Prior research works and regulatory modifications directly and/or indirectly responding to the AEG problem sought to primarily clarify the duties and responsibilities of auditors in the conduct of an audit (Adafula et al., 2016). In an attempt to narrow the gap, various approaches have been examined and suggested by researchers and professional bodies (Koh & Woo, 1998). These attempts, it would appear, held the view that it is practically possible and easy to reconcile the views of the public and users of financial statements to those of auditors as far as the independent audit function are concerned (Adafula et al., 2016). Some studies have found evidence to support the belief that knowledge of the users influences the size of the expectation gap (Koh & Woo, 1998), and that the possible means of reducing the expectations gap is to improve knowledge and understanding of the auditor's role and responsibilities through the provision of auditing education (Pierce and Kilcommins, 1996; in Adafula et al., 2016) in which the most appropriate action is through public education (McEnroe and Martens, 2001; in Adafula et al., 2016). Hence, the majority of researchers advocate for education in narrowing the expectation gap (e.g. Koh & Woo, 1998). According to Fulop et al (2019), one of the AEG components is the audit reasonableness gap (ARG), which is defined as unreasonable expectations that the public has from the auditor, in the audit mission. Therefore it appears that audit education could be an effective tool in reducing the AEG, especially in the case of ARG.

3.5. Conceptual Model

Based on the above literature, a conceptual model was adopted (see figure 2 below) which summarizes the literature content of this thesis. The model is inspired by Porter's (1993) and Salehi (2016), and formed the basis subsequently to analyze the study findings in establishing the existence of the audit expectation gap in The Gambia. This model illustrates that the concept of audit expectation gap can be viewed from two major components, that is: what government employees (non-auditors) expects public auditors to achieve and what they can reasonably be expected to accomplish (i.e. reasonableness gap); and what government employees (non-auditors) expects public auditors to accomplish and what they are perceived to achieve (performance gap). The model further encapsulates the reasons behind the gap in relation to the duties and

responsibilities of the auditors, drawing on the theoretical perspectives of the policeman theory, and the role conflict theory, as a result of the assumption that public auditors are required to monitor the government financial dealings, and the public expects these auditors to faithfully carry out this role (Koo and Sim, 1999), and also of the reason that public auditors' roles are subject to the interactions of the normative expectations of the various interest groups such as government employees or parliament in the public sphere (ibid).

In addition, based on the notion that the expectation gap is as well connected to the messages conveyed by audit reports; and with the perception and believe of the authors of this thesis that, not only does the messages convey by audit reports linked to the expectation gap, but the level of education in audit and accounting can also be associated to the causes of the gap in expectation; and the theory of inspired confidence was reference as to provide a theoretical foundation with the overall realm of helping the authors to devise narrations of not only discerning how the messages conveyed by audit reports are perceived/ interpreted by non-audit professionals as well as their level of audit and accounting education, but bridging the gap as well if an expectation gap is found to exist.



Source: Own construction based on Porter, 1993 and Salehi, 2016

Chapter 4. Empirical Method

This chapter of the thesis discusses what decisions and actions were taken, the rationale of such actions and how such was implemented, that is the methodology used in gathering the data to investigate the existence of the audit expectation gap in the Gambia; the arguments for the research strategy, and the method of data collection process. In addition, the sample selection and participants and the process in analyzing the data collected were argued for. In the end, the chapter concluded by presenting the reliability and trustworthiness and the ethical nature of the study in collecting the data.

4.1 Research Strategy

The research strategy is the general pattern used in conducting a research, and anyone a researcher adopts serves as a guide in addressing their research question(s), and objectives of the study. Further, the choice of research strategy must align with the researcher philosophical underpinnings (Saunders et al. 2009; Bryman & Bell, 2015). According to Bryman and Bell (2015) research strategy or design can be seen in the form of case study, comparative experimental, social survey and longitudinal designs. Bearing in mind that this study aims to investigate and analyze the existence of the audit expectation gap in the Gambia; therefore with reference to the research questions and the authors philosophical stance in this thesis, the researchers deemed it appropriate to consider the case study research strategy. A case study as an empirical inquiry offered that unique procedure when researchers seek to investigate and understand a contemporary phenomenon in depth and within its real-world context (Yin 2014; in Tumele, 2015; Saunders et al., 2009).

Moreover, case study research primarily focuses on answering “how” and “why” questions and can be of exploratory, descriptive or explanatory nature (Yin 2014; in Tumele, 2015). In the case of this thesis, it seeks to find out whether the issue of expectation gap does exist in the context of the Gambia public sector with regard to auditor duties and what non-audit professionals perceive such duties are. To establish an outcome of this, the authors adopted an exploratory approach (Saunders et al., 2009; Tumele, 2015). Exploratory research seeks new insights into phenomena and sheds light on ambiguous situations. Its aim is not to derive definite evidence but rather to serve as

a basis for further research (Mayer, 2015). In fact, social research authors like Shavelson & Townes (2002) posit the case study is an appropriate method for the exploratory phase of an investigation (Graue 2015). Moreover, a case study guided by in-depth interviews with few of the employees provides high interaction, and consequently increases subjectivity (Göttfert, 2015). On the other hand, there have also been traditional prejudices against case study strategy in such a way that it has been viewed as a less desirable form of inquiry for instance (e.g. Yin, 2003a; in Kohlbacher, 2006). However, for the current thesis to adopt any of the other above designs (experimental, or social survey etc.) were not deemed necessary.

4.2 Sample and Participants

The study was conducted in the Gambia among practicing public auditors who are engaged in providing auditing services at the National Audit Office, the Internal Audit Directorate and Gambia Civil Aviation Authority. Further, the study included non-auditing professionals working in offices of the Ministries of Finance, Trade, Petroleum & Energy, and the Department of Agriculture. The researchers thought it wise to conduct this study among these population as their perspectives would reflect an understanding of the phenomenon of any expectation gap with regard to the aim of this study and put the researchers in the positions to interpret their opinions and draw conclusions with regards to the so-called issue of audit expectation gap in the Gambian public sector. As indicated earlier, this study is piloted in the public sector which captures a diverse population of professionals and a sample of both auditors and non-auditors. In this case, a purposive sampling technique was utilized to select the primary participants who are practicing public auditors and non-auditors working in the government based on the purpose of this research (Saunders et al. 2009). This made the respondents conveniently available (Fink, 2003) and ensured that experts are reached, as well as accurate information obtained. The population is the unit in which the sample is selected whereas the sample is the subset of the population that is selected for investigation (Bryman & Bell, 2015; Saunders et al., 2009). In this regard, a sample of eight auditors and five non-auditors were selected and participated in a structured interviews process; four auditors from the National Audit Office, three from Internal Audit Directorate and one from Gambia Civil Aviation Authority. In terms of non-auditing professionals, two are from the Ministry of Finance, one from the Ministry of

Trade and Ministry of Petroleum & Energy respectively, and one from the Department of Agriculture. In reference to the research design of this study, the selection of the sample size and the sample itself, which is termed as “the case” are classified as an individual person, an organization, or people part of an organization. Also, according to literature a maximum of 15 cases should not be exceeded (Yin, 1994; in Göttfert, 2015), therefore in this thesis the overall sample size of thirteen (13) participants was considered.

Likewise, in selecting the participants a non-probability sampling method was applied. The obvious advantage of a non-probability sampling is that the researcher can use his/her skills and prior knowledge to choose respondents (Ogunbameru, 2004, cited in Adeyemi & Olowookere, 2011). Similarly, since the data collection method was based on structured interviews, convenience sampling techniques were also adopted. Convenience sampling is where a researcher chooses respondents who are easy to reach. A key advantage of this form of sampling is that it is relatively easy to get a sample and respondents are readily available (Burnard 2004).

4.2.1. The Interview Guide and Aim

As indicated earlier, the issue of audit expectation gap continues to receive widespread concern with regard to the auditing profession and the public (Koh & Woo, 1998). The public and auditors continued to hold different beliefs about the auditors’ duties and responsibilities, and the messages conveyed by audit reports (Adeyemi & Uadiale, 2011; Dennis, 2010). Moreover, there is relatively little research into whether or not an audit expectations gap exists in the public sector. In the same way, almost all the research into the audit expectations gap has been conducted in developed countries (Chowdhury & Innes, 1998). Against this backdrop, this dissertation project aims to explore whether or not there exists an audit expectations gap in the public sector of the Gambia between the public auditors and non-auditing professionals. In order to establish such phenomena, a series of interviews were held from May 8th - 12th, 2020 with participants at various public bodies in The Gambia through an internet platform. In the interview guide were questions based on audit concepts selected from the literature and previous empirical studies. According to Bryman and Bell (2015) researcher’s interview guide should be well structured to reduce ambiguity. This approach was considered for this paper. The interview guide was grouped into segments

with easy to understand questions to facilitate communication and clear understanding of the interview process (refer to appendix 2). The guide consists of background questions and open-ended sets of questions both detailing auditors' role and responsibilities, and audit reports etc. The assortment of these questions was done to capture the different views and determine as to whether there is a difference or a gap between auditors and non-auditors working in the public sector of The Gambia regarding auditors' roles and responsibilities and messages conveyed by audit reports. *The table (table 1) below illustrates an overview of the participants' background and interviews duration.*

Participants	Institution	Tag	Gender	Interview Date	Years of Experience	Duration
Non-Auditor	Ministry of Finance & Economic Affairs	NAP1	Male	5/8/2020	6	20mins
Non-Auditor	Ministry of Trade	NAP2	Female	5/9/2020	5	20mins
Non-auditor	Department of Agriculture	NAP3	Male	5/9/2020	3	18mins
Non-auditor	Ministry of Finance & Economic Affairs	NAP4	Male	5/10/2020	7	25mins
Auditor	Internal Audit Directorate	A1	Male	5/11/2020	4	22mins
Non-auditor	Ministry of Petroleum & Energy	NAP5	Male	5/11/2020	5	16mins
Auditor	Internal Audit Directorate	A2	Male	5/11/2020	4	21mins
Auditor	National Audit Office	A3	Male	5/11/2020	6	24mins
Auditor	National Audit Office	A4	Female	5/11/2020	1	28mins
Auditor	National Audit Office	A5	Male	5/12/2020	3	19mins
Auditor	National Audit Office	A6	Male	5/12/2020	1	15mins
Auditor	National Audit Office	A7	Male	5/12/2020	4	24mins
Auditor	Gambia Civil Aviation Authority	A8	Male	5/12/2020	34	30mins

4.3 Data Collection

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem (e.g. Dudovski, 2018). The strength of qualitative research is that it can include various forms of data, including primary and secondary data; textual and visual data; and interviews, observations and surveys (Gopaldas, 2016). Also, the method selected during the design phase frequently determines what type of data collected; for example a survey or an experiment produces numerical data, such as ages, sizes and distributions, while interviews, focus groups or observation provide richer data in form of opinions, narratives or feelings (Sreejesh, et al. 2014; in Göttfert, 2015). However, for this thesis, several literatures were reviewed and extracted from scientific articles, official corporate reports and websites to explain the theoretical concepts and extant knowledge pertinent to the topic as secondary source. In terms of empirical or primary data collection, the study used interviews as its primary data source. Interviews are used to explore the views, experiences, beliefs, and motivations of individual participants (DeVaney, 2018). According to Anderson (2010), cited in DeVaney (2018), there are several methods of collecting primary data in qualitative research. These methods can be: audio recordings and transcripts from in-depth or semi-structured interviews; structured interview guide containing open comment items; audio recordings and transcripts from focus group sessions; field notes (notes taken by the researcher while in the field setting); video recordings (e.g., lecture delivery, class assignments, laboratory performance); case study notes; images; documents (reports, meeting minutes, e-mails, press clippings, photographs); diaries, video diaries; and observation notes. An author may choose any type of method listed above based on the research question he or she is answering and the amount of resources he or she has to conduct the research (DeVaney, 2018). Regarding interview, generally, there are three types: structured interview (standardized), semi-structured, and unstructured. The standardized interview sets ordered, and open-ended questions; while semi-structured interviews are more flexible in terms of order of the questions and standardization, meaning the researcher can rephrase inquiries, if it suits the research questions. The third type, the unstructured interview is not standardized or ordered in any form, allowing the interviewee to guide the conversation in any direction and narrate everything that is considered relevant (Sreejesh, et al., 2014; in Göttfert, 2015).

In structured interviews, each participant is asked the same questions using the same wording and in the same order as all the other participants. The strengths of structured

interviews are that the researcher has control over the topics and the format of the interview because a detailed interview guide is used (Corbetta 2003; Doody & Noonan, 2013). It limits researcher subjectivity and bias, (Holloway & Wheeler 2010; cited in Doody & Noonan, 2013). In terms of unstructured interview, its approach is misleading in the sense that no interview is entirely devoid of structure; meaning, if this were so, the data gathered may not be appropriate to the research question (Britten 1995; in Doody & Noonan, 2013). So, while this interview is non-directive and flexible, the researcher does follow an interview guide, comprising themes rather than specific questions. Processing data from unstructured interviews can be difficult and time-consuming as it involves bringing together similar statements from different participants and links are often difficult to make (ibid). On the other hand, semi-structured interviews are non-standardized and used in qualitative analysis. With this type of interview the order of the questions can be changed depending on the direction of the interview especially when the researcher is not well knowledgeable of the research area and would like to further depth. An interview guide is also used, but additional questions can be asked. The order in which the various topics are dealt with and the wording of the questions are left to the interviewer's discretion (Corbetta 2003). However, one common drawback with these interviews types is that novice or inexperienced researchers are often unable to identify where to ask prompt questions or probe responses, so some relevant data may not be gathered (Corbetta 2003; Doody & Noonan, 2013).

Therefore, which data collection method to use would depend upon the research goals and the advantages and disadvantages of each method (ibid). In this study the qualitative interviewing in the form of structured interview guide containing open comment items was carried out. This approach enabled the authors to conduct flexible interviews to gather reliable data from the respondents by asking explicit questions that do not allow room for respondents to veer off the topic in question. It also provides flexibility in terms of order of the questions and standardization (Sreejesh, et al. 2014; in Göttfert, 2015), and allows for easy comparability of responses as well. Again, it is cheaper, flexible and fast to collect data using structured interviews with open comment items compared to the other mentioned data collection methods.

Further, as a result of the COVID-19 pandemic which resulted in lockdown of the country (The Gambia), majority of public institutions are now dormant, with staff forced to work from home where the issue of fast and reliable internet and electricity power are major challenges, thus propelling the authors to employ structured interviews for convenience of easy access to respondents and extraction of empirical data. Besides, the time horizon and the period of this project make it difficult to find interviewees to consent to other data collection methods making it challenging to have interviews with auditors' and non-auditors at the selected sample government organizations in order to pair them together in the form of focus groups. In gathering the data, the authors reached out to a couple of auditors through emails and WhatsApp platforms at the National Audit Office (NAO) and the Internal Audit Directorate who consented to the structured interviews. The interview processes were held simultaneously with four NAO auditors and three auditors at the Internal Audit Directorate (IAD). Also, one well-experienced auditor was interviewed from Gambia Civil Aviation Authority (GCAA). Interviewing these auditors was appropriate because it offered the authors a clear picture of what auditors' believed are their responsibilities and roles from their own perspective and the messages conveyed by audit reports. In addition, the researchers chose to have another series of interviews with non-auditing professionals working in selected government ministries and departments to determine whether their beliefs and perceptions about auditors' duties and responsibilities, as well as the messages conveyed by the audit reports are in alignment to those stated by auditors. In doing so, five interviews were carried out altogether, of which two participants from the Ministry of Finance, one from the Ministry of Trade, one from the Ministry of Petroleum & Energy and one from the Department of Agriculture. Moreover, considering the authors' knowledge of the research area and coupled with years of working in the public sectors as internal auditor and accountant respectively were key factors they considered as well in having this structured interview (e.g. Saunderson et al. 2009) in order not to influence the outcome of the data based on our own beliefs of the subject matter. A researcher's personal beliefs and values are reflected not only in the choice of methodology and interpretation of findings, but also in the choice of a research topic. In other words, what we believe determines what we want to study, plus the kind of results we expect to get from the study (e.g. Mehra, 2002). Therefore, taking our background and beliefs into account as researchers of this dissertation, a structured interview data collection serves

appropriately to ensure data collection integrity and transparency. So adopting a structured interview-based model of data collection was necessary and appropriate for this thesis. After the interview processes, the data were grouped into categories and then themes, how this was done is argued for in subsequent sections.

4.4 Data Analysis

Data analysis is of vital importance within qualitative research as it has a major influence on the results of each research conducted (Flick, 2014; in Mayer, 2015). Punch (2009), describes data analysis procedure as ‘data reduction’, ‘data display’ and ‘drawing and verifying conclusions’ as the three major components of qualitative data analysis (ibid). Meaning, once information has been collected, they must be transformed into ‘data’ in the form of codes (Bryman & Bell, 2015). Coding is a process used in the analysis of qualitative research, which takes time and creativity which involves three steps: reading through the data and creating a storyline; categorizing the data into codes; and using memos for clarification and interpretation (Stuckey, 2015). Thus, in this dissertation, as mentioned, a structured interview guide was used in conducting a series of interviews to gather the raw data from respondents in The Gambia and coding of data is flexible as compared to semi-structured interviews. In doing so, firstly the respondents' interviews were text transcribed and copied to an excel file where the coding process was carried out manually in transforming the data into thematic themes to facilitate the qualitative analysis of the data.

The process requires compiling the data, skimming through the data set, and searching for similarities and differences from the myriad of responses among auditors and non-auditing professionals. The data collected were coded for analysis following a three-stage process (open, axial and selective coding) developed by Strauss and Corbin (1998). Open coding is where raw concepts contained in the data are identified, broken down, examined, compared, abstracted and categorized. Axial coding is where related concepts are linked to researcher-specified categories that seek to explain related ideas while selective coding refers to where major categories are integrated and refined to create a pattern or theme (Strauss & Corbin 1998).

The transcribed texts documents were read through and various key concepts from the respondent's perspective identified and matched against each research question as useful information to address the research questions and subsequently group as categories.

Conducting this procedure validates the argument of Punch (2009) data reduction and data display steps by placing respondent's empirics into categories. The data reduction and display serves as important steps to assist in drawing and verifying conclusions. Afterward, since category development helps with the provision of details for analytical theme development (Vaismoradi et al. 2016), the next step resulted in creating various storylines in the form of themes which are implicit topics organized from a group of repeating ideas to answer the study research questions. However, in this thesis, the common subjects in the data material produced the themes, as it follows the structure of the interview guide. From this process the themes were developed. Also, the respondents were classified and labelled with tags as "A" and "NAP" for auditors and non-auditors respectively to carry out the analysis process. An illustration of the coding sheet can be found in *Appendix 3*.

4.5 Reliability and Trustworthiness

The concept of validity in quantitative study corresponds to the concept of credibility, trustworthiness, and authenticity in qualitative study which means that the study findings are accurate or true not only from the standpoint of the researcher but also from that of the participants and the readers of the study (Creswell & Miller, 2000; as cited in Yilma 2013). While the concept of reliability in quantitative study is comparable with the concept in qualitative study; this implies that this process is consistent over time and across different researchers and different methods (Gibbs, 2007; Miles & Huberman, 1994; in Yilma 2013).

Reliability, in the field of research, is broadly described as the dependability, consistency, or repeatability of a project's data collection, interpretation, or analysis (Given, 2008). In accordance with the data collection procedure of this thesis, which is based on a structured interview guide containing open comment items, similar results and empirical data can be replicated or reproduced if the same approach is being employed by different researchers in other occasions. The authors of this thesis are quite certain that the data collection approach and analysis will generate consistent findings if the same methodology is followed by another researcher. The aim of reliability is to assure that the results of one study are transferable, dependable and be generalized if conducted by a different researcher under the same conditions and circumstances, and produces the same result (Given, 2008), which in this case, the authors of this thesis are

certain would be the outcome. In addition, the same structured interview guide was distributed to all the respondents (auditor and non-auditors) working in the public sector of The Gambia. Again, the authors make certain that all the respondents are indeed working in the public sector during the data collection period.

With regards to trustworthiness, according to Given (2008), trustworthiness can be thought of as the ways in which qualitative researchers ensure that transferability, credibility, dependability, and confirmability are evident in their research. Based on this postulation, the authors of this thesis are confident that if similar conditions and approaches are applied by other researchers even under different circumstances, they will arrive at a similar explanation of the phenomenon/ findings of this study. Again to ensure the quality, trustworthiness or credibility of this thesis, one key aspect adopted by the researchers was by ensuring a friendly reviewer approach wherein two peers at Kristianstad University reviewed the form with feedback (e.g. Yilma 2013). Also, ensuring the thesis trustworthiness, the authors' engagement in this study setting and consulting with the participants to have reviewer feedback on the accuracy and legitimacy of the data and the study findings was considered (Given, 2008). Few participants at the National Audit Office and Internal Audit Directorate were requested to review the form as well to ascertain any unethical breach. Additionally, to reduce the risk of bias, researchers continuously maintained using a structured interview guide which is a standardized approach and highly unbiased. Another aspect considered to be of trustworthiness of this dissertation was the issue to protect respondent's data privacy. Measures were taken by the researchers to assure the respondents that their details would not be identifiable in the report, meaning a coded process was carried out and respondents were assigned tags (Burnard, 2004; Saunders et al. 2009).

4.6 Ethical Considerations

Ethics is the part of human philosophy concerned with appropriate conduct and virtuous living (Given, 2008). In the context of research, ethics refers to the appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it (Saunders et al., 2009). According to Saunders et al (2009), ethical concerns will emerge as you plan your research, seek access to organisations and to individuals, collect, analyse and report your data, which mean researchers have to design their research in a way that is both methodologically sound and morally

defensible to all those who are involved. Accordingly, the authors of this thesis ensured that this was the case rendering reference to the research strategy, the research questions, the purpose and the data collection method of this thesis.

Additionally, the ethical concern in qualitative research reported and discussed most frequently is the issues that arise because qualitative researchers work with participants face to face, over lengthy times, and (sometimes) in very intimate situations (Given, 2008). However, this was not the case in this thesis, as the researchers' were only able to gain access to respondents in a very limited time-span via emails and WhatsApp platform to exchange conversation with regards to their willingness to take part in the research, and as such the issue of intimacy and familiarity that pose the tendency of researchers influencing the respondents way responding to the research questions was never an issue. Consequently, this thesis was conducted in line with the University of Kristianstad ethical guidelines, as well as the Social Research Association's Ethical Guidelines (SRA) (<http://www.the-sra.org.uk/ethical.htm>). Meaning, the data privacy; consent and possible deception; confidentiality and anonymity of participants (e.g. Saunders et al., 2009) was considered and duly taken care off in accordance with SRA and University of Kristianstad ethical guidelines, as measures were taken by the researchers to assure the respondents that their details would not be identifiable in the report, meaning a coded process was carried out and respondents were assigned tags (Burnard, 2004; Saunders et al. 2009). Moreover, a consent form was considered by the interviewee and researchers in writing and sent through email (see Appendix 1). The voluntary nature of participation by respondents and the right to withdraw partially or completely from the data collection process (e.g. Saunders et al., 2009) was considered in the data collection process thereby giving the participants to withdraw from the process at will and that only those that wished for their data to be used in this study was used for this study. Also, to protect respondent's identities in the findings presentation, the researchers assigned tags and their gender was not revealed. Similarly, the researchers believe the empirics collected are intended for this particular period of this study and do not intend to distort to use them for any other means after their study.

Chapter 5. Empirical Findings

In this chapter, empirical findings from the interviews are presented. This includes the respondents' answers from the interviews conducted with them from the interview guide of this study. Presentation of the findings follows the structure similar to the interview guide/ themes of the coding sheet (Appendix 3), which is auditors' performance; auditors' roles and responsibilities; perception of messages conveyed by audit reports; and bridging the expectation gap in auditing. The results consisted of 13 professionals (auditors and non-auditors). They spontaneously provided their perspectives in relation to questions contained in the interview guide. The questions from the interviews were asked to and answered by the respondents in the same order as to the structure of the interview guide (Appendix 2). The findings of their responses are as follows and each section ends with a brief analysis of the results.

5.1. Auditor Performance

In accordance with the interview guide, respondents were asked to give their perspective on the overall performance of auditors in the public sector. This includes auditing professionals (labelled as 'A') and non-audit professionals (NAP). Out of the thirteen respondents, six (NAP1, NAP3, NAP4, NAP5, A4 and A6) described the performance of auditors as '*fair*' even though they recognized that there is room for improvement considering there are still lots of lapses in the system. Three respondents (A1, A2 and A3) described the performance as '*satisfactory*' and meeting expectations. On the other hand, respondents (NAP2, A3, A5 and A8) described the performance of auditors as "*not meeting public expectations*".

Analysis of these answers of respondents shows that respondents have divergent views of the performance of auditors in the public sector. Surprisingly, out of the five non-audit professionals interviewed, four of them rated the performance of auditors as '*fair*' in terms of meeting public expectations. However, one of them (NAP2) believed that auditors are not meeting the expectation of the public in terms of their performance. According to NAP2;

“Overall expectations are not generally met simply because the level of corruption among public officials who usually bribe some unscrupulous auditors to cover up their embezzlements in their areas of work”.

In accordance with the answer of NAP2, auditors are not meeting the public expectation in their performance simply because their objectivity is being compromised due to bribery from public officials, which ultimately affected their due professional care, and thus being unable to perform their duties as expected. On the contrary, three auditors (A1, A2 and A3) believed that auditors are meeting public expectations in terms of their performance according to their responses. According to A1 and A2;

A1: *“The IAD and NAO are doing extremely well and have had a huge impact over the past few years and have received a huge boost in publicity and have changed the public perception of auditing”.*

A2: *“I think the performance of auditors has been quite satisfactory from auditors' perspective. Although we recognize that there is a gap in terms of expectation from the public, however, from our own perspective as auditors' I believe that we are meeting the expectation as per INTOSAI standards in how we design and perform our audits”.*

From these two responses of A1 and A2, they signify that the performance of auditors has been up to standards and has had a huge impact over the years, and as a result, they believed that auditors' performance is meeting the public expectations. Alternatively, three other auditors (A3, A5 and A8) stated that the performance of auditors is not meeting the public expectations due to “*misconceptions*” of the public about auditing and unreasonable expectations from them. According to A3 and A5;

A3: *“The performance of Auditors in the public sector has not been the best performance .As they have been faced with huge challenges in carrying out their duties. Audit has been labelled as witch hunt and has not got buying in of many top officials in the public”.*

A5: *“Public expectation about audits has always been negative. This is largely due to misconceptions about our role in the public sector and what audit is generally. Per se we are believed to be fraud finders”.*

While A8 attributed the reason to high expectations “*because they don't understand the scope of our work*”. In accordance with A8, auditors' performance could not meet the

expectations of the public due to unreasonable expectations from the public and their ignorance about the precise nature, purpose and capacities of the audit function and limitation.

5.2. Auditors roles and responsibilities

5.2.1. Detection and prevention of fraud and corruption

Detection and prevention of fraud and corruption is one of the key tasks usually discussed in the issue of audit expectation gap (AEG) regarding auditors' roles and responsibilities. Data from the interview indicates a misconception between auditors and non-auditors with regards to executing such responsibility. Out of the five non-audit professionals interviewed, three (NAP2, NAP3, NAP5) associated this responsibility to auditors. On the other hand, from the perspective of the auditors, all have associated this responsibility to management except A4 who proffered a different view to such obligation. This implies detection and prevention of fraud and corruption falls under management responsibility according to seven of the eight auditors interviewed.

Analysis of these results suggests a misperception between auditors and non-auditors when it comes to the role or task of detecting and preventing fraud and corruption. Three of the five non-audit professionals believed this task is the auditors' sole responsibility, while seven of the eight auditors associate this task to management responsibility. Of the only auditor (A4) who gives a different perspective, states that management, auditors and the board all have the obligation to carry out this function but "*auditors have the legal responsibility to detect and prevent fraud and corruption*". Meaning A4 believes the detection and prevention of fraud and corruption is auditors' legal obligation, and should faithfully carry out this task.

5.2.2 Assurance on the effectiveness of internal controls

Assurance on the effectiveness of internal controls is also another key aspect usually discussed in the issue of audit expectation gap. There is usually a lot of misconception about whose responsibility (management, auditors, board) this task falls to, which is attested by the findings. Respondents are of differing opinions as to whom this task falls to. From the interviews data, the findings indicate that eight of them (three non-audit professionals and five auditors) associated this task to auditors' responsibility. Four

(NAP2, A4, A5, A6) associate the task to management, while one of them, NAP3, states that it is the board's responsibility.

Analysis of the findings shows conflicting views from both auditors and non-audit professionals. Three of the non-audit professionals (NAP1, NAP4, NAP5) believe that the auditors are responsible for the assurance on the effectiveness of internal controls. However, NAP2 and NAP3 believe that it is managements' and the board's responsibility respectively. NAP2 are of the assertion that *"Is the management responsible for establishing and maintaining internal control to achieve the effectiveness and efficiency of the organization compliance with laws and regulations"*; NAP3 asserts that, the board is responsible for ensuring that internal controls are working effectively because *"They make the holistic view"* of the organization and its control frameworks.

On the other hand, the findings also suggest a role conflict among the auditors interviewed. Out of the eight auditors' interviewed, five of them (A1, A2, A3, A7, A8) believe it is their responsibility as auditors to ensure that internal controls are working effectively. In other words, the belief assurance on the effectiveness of internal controls is the auditors' responsibility. However, the other three auditors (A4, A5, A6) believe the soundness and effectiveness of internal controls is management's responsibility. According to A4, *"management is majorly responsible to ensure an effective and sound internal control system even though auditors and the board can provide guidance and support"*. While A5 states that *"Auditors need to test controls designed by management to determine its effectiveness; thus giving assurance thereof"*. Whereas A6 states that *"It's management's responsibility to implement sound internal control about the achievements of the entity objective with regards to the reliability of its growth"*. Therefore, in accordance to A4, A5 and A6, assurance on the effectiveness of internal controls falls under management's responsibility, but auditors can provide guidance through testing controls to ascertain its effectiveness and provide support thereof.

5.2.3. Safeguarding of entity's assets

The issue of the expectation gap in auditing is also linked to the task of safeguarding an institution's assets, and more often than not, this task is perceived to fall under the responsibility of auditors. Respondents were asked to give their perspective of whom (management, auditors, and the board) does this responsibility fall under. Unlike other

tasks, the results in this regard show that both auditors and non-audit professionals largely agreed that the task of safeguarding an entity's assets is the responsibility of management. Four of the five non-auditing professionals stated that it is management's responsibility to safeguard and protect the assets of an entity (NAP2, NAP3, NAP4, NAP5). However, according to NAP5, this function can be attributed to management but *"they can secure the organization's assets following recommendations by auditors"*. On the other hand, seven of the eight auditors interviewed also associated this responsibility to management.

Analysis of these findings reveals that there is little misconception between auditors and non-auditors when it comes to identifying the roles and responsibilities of auditors in relation to safeguarding of the entity's assets. Despite the results indicating that both parties largely and clearly believed that management is responsible for the protection of an entity's assets, however, one of the respondents (NAP1) from the non-auditing professionals interviewed believes that it is the board's responsibility to safeguard the assets of the entity. According to NAP1, the task of safeguarding an entity's assets is the board's responsibility *"this is because they provide direction for the organization"*. Alternatively, from the side of auditors, A8 believes it is auditors' responsibility to ensure that the entity's assets are protected.

5.2.4. Holding management accountable

Respondents were asked to give their perspective on who should review and hold management accountable. The findings indicate that all respondents, but (A4, A6), associated this responsibility to the board. Only two respondents (A4, A6) gave a different account in this regard.

In analysis of these findings, it shows that all the non-audit professionals believe that this task is the board's responsibility; while from the side of the auditing group, the results suggests some kind of role misconception as two auditors (A4, A6) do not associate this task to the board. According to A4, *"both the auditors and the board can hold management accountable since they're directly involved in the day to day business transactions of the institutions"*. Based on A4's account, they believe the onus of holding management accountable should not only fall on the board but to auditors' as well, meaning both auditors and the board can hold management accountable. On the contrary, A6 believes that holding management accountable is auditors' responsibility

as *“the review of the work of management is carried out by independent auditors to give the intended users of what have transpired in the entity”*.

5.2.5 Providing and monitoring entity’s financial reports

Providing and monitoring of financial reports is another hot topic of debate regarding auditors’ roles and responsibility, especially in the public sector. The issue of audit expectation gap is very much linked to the responsibility of whom (management, auditors, the board) does this task fall to. There is a large misconception between both auditors and non-auditors about who should carry out this task. As a result, respondents were asked to give their opinion on whom (management, auditors, the board) do they think is responsible for executing this task. The results indicate divergent views from auditors’. From the perspective of the non-auditing professionals, all but NAP3 associated this task to management responsibility. This means that only NAP3 proffered a different view, who therefore associated this task to auditors’ responsibility. On the other hand, the auditors proffered conflicting views to this task. Four of the eight auditors (A2, A6, A7, A8) interviewed associated this task to management’s responsibility; two (A1, A5) associated it to the board’s responsibility; and the other two (A3, A4) stated that it is the auditors’ responsibility.

Analysis of these findings reveal a role conflict among the auditors interviewed and little misconception from non-auditing professionals in terms of the perception that auditors are responsible for providing and monitoring an entity's financial reports as four of the five non-auditors interviewed believe that it is management’s responsibility.

5.3. Audit opinions

The existence of an audit expectation gap is not only limited to the roles and responsibilities of auditors’ but also the messages conveyed by audit reports. As such respondents were asked of their understanding of audit opinions, especially an ‘unqualified audit opinion’. Surprisingly, only one respondent (NAP1) from the non-audit professionals indicated not comprehending or simply knowing what an ‘unqualified audit opinion’ signifies. In addition to ascertaining whether respondents understand what an ‘unqualified audit opinion’ means, they were also asked to give their perspective on the statement *‘an unqualified audit opinion serves as an absolute guarantee of the entity's financial health and effective internal controls’*. As usual,

NAP1 stated “*don't know*”, while the rest of the respondents gave their opinion on the statement. Of the four non-audit professionals who gave their opinion on the above statement, three of them (NAP2, NAP3, NAP5) believed in the statement except for NAP4, who stated that “*not an absolute guarantee per se, but rather serves as an assurance that the financial statements are free from all material misstatements. The emphasis is on materiality not absolute*”. From the auditor’s perspective, seven of the eight auditors interviewed disregarded the statement except for A8 who stated “*This is an audit opinion that the financial statement presented before them presents a true picture of the state of affairs. I believe in the statement*”.

Moreover, respondents were again asked to give their perspective on the following statement ‘*An unqualified audit opinion serves as an absolute guarantee that the financial statement is free from material error and fraud*’. Again NAP1 stated “*don't know*”. While the rest of the respondents gave their opinions on the statement. From the side of the non-audit professions, all the four of them stated that they believed in this statement. On the contrary, of the eight auditors interviewed, seven of them disregarded the statement, and reiterated their stance that auditors can only provide reasonable assurance and not absolute assurance, except for A4 who indicated that they believe in the statement.

Analysis of these findings shows that there is a misconception about the interpretation of unqualified audit opinions from the non-audit professionals. Unqualified audit opinions are misconstrued as absolute guarantee from the non-audit professionals. Alternatively, there is also a lack of clear understanding from few auditors (A4, A8) about what an unqualified audit opinion signifies. Moreover, the findings also show that one of the non-audit professionals (NAP1) does not know at all what an unqualified audit opinion means.

5.4. Bridging the expectation gap in auditing

One of the main objective of this thesis was not only based on establishing the existence of audit expectation gap (AEG) in the public sector of the Gambia, but also how can the gap be bridged if the study phenomenon (AEG) is found to exist, in order to foster more understanding between auditors and non-auditors particularly when it comes to the roles and responsibilities of auditors. In doing so, respondents were asked to give their opinions on how the issue of AEG can be narrowed down/ bridged in the public sector

of the Gambia. However, of all the divergent opinions proffered by respondents, their opinions tend to revolve around ‘stakeholders education and sensitization’ on auditors roles and responsibilities; ‘auditor independence’; ‘auditors capacitation’ and ‘clear communication’ between auditors and auditees.

However, the most standout suggestion from respondents (auditors) is geared towards education and sensitization of stakeholders on the role of auditing and auditors’ responsibilities. According to A3 *“the best way to overcome this expectation gap is to provide sensitization about the value of Auditing and that audit is part of management and working towards the same objectives”*. Similarly, A6 also stated *“I believed the public needs to be sensitized about what audit is all about...that’s the best solution to reduce the expectation gap”*. Whereas A2 stated that *“more audit education and sensitization is needed if the gap is to be bridged since the audit expectation gap is deeply rooted to misconception of the public about the tasks of auditors and the messages of the auditor. Therefore, to extinguish these misconceptions, education and sensitization of the audit users and the public is needed about the functions and limitations of auditors”*.

Alternatively, the most prominent suggestion from non-audit professionals is geared towards ‘auditor capacitation’. Two of the five non-audit professionals (NAP3, NAP4) interviewed suggested that more training and capacity development of auditors would help to bridge the gap. According to NAP4, *“Auditors need to expand their trainings to not just Accounting and finance, but on areas they will audit as well...; this could help in bridging the gap of not speaking in the same lines...specialized areas need special auditors and not just a chartered Accountants”*. Similarly, NAP3 also suggested an *“increase capacity development of auditors with of course better working conditions”* will help to bridge the gap.

Further, other suggestions were also made. For example, NAP1 suggested that there should be *“clear communication between auditors and auditees”*. While NAP5 stated that *“raising awareness; providing frequent self-explanatory reports; highlight the auditors roles and responsibilities”* will help to bridge the gap. However, A1 thinks with more publicity and independence of the audit office, the expectation gap can be narrowed down. According to A1, *“I think there should be more publicity about auditing. Audit should be legislated more especially Internal Audit to enhance its*

independence and enhance the proficiency of auditors to be able to perform their work with due care”.

Analysis of these findings indicates that respondents have conceded the existence of AEG in the public sector of the Gambia. Also, going by the suggestions of respondents in terms of bridging the gap, it shows that there is a clear mismatch between what auditors and non-audit professionals believe is the way forward in terms of bridging the gap. The most standout suggestions of the non-audit professionals are geared toward ‘capacitation of auditors’; while the most standout suggestions from auditors are geared towards ‘education and sensitization of stakeholders’ about auditing and the role and responsibilities of auditors’.

5.5. Summary of Findings

In summary, the empirical results are presented in an all-encompassing and encapsulating manner taking account of the analysis of the results. Thirteen respondents were interviewed to gather their opinions on the various subjects of the interview guide in perceived audit performance, auditors’ roles and responsibilities when it comes to detection and prevention of fraud, assurance on effectiveness of internal controls, etc.; and also the messages conveyed by audit reports; as well as to bridging the expectation gap in auditing. In doing so, a myriad of responses were registered from respondents in relation to the subjects of the interview guide.

The results of the first subject of the interview guide (outside respondents background), was based on ascertaining the perceived performance level of auditors in meeting expectations in the public sector indicates that the performance of auditors is been rated as ‘fair’ from the non-audit professionals and that auditors inability to meet the public expectations is a result of an ‘ethical dilemma’ as a result them being unable to duly exercise objectivity and due professional care in their audit duties. While the auditors rated the level of auditors performance as ‘satisfactory’ in terms of meeting public expectations; and that the AEG in terms of auditors' performance is a result of ‘unreasonable expectations’ from the public.

The second subject on the interview guide was based on ascertaining the AEG in relation to the roles and responsibilities of auditors. The first sub-subject was based on the role of auditors in detection and prevention of fraud and corruption. The findings in

this category reveal a ‘misconception’ between auditors and non-auditing professionals. The non-auditing professionals attributed this responsibility to auditors, while the auditors associated this role to management. Also, from the perspective of the auditors’, the findings indicate a ‘role conflict’ as one member of the auditors registered this task as auditors’ responsibility.

In addition to detection and prevention of fraud and corruption, assurance on the effectiveness of internal controls was another sub-subject on the interview guide in relation to roles and responsibilities of auditors. Similar to the above findings regarding detection and prevention of fraud and corruption, the findings under this category also reveal a ‘misconception’ between auditors’ and non-auditing professionals. Again, from the auditors’ perspective, the findings also indicate a ‘role conflict’ among auditors’ as some members registered this task as auditors’ responsibility, while others attributed the role to management and the board respectively.

Following the second sub-subject on the roles and responsibilities of auditors, was based on safeguarding the entity's assets. Unlike the findings of the above two sub-subjects on the roles and responsibilities of auditors, the findings in this category indicate ‘little misconception’ between auditors and non-auditing professionals as the majority of both parties attributed this task to management’s responsibility. However, the findings also reveal a ‘role conflict’ among the auditors as one of the members registered this task as auditors’ responsibility.

The fourth sub-subject item on the roles and responsibilities of auditors was based on holding management accountable. Respondents were asked to give their perspective on who they think is responsible for reviewing and holding management to account. The findings in this category reveal no ‘misconception’ between auditors and non-auditing professionals as both parties attributed this role as the board’s responsibility. However, from the side of the auditors, the findings indicate a ‘role conflict’ among members of the auditing group as two members believed that it is an auditor's responsibility to hold management to account.

The final sub-subject item pertaining to auditors’ roles and responsibilities was based on the issue of providing and monitoring the entity's financial reports. The findings recorded in this category reveal ‘little misconception’ between auditors’ and non-auditing professionals as the majority of both parties attributed this task to

management's responsibility. However, the findings do not only reveal a 'role conflict' issue among members of the auditing group, but also a 'misconception' as two members associated this task to auditors responsibility, and other two attributed the responsibility to the board.

In addition to the roles and responsibilities of auditors, the third subject item on the interview guide was based on invoking and ascertaining the understanding of respondents in relation to the messages of the audit report, for example an unqualified audit opinion. The findings reveal a substantial 'misconception' between auditors and non-auditing professionals. The non-auditing professionals misconstrued an unqualified audit opinion as 'absolute guarantee'. Again, the findings reveal a 'knowledge deficiency' among members of the auditing group as two of the auditors showed a lack of total understanding of what an unqualified audit opinion is.

Finally, the fourth and final subject item on the interview guide was based on drawing opinions from respondents with regards to how the expectation gap in auditing can be bridged from their own perspective. The findings recorded in this category include but not limited to the following:

- *Audit education and sensitization of stakeholders about the roles and responsibilities of auditors;*
- *Capacitation of auditors;*
- *Clear communication between auditors and auditees;*
- *Providing frequent self-explanatory reports; and*
- *Auditor independence.*

Chapter 6. Discussion and Conclusion

This chapter argues the empirical findings in accordance with theoretical perspectives adopted and in line with previous studies in order to draw conclusions. It further concludes by answering the research questions and provides various contributions, limitations and future research agenda.

6.1. Discussion of results

There has been considerable debate about the nature and scope of audit practices, and the so-called audit expectation gap, namely the differences between what auditors actually do and what other parties think auditors do or should do in conducting the audit practice. Since the introduction of the term “expectation gap” to auditing by Liggio (1974), cumulative evidence has increasingly indicated the presence of an expectation gap (Godsell, 1992; in Koh & Woo, 1998) between the public and the audit profession. Similarly, there have been different explanations as to why the gap occurs and how it can be narrowed down (e.g. Koh & Woo, 1998; Gold, Gronewold & Pott, 2012; Adafula et al., 2016; Fulop et al., 2019). This study focuses on both side of this relationship, which is investigating the existence of AEG from the viewpoints of auditors and non-auditing professionals working in the public sector of the Gambia to establish the nature of expectations gap and how this phenomena can be bridge to uphold the credibility of the auditing profession.

The results of this study show that the nature of AEG in the public sector of the Gambia in relation to auditor performance is a product of ‘*unreasonable expectations*’ and ‘*performance deficiency*’. Auditors are expected to achieve what they can reasonably be expected to accomplish (Porter, 1993) in performance of their audit duties. The auditors believed that users and the public expect too much from them and remain largely ignorant of the precise nature, purpose and capacities of the audit function (Humphrey et al. 1993), thereby resulting in ‘unreasonable expectations’. Again, there is a gap between the expected standard of performance of auditors’ existing duties and auditors’ perceived actual performance (deficient performance) (Porter, 1993), as a result of auditors’ exercise of objectivity and due professional care being a subject of doubt from non-auditing professionals.

Rendering reference to the results with regards to the roles and responsibilities of auditors, auditors are perceived to be responsible for the detection and prevention of fraud and corruption. The non-auditing professionals generally believed that auditors must assume a responsibility of examining and attesting the financial statements and shoulder a direct obligation to protect the interest of the audit beneficiary through detecting and reporting frauds and irregularities (Brief, 1975; Nelson et al., 1988; Sikka et al., 1992; in Lin, & Chen, 2004). Hence, studies showed an auditor should not be a bloodhound searching for frauds and irregularities (CAR, 1978; Foster, 1984; CICA, 1988; in Lin, & Chen, 2004). The non-auditing professionals' perception is reflective of the *policeman theory*, which states that auditors are responsible for searching, discovering and preventing fraud and other illicit acts (Ittonen, 2010), while auditors' believed that preventing and detecting corruption and fraud are responsibilities that can be implemented by management of government bodies, hence the AEG in this regard. The non-audit professionals also believed that auditors are responsible for the soundness and effectiveness of internal controls, while in essence, the auditor just has to evaluate the effectiveness of internal controls in preventing or detecting material misstatements on a timely basis (e.g. Fadzly and Ahmad, 2004). This misconception between auditors and non-auditing professionals resulted in the expectation gap in auditing, as the non-auditing professionals expect auditors to faithfully carry out this task. Contrariwise to the detection and prevention of fraud and corruption; and assurance on the effectiveness of internal controls, there is little/ almost no misconception between auditors and non-auditing professionals when it comes to the following tasks: safeguarding of entity's assets; holding management accountable; and providing & monitoring entity's financial reports as both parties recognized this tasks as management's and the board's responsibilities. However, the findings equally divulged a *role conflict* issue among auditors with regards to their roles and responsibilities. It appears that the role positions of auditors might have been influenced by the interactions of the different normative expectations of the various interest groups in the public (e.g Davidson, 1975; in James 2015) as some auditors believed that these tasks fall within their responsibility.

Further, the findings reveal a considerable misconception between auditors and non-auditing professionals when it comes to the interpretation of the messages conveyed by audit reports. The non-auditing professionals have different expectations regarding the assurance level and often assume absolute assurance (e.g. Epstein and Geiger 1994;

Gold, Gronewold & Pott, 2012; Enofe et al. 2013) from an unqualified audit report; whereas, according to auditing standards the auditor only has to obtain reasonable assurance that there are no material misstatements in the financial statements (ISA 200.11). An unqualified audit opinion, which expresses that an institution's financial statements are fairly and appropriately presented, is misinterpreted by non-auditing professionals and viewed as absolute guarantee for financial health and assurance on effectiveness internal controls (e.g. Koh & Woo, 1998; Gold, Gronewold & Pott, 2012; Gbadago 2015; Salehi 2016) and that the financial statements are free from material error and fraud (e.g. Fadzly and Ahmad, 2004; Olagunju & Leyira 2012). This implies that the non-audit professionals erroneously associate audits with a guarantee of the absence of fraud; and an effective and sound internal control (Gold, Gronewold & Pott, 2012), thus resulting in naïve or unreasonable expectations.

Overall the study findings reveal that, AEG was based on two key areas: (1) ignorance, misconceptions and misinterpretations of the auditing and messages conveyed by audit reports and; (2) little understanding of the work and role of the auditor (e.g. Humphrey et al., 1992; in Adafula et al., 2016) thereby resulting in unreasonable expectations from non-auditing professionals. In this regard the study noted several suggestions from the respondents in the realm of bridging the expectation gap in auditing. Based on the nature of the AEG uncovered by the findings of this study, it appears that audit education and sensitization of stakeholders about auditing and the roles and responsibilities of auditors may serve as an important approach in bridging the gap. Accordingly, the lack of understanding of non-auditing professionals about the precise nature of auditing and the roles and responsibilities of auditors in detection and prevention of fraud and corruption, as well as assurance on effectiveness of internal controls; and the messages conveyed by audit reports, the AEG especially audit reasonable gap (ARG) could be bridged through more sensitization and education of stakeholders about auditing and auditors responsibilities (e.g Fulop et al., 2019) and messages conveyed by audit reports (Monroe & Woodliff, 1993). Alternatively, the results also reveal that a more clear communication between auditors and auditees; as well as providing frequent self-explanatory reports with extensive explanations of auditors' roles and audit limitations are needed and will help to bridge the gap (e.g. Gold, Gronewold & Pott, 2012). Moreover, the findings also revealed that public auditors performance on materiality of their findings has been questioned (Sahga,

2007), and when such arises, the confidence of the public in auditors performance would be betrayed. From the lens of *the rational expectations theory* which relates to the auditors social responsibility, it would appear that the expectation gap can be bridged or narrowed down through mechanisms such as capacitation of auditors and boosting auditor independence for ensuring that public audits meet the general public needs (e.g. Ghandour, 2019; Limperg, 1985; Ittonen, 2010).

6.2. Conclusion

‘Auditing’ as it is understood nowadays evolved some two thousand years ago (Adebayo & Christian, 2012). With the evolution, come changes in the profession in terms of its modus operandi and how it presents itself in the public view. Given the history and evolution of the profession to its current state, auditing three decades ago is not the same as it is today in terms of professional and institutional practice. The roles and responsibilities of auditors’ before are not the same as compared to their functions required by the profession today. This institutional and professional evolution of auditors’ roles and responsibilities are not fully comprehended by the public, which therefore created a mismatch/ difference between the two parties in terms of expectations. This mismatch/ difference in expectations between what auditors actually do and what third parties think auditors do or should do in conducting the audit practice is what is referred to as an ‘audit expectation gap’ (e.g. Fowzia, 2010), and it mostly revolves around the roles and responsibilities of auditors’ and the messages conveyed by audit reports (e.g. Monroe & Woodliff, 1993).

Accordingly, the purpose of this study is to investigate the existence of audit expectation gap (AEG) in The Gambia from the viewpoints of public auditors and non-auditing professionals working in the public sector to establish the existence and nature of expectations gap in the Gambia and how this phenomena can be bridge to uphold the credibility of the auditing profession. However, in order to achieve the purpose, the study adopted three research questions aimed at ascertaining where lies the gap in expectation between auditors and non-auditing professionals in relation to the roles and responsibilities of auditors’ and the messages conveyed by the audit reports; as well as narrowing down the gap.

Hence, in accordance with the first research question of this study, which aims to identify the tasks that non-auditing professionals perceived auditors’ role to include, the

study noted that the non-auditing professionals perceived '*detection and prevention of fraud and corruption*' and '*assurance on the effectiveness of internal controls*' as auditors' roles and responsibility, and faithfully expect them to carry out these tasks (e.g. Monroe & Woodliff, 1994; Fadzly & Ahmad, 2004; Ittonen, 2010; Xu & Akther, 2019). While in reality, these tasks are roles that resonate with management's responsibilities. Auditors merely express an opinion on the true and fair view of financial transactions and the financial statements; and evaluate the effectiveness of internal controls in preventing or detecting material misstatements on a timely basis (e.g. Fadzly & Ahmad, 2004). This gap between auditors' and the non-auditing professionals is consistent with earlier studies on audit expectation gap regarding the roles and responsibilities that are associated to and expected of auditors' by stakeholders of audit and the public in general (e.g. Fowzia, 2010; Adeyemi & Uadiale, 2011; Agyei & Owusu-Yeboah, 2013; Salehi, 2016; Xu & Akther, 2019).

Further, the second research question aims to ascertain the perception of non-auditing professionals about unqualified audit opinion. The study noted that the non-auditing professionals misconstrue or misinterprets an unqualified audit opinion as an absolute guarantee to financial health; assurance on the effectiveness of internal controls; and absence of fraud and material misstatement. While in essence, audit opinions are based on reasonable assurance that there are no material misstatements or errors in the financial statements. This gap between the auditors' and non-auditing professionals in relation to the interpretation of audit opinions by non-auditors or audit stakeholders has been identified by prior studies (e.g. Monroe & Woodliff, 1993; Koh & Woo, 1998; Fowzia, 2010; Gold, Gronewold & Pott, 2012; Fulop et al., 2019), which signifies that the existence of an audit expectation gap is not only limited to the difference in beliefs and perceptions between the public and the auditors concerning the duties and responsibilities of auditors', but also the messages conveyed by audit reports.

In addition, the third research question tends to address the phenomena of the expectation gap based on the study findings. Given that the overall nature of the audit expectation gap (AEG) in the public sector of the Gambia identified in this study is based on 'performance deficiency' of auditors and 'unreasonable expectations' from the non-auditing professionals, the study notes that, the phenomena of AEG can be bridged through capacitation of auditors through more audit trainings and auditor independence

to boost auditors' performance. This will ultimately help to meet the demands and expectations of audit stakeholders. This postulation has been stated by previous studies (e.g. Lin & Chen, 2004; ACCA Global, 2019) with regards to bridging the gap of expectation in auditing. Again, the gap can also be bridged through more audit education and sensitization of stakeholders about the precise nature of auditing, the roles and responsibilities of auditors, and the different messages conveyed by audit reports to extinguish any iota of naive or unreasonable expectations. Several earlier studies have noted that highly sophisticated users of audit services and financial information users expects less from auditors in relation to auditors' roles and responsibilities and audit opinions (e.g. Monroe & Woodliff, 1993; Koh & Woo, 1998; Gold, Gronewold & Pott, 2012; Fulop et al., 2019). Therefore, with more audit education and continuous sensitization of stakeholders about the auditing function, and the roles and responsibilities of auditors, and the contextual meaning of audit opinions, the AEG in the public sphere of the Gambia could be narrowed down for the benefit of both auditors and audit stakeholders.

6.3. Contributions

The issue of the audit expectation gap has been and continues to be unfavorable to the auditing profession. So for this study based on the findings and conclusions, from a practical viewpoint, it contributes meaningfully with the noted recommendations. The findings revealed a 'misconception' between auditors and non-auditing professionals regarding auditor roles and responsibilities as well the messages conveyed by auditors in the form of opinions to non-auditors (stakeholders). This study established that auditors have a number of conflicting pressures in satisfying and upholding the public confidence as a result of varying expectations from non-auditing professionals. From an academic point of view, the study supports that education and sensitization of stakeholders about the precise nature of auditing, auditors' roles and responsibilities, and the messages conveyed by audit reports, would extensively contribute to narrowing down the expectation gap. From the theoretical paradigm of the 'role conflict theory', the study revealed a role conflict among auditors with regards to their roles and responsibilities in execution of their duties. Again, the study revealed the audit expectation gap (AEG) is not only a result of unreasonable expectations from non-auditing professionals, but also an issue of 'knowledge and performance deficiency' of

auditors due to insufficient capacitation of auditors in terms of audit training and auditor independence. Further, the study contributes to the audit research by studying the AEG from the context of sub-Saharan Africa, in the case of the Gambia.

6.4. Limitations of the Study

This study produced consistent findings in line prior studies and results showed a satisfactory conclusion of the existence of an audit expectation gap in the Gambian public sector. However, various limitations were identified in this study. Firstly, it would have been better if the researchers were able to conduct other techniques of data collections such as focus groups interviews to obtain detailed information on personal and group perceptions and opinions. However, due to the limited time frame for this project, coupled with COVID-19 situation, the study could not employ a more expansive data collection method. In addition, the interview guide for this study was designed as a standardized interviews guide, which means the authors are unable to make follow up questions when interviewees are going off track to the exact concepts of the subject area.

Also, the study was limited to the Gambian context and to only respondents that are working in the public sector. Further, most of the literature used in this thesis were mostly studies conducted in advanced economies and Asian countries, and in most cases, these studies were conducted from the private sector perspective. Very little studies were conducted in the public sector perspectives and no study was ever conducted in the Gambian context (both private and public), which therefore explains why most of the literature sources referenced in this study have very few representations from the public sector perspective, especially in the context of Sub-Saharan Africa and the Gambia in particular.

6.5. Future Research Agenda

Audit expectation gap (AEG) will continue to generate a lot of attention and debates among scholars and professionals alike in years to come by given the sensitivity of the topic to the auditing profession. It may sound bizarre but the fact of the matter is, there will always be a mismatch between what the public expects from the auditors and what auditors actually do. However, with continuous research and publication of research materials about the topic, it will help to support and provide a more constructive

discussion about how audits can evolve to meet society's expectations. In this regard, several gaps and limitations were identified in this research that needs further studies. This research project was much focused as an exploratory study to establish whether or not an audit expectations gap existed in the public sector of the Gambia between practicing public auditors and non-auditor professionals. Therefore, it could be of interest to explore proposals for future research that would focus on the auditor performance and independence in the public sector of Anglo-Saxon Africa countries where the issue of political influence will be key to investigate by involving the managers of the audited bodies and media representatives such as the press.

Also, since this study was an interview-based, qualitative research, it would be useful to have a follow-up project with a more quantitative emphasis survey to capture more respondents' sample size using a questionnaire with a Likert scale. Again, it would be of interest to conduct a comparative study in other African countries considering the pivotal roles of the public sector in terms of the employment it provides, its huge stakeholders' basin and resources allocated to it in any given country. Therefore, in view of the above mentioned, this study identified and suggested these agendas that need further investigation through the presented future research in order to create additional new knowledge.

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Appendix 1: Form Requesting for Interviews (Consent Form)

Title of the Dissertation

An investigation of audit expectation gap in the public sector in Sub-Saharan Africa:
The case of the Gambia.

The Project Details

We are team of two students studying Masters of Business Administration specializing in Auditing and Control at Kristianstad University Sweden and conducting a research as a masters dissertation. The underpinnings of this research rises from the backdrops that the public and auditors continued to hold different beliefs about the auditors' duties and responsibilities, and the messages conveyed by audit reports. Also, there is relatively little research into whether or not an audit expectations gap exists in the public sector. Based on these, the thesis aims to explore whether or not there exists an audit expectations gap in the public sector of the Gambia between the public sector auditors and government employees (non-auditors).

Contact Details

For further details about the research or your interview data, please contact: Timothy Timdy Gaye (+46733943723; [timothy_timdy.gaye0003@stud.hkr.se/](mailto:timothy_timdy.gaye0003@stud.hkr.se)
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colleylamin91@gmail.com)

In addition, for further verification or have concerns about the research, please contact our project supervisor at the University: Prof. Giuseppe Grossi: giuseppe.grossi@hkr.se

Data Storage

The interview transcripts will be stored in confidence and in accordance with the data protection Act as well as the university's general data protection guidelines.

Anonymity

Any data that the researcher extracts from this project for use in reports or published findings will not, under any circumstance, contain names or reveal your identity.

Consent

I agree to participate and to the use of the interview data for the purposes specified above. I have read and understood the explanatory information. Also, I understand that I have the right to withdraw from the study at any time. I can choose to not answer any

questions asked should I feel uncomfortable at any time during the interview. **Note:**
Your contact details are kept separately from your interview data

SIGNATURE:	DATE
<i>Name of interviewee:</i>	
<i>Email/phone:</i>	
<i>Signature of researchers:</i>	

Appendix 2: Interview Guide

Part I – Respondents demographic information

1. In what year were you born?
2. Gender: (e.g. Male; Female)
3. What is your highest level of education; and in what field/ area of study was this attained?
4. Are you currently employed in the public sector of the Republic of The Gambia?
5. What is your current position; and in which institution do you hold this position?
6. How long have you been working/ employed?

Part II – The issue of expectation gap in auditing in the public sector

1. How would you describe the performance of auditors in the public sector in terms of meeting public expectations from your own perspective? (Perceived audit performance).

Part III – Auditors roles and responsibilities

2. The issue of the audit expectation gap is very much associated with the roles and responsibilities of auditors. Based on your experience and knowledge, who (management; the board; and auditors) would you associate the following responsibilities to, and why did you think so? Please explain explicitly.

- Detection and prevention of fraud and corruption;

- Assurance on the effectiveness of internal controls;
- Safeguarding of entity's assets;
- Holding management accountable and reviewing management quality; and
- Providing and monitoring government bodies financial reports

Part IV – Audit Reports

3. Do you know the difference between an unqualified audit opinion and a qualified audit opinion?

4. What is your take or opinion on the following statements?

- An unqualified audit opinion serves as an absolute guarantee of the entity's financial health and effective internal controls.
- An unqualified audit opinion serves as an absolute guarantee that the financial statement is free from material error and fraud.

Part V – Bridging down the gap of expectation in auditing

Based on your own experience and belief about the topic, if you believe that there exists an audit expectation gap between auditors and non-auditors in the public sector, what would you recommend or suggest to narrow down the gap and improve understanding between auditors and non-audit professionals.

Appendix 3: Coding Sheet

Themes	Categories	Interview Tags	Frequency
Auditor Performance	Fair, still needs improvement	NAP1, NAP3, NAP4, NAP5, A4 and A6	6
	Satisfactory - Meeting expectations	A1, A2 and A3	3
	Unsatisfactory - Not meeting expectations	NAP2, A3, A5 and A8	4
	Management responsible to detect	NAP1, NAP4, A1,	9

Fraud detection and prevention	and prevent fraud	A2, A3, A5, A6, A7 AND A8.	
	Auditor responsibility to detect and prevent fraud	NAP2, NAP3, NAP5, and A4.	4
Assurance on effectiveness internal control	Auditors provides assurance on effectiveness of internal controls	NAP1, NAP4, NAP5, A1, A2, A3, A7 and A8.	8
	Management responsible to establish and maintain internal controls	NAP2, A4, A5 and A6.	4
	The board responsible to ensure effectiveness of internal controls	NAP3	1
Safeguarding of entity's assets	The board is responsible for safeguarding entity's assets	NAP1	1
	Management is responsible for safeguarding entity's asset	NAP2, NAP3, NAP4, NAP5, A1, A2, A3, A4, A5, A6, and A7.	11
	Auditors have a moral obligation to safeguard entity's assets	A8	1
Holding management accountable	The board is responsible to review and hold management to account	NAP1, NAP2, NAP3, NAP4, NAP5, A1, A2, A3, A5, A7 and A8.	11
	Reviewing and holding management to account is auditors' responsibility	A4 and A6	2
Providing and	Management provides and monitors financial reports	NAP1, NAP2, NAP4, NAP5, A2,	8

monitoring entity's financial reports		A6, A7, and A8.	
	Auditor provides and monitors financial reports	NAP3, A3, and A4	3
	The Board provides and monitors financial reports	A1 and A5	2
Audit opinions	Not knowledgeable of audit opinions	NAP1	1
	Knowledgeable of audit opinions	NAP2, NAP3, NAP4, NAP5, A1, A2, A3, A4, A5, A6, A7 and A8.	12
	Unqualified opinion indicates an absolute guarantee and free of error	NAP2, NAP3, NAP5, A4 and A8	5
	Auditor opinions are reasonable and not error free	NAP4, A1, A2, A3, A5, A6, and A7	7
Bridging the expectation gap in auditing	Stakeholder education and sensitization on audit function and auditors roles	NAP2, NAP5, A1, A2, A3, A4, A5, A6, A7 and A8.	10
	Auditor independence; and clear communication between auditors and auditees	NAP1, A1	2
	Capacitation of auditors	NAP3, NAP4, and NAP2.	3