

EXPECTATIONS GAP BETWEEN AUDITORS AND USERS OF FINANCIAL STATEMENTS IN THE AUDIT PROCESS: AN AUDITORS` PERSPECTIVE

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ABSTRACT

The study aimed at identifying the factors that affect the expectation gap in the audit process from the auditor's point of view in Jordan, and in addition to suggest some solutions that may narrow the expectations gap to a least possible extent. To achieve the study objectives, a questionnaire was designed and distributed to auditors who work in audit firms in Jordan. The number of valid questionnaires for analysis was 109 out of 158 that were distributed, which means 69% of the total number of questionnaires. Statistically speaking, results showed that the external auditors in Jordan have a conception for expectations gap. From their point of view, the lack of awareness (unreasonable expectations) amongst users of financial statements has the greatest impact on increasing the expectations gap. On the other hand, they believe that "uncertainty" in the auditor's independence has less impact on increasing the expectations gap in the audit process in Jordan. In light of the study results and to narrow the expectations gap in the audit process in Jordan, the researchers recommend the need to strengthen an auditor's independency, by neutralizing the controls of the disputing parties and reducing the personal relations between the auditor and the client, enhancing the role of the Jordan Association of Certified Public Accountants (JACPA) and activating its role on supervising the auditing profession by urging auditors to comply with international auditing standards, code of professional conduct, and applying legalisations.

Keywords: expectations gap, audit process, auditors in Jordan, audit.

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INTRODUCTION

The audit profession has recently received some pressures by various parties, such as owners, financial analysts, management, government agencies, press, general audience and other parties who seek to obtain reliable financial statements that reflect fairly the financial position of an entity to make economic decisions (Mohs, 2017). These pressures came from the financial damages that the users have received as a result of issuance some misleading financial statements by the auditors, and their failure to discover the material errors that affected those statements. Consequently, such practices have resulted in the filing of cases against audit firms in the court of law.

One of the reasons that might have caused such criticism was Arthur Andersen's scandal, which was considered as one of the five largest audit and accounting firms globally. Arthur Andersen used to share their offices with Enron, where the employees were shredding hundreds of pounds of Enron's documents worth \$52 million a year. Moreover, the firm, in 2000, provided more than one service for the Enron, besides their auditing service; they used to do consultation service for the company. This affected the auditor's independence and integrity (Chen, Lin, & Zhou, 2005; Rezk, 2011).

It can be said that the users of financial statements expect full compliance by auditors to implement professional standards and the code of professional conduct. Especially when examining, investigating, and reporting on internal control systems (data, documents, and the company's accounts) in order to issue a professional opinion in respect of the financial statements. Such an opinion shall be based on professional competence, integrity, objectivity, independency and neutrality. As a result, the audit profession is at a crossroad between compliance with professional standards and user's expectations regarding their trust in the auditors' reports. This has led to the creation of what is known as "the expectations gap" between audit service providers and the recipients of this service, in other words, between the auditor's perspective on one hand, and the financial statements' users perspective on the other hand.

Auditing practices reveal the differences in the expectations between financial statements users and auditors' expectations (Al-Baz, 1999), because of the nature of an audit and justifications that led to its use, and the various

concepts that are used by auditors in delivering the outcome of the audit process. An audit is a process with a primary objective of evaluating the validity of the information contained in the financial statements. Since this process depends to some extent on all phases on the personal judgment of the auditor; the uncertainty of the both auditors and users of the auditors' reports leads to different explanations of the reports (Al-Thuneibat, 2003), which leaves an obstacle on the audit career and a restriction on its growth to the highest level. Based on the importance of narrowing the expectations gap, this study was carried out to identify the factors affecting the expectations gap in the audit process from the auditors' point of view in Jordan, with an attempt to propose solutions so as to narrow the gap to the least possible extent.

The study investigated a significant phenomenon that the audit profession suffers, which is the expectations gap phenomenon. The expectations gap phenomenon emerged decades ago, and it could not be disposed or narrowed till now. However, some believe that it is growing in parallel with the growing in the requirements of the concerned parties. Hence, the importance of this study stems from its attempt to identify the factors that affect the expectations gap between auditors and financial statements users in Jordan. Moreover, it also important for the following reasons:

1. The audit service is esteemed highly by various parties and sections of the community, so this service is considered as one of the most important services that is being provided not only in Jordan, but also around the world.
2. Most of the criticisms to the audit profession are based on the expectations gap, which makes this profession questionable.
3. Audit reports and financial statements are significant in making economic and credit decisions and the increase in the expectations gap will lead to a decrease in trust in the auditor's report and published financial statements.
4. The importance of getting rid or narrowing this gap to the least extent possible became an obligation that will develop the audit profession and push it to the highest level of credibility and authenticity.

Accordingly, the objective of the study was to examine the factors that affect the expectations gap in the audit process. Also, it aims to propose some possible mechanisms so as to narrow the gap.

The sub-objectives of the study can be formulated as the following:

1. To identify the uncertainties in auditor's independence and its impact on the expectations gap in the audit process.
2. To identify the impact of non-compliance with international auditing standards and the code of professional conduct on the expectations gap in the audit process.
3. To identify the impact of the lack of awareness (unreasonable expectations) of the financial statement users on the expectations gap in the audit process.

LITERATURE REVIEW

Many researchers have pointed out that there are many factors that have increased the demand on auditing, namely: to minimize information risks and reducing the cost of capital as well as to assist in preventing any material misstatements as much as possible (Arens et al., 2014; Al-Thuneibat, 2012). Prior literature in audit expectations gap has confirmed that the expectations gap between auditors and financial statement users has existed for the past hundred years (Salehi et al., 2009).

Therefore, the accounting and auditing professions have been exposed to several criticisms. The reason behind this is the low-quality of the audit service, which in turn led to questioning the continuity of the accounting and auditing profession as independent professional services. Accordingly, the American Institute of Certified Public Accountants (AICPA) has taken the initiative and called this an insufficiency in auditing. Hence, they formalized committees in order to study and determine the causes of the gap and the ways to handle it. One of the most important committees was the Khoen Committee that was established in 1974, and was given the responsibility of handling the gap of the professionals and not the users. Furthermore,

the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) in 1988 issued a set of standards to reduce the existing gap. Those standards have focused on increasing the role of auditors in detecting fraud and illegal acts, and improve the communication in the auditing environment. Moreover, the Institute of Chartered Accountants in England conducted several studies on the expectations gap. As a result, many countries have shown an interest in this issue in order to get a reasonable assurance that the financial statements are free of material misstatements (Farhat, 2009).

The expectations gap in auditing is one of the most controversial phenomena, which is (from the researchers' perspective) is a state of incompatibility, experienced by both the auditor and the user of the financial statements in terms of satisfaction with the procedures and outcomes of the audit process.

Despite the lack of a specific definition for the expectations gap in auditing, it has been defined in different ways, as:

1. The expectations gap is the gap between the expected levels of performance as perceived by the auditors and the users of the financial statements (Shaikh & Talha, 2003).
2. The differences between public perception of the role of the audit and auditor's perception of that role (Gay et al., 1998).
3. The expectations gap is the difference between what the users of the financial statements believe the auditors are responsible to achieve, and what the auditors themselves believe what they are responsible to do or achieve (Guy & Sullivan, 1988).
4. The expectations gap in auditing reflects the difference between auditors and financial statement users about the quality of data and reports, because of the differences in their goals, and the lack of awareness of all the users about auditing procedures and objectives (Farhat, 2009).

5. The difference in the expectations of the stakeholders regarding auditors tasks, and what the auditors do, that is reflected-most of it-on the social requirements, and of what auditors are supposed to do, such as their duties and roles to ensure that they fulfill stakeholders needs regarding the economical units that the auditor has to audit (Al-Bamerni & Al-Shujairi, 2010).

In relation to the components of the expectations gap, Porter (1993) categorized the expectations gap into two main categorize:

1. The performance gap: a gap between what societies can reasonably expect auditors to accomplish and what auditors are perceived to achieve.
2. The unreasonable expectations gap: a gap between what societies expect auditors to achieve and what they can reasonably be expected to accomplish.

While, Al-Baz (1999) divided the expectations gap in terms of the reasons they occur, as the following:

1. Expectations gap relates to the auditor: the expectations gaps that are related to the auditor, and falls within the following gaps; the auditor's performance gap, the auditor's independence gap, the auditor's report gap.
2. Expectations gap is attributed to the external audit environment: the expectations gap occurs due to external factors related to the audit environment, and falls within the following gaps; reasonability gap, auditing standards gap, legal responsibility gap.

Among the factors that affect the expectations gap and that will be investigated in the current study, is the uncertainty in auditor's independency, which is one of the most important cornerstones that the audit process is based on, due to the multiplicity of financial statements users (management, shareholders, investors, suppliers, lenders, customers, employees, government, etc.), as each one of these users have their own interests.

Auditor independency is considered as the most important factor that affects the assurance degree in the auditor's report. Further, this report is worthless if an auditor is not independent from the management in order to give an impartial opinion (Abughanim, 2003). Moreover, the auditor should also pay attention to any negative indicators that may affect the independence on planning the audit process, reviewing the financial statements, and issuing the report (Salehi et al., 2009).

A research conducted by Al-Khadash and Al-Sartawi (2010) professed that the independency terms instructions set forth in the Serpens-Oxley Law contribute in enhancing the independency of the Jordanian public accountants. Also, the results revealed that there are significant statistical differences in the study's sample regarding the ability of the independency instructions in reducing expectations gap in Jordan. In the same context, Al-Omari (2003) stated that the length of the auditor-client relationship may adversely influence the auditor's independence, which in turn increases the expectations gap. Similarly, Salehi (2016) highlighted that the long audit tenure may decrease the audit quality and then may expand the expectations gap.

In Iran, Salehi et al. (2009) indicated that preserving the auditor's independency is very important to narrow the expectations gap. Lin & Chen (2004) stressed that the difference between users and auditors is attributed to the nature of the unique audit environment in China, which fall directly under the government intervene. They found that Chinese auditor's independence in terms of his/her commitment to discover the fraudulent and to provide honest and fair financial statements.

However, the present study examines the non-compliance to the international auditing standards and code of professional conduct factor. Audit process may become personal diligence that varies from person to another and may be subjected to the self-interests among the auditors. On the other hand, auditing standards and the code of professional conduct are the main criteria while the auditors practice the audit, which means that these standards and rules should be taken into the auditor's consideration and should be employed from the beginning to the end of the audit process.

The third factor that will be examined in this study is the lack of awareness (unreasonable expectation) of the financial statements' users. These users believe that the auditor is able to detect the whole material misstatements and frauds that affect the balance sheets and income statements, discover any misleading statements being issued, and give a full assurances that financial statements are error-free (Hajeer, 2001).

Toumeh and Yahya (2017) mentioned that in reference to Al-Thuneibat et al. (2011) the audit system is intended to detect whether the reported figures in financial statements are faithfully represented or not, and improving that system would provide a reasonable assurance about the firm's operating results and its financial position. However, audit profession is surrounded by ambiguity that is related to auditor's duties and objectives which resulted from the discrepancy in the expectations of the financial statements' users in relation to auditor's responsibilities and his compliance to legislations. The lack of awareness (unreasonable expectations) of the financial statements' users is a significant reason that may lead to expand the expectations gap. Examples of these unreasonable expectations are that the users of financial statements believe that the auditor can guarantee the company's success and continuance, or and they believe that the auditor can deter any illegal actions (Daraghma & Aqel, 2011).

Interestingly, Salehi and Rostami (2009) analyzed the nature of the audit expectations gap prevails in different and major countries in the world such as Australia, Singapore, Malaysia, United Kingdom, New Zealand, United States, Saudi Arabia, Bangladesh, China, and Egypt. They reviewed the studies conducted by the researchers on expectations gap. They also aimed at highlighting the differences in expectations gap in the auditing process through different sectors in those countries. The results of their study revealed that there is a consensus among researchers that the gap arises because of the excessive expectations of financial statements users' regarding the auditor's responsibilities. The lack of knowledge of the auditor's roles and responsibilities also led to make an exaggeration in the expectations of the interested users.

In Jordanian context, Al-Thuneibat (2003) investigated the structure, nature, and causes of the expectations gap from the point of view of auditors and directors of public shareholding companies listed on ASE. He

documented that the unreasonable expectations gap in Jordan is attributable to the lack of the awareness of the financial statements' users in respect of the auditor's responsibilities. Moreover, Daraghma and Aqel (2011) examined the unreasonable expectations gap in Palestine through surveying the financial statements users' opinion in Palestine. They reported that the unreasonable expectations gap exists in Palestine where it is related to the auditor's responsibilities and audit objectives and benefits.

Finally, many scholars worldwide have tried to figure out how to bridge the audit expectations gap. For example, Khalil (2009) suggested that corporate governance mechanisms may lead to narrow the expectations gap in Palestine. Mansur and Tangl (2018) provided some solutions to bridge the expectations gap such as; improving the communication between external auditors and interested users, conducting training courses for auditors, and educating and promoting the awareness of the interested users about the responsibilities of external auditors. Likewise, Alawi et al. (2018) documented similar findings in the Kingdom of Bahrain. While Nwaobia et al. (2016) stressed that the professional accountancy bodies and audit firms should be more responsible in respect of reducing the audit expectations gap by enhancing the quality of internal control systems and the quality of the ethical engagement teams.

Further, an empirical work conducted by Khadash et al. (2011) examined the influence of amendments to auditor's report on bridging the expectations gap from the perspectives of auditors, preparers of financial statements, investors and academicians. The study aimed also at assaying the extent to which the sample of the study considers that it would be beneficial for additional information to be added to the auditor's report. Further, the study aimed at recognizing the extent of compatibility between the requirements of amended ISA 700 (Revised) and Jordanian Corporate law No. 22 for the year 1997 and its amendments. The results of the study revealed that the amendments that have been made to the auditor's report contributed to the narrowing of the expectations gap and led to improve the level of disclosure in the auditor's report, and finally the results provided an evidence that there are contradictions between the requirements of amended ISA No. 700 and the Jordanian corporate law No. 22 relating to the audit report content. In the same vein, Füreidi-Fülöp (2017) suggested that the long form (extended) audit report may be a potential tool to reduce the audit expectations gap.

The current study is distinct from the previous empirical work in literature since it is conducted on the Jordanian community of auditors that is different in its environmental characteristics (in some respects) from the characteristics of the environments in which previous studies were conducted, and the high level of competition in this sector at local and regional levels. In addition, this study suggested some solutions that may help to bridge the expectations gap between auditors and users of financial statements.

RESEARCH HYPOTHESES

To achieve the study objectives and to answer the questions, and based on the results of previous studies, the following hypotheses were formulated:

- H01:** Uncertainty in auditor's independency does not affect the expectations gap in the audit process in Jordan.
- H02:** Non-compliance with international auditing standards and the code of professional conduct does not affect the expectations gap in the audit process in Jordan.
- H03:** The lack of awareness (unreasonable expectations) amongst financial statement users does not affect the expectations gap in the auditing process in Jordan.

RESEARCH POPULATION AND SAMPLE

The study population was formed from certified auditors who work in audit firms in Jordan totaling (327) certified auditors in the early of 2018 (according to the Jordan Association of Certified Public Accountants (JACPA) in 01/01/2018).

The sample was selected randomly from audit firms located in Jordan, where questionnaires were distributed and returned by hand. The number of distributed questionnaires reached 158 to auditors in these firms, 117 were returned, and 8 questionnaires were excluded for missing answers; usable responses were 109, which gave a 69 % response rate.

DATA COLLECTION METHOD

The researchers reviewed several studies related to the research subject that have been published in refereed journals. They also designed a special questionnaire according to the theoretical framework and previous studies. These questionnaires were distributed and returned by hand.

The questionnaire sections and questions for each variable of the study variables are summarized in the following table (Table 1).

Table 1: Questionnaire Sections and Questions that Measure the Variables of the Study

Section	Variable	Questions
First section Demographic Characteristics	Age	1
	Educational level	2
	Scientific specialization	3
	Job title	4
	Years of experience in the auditing field	5
	Professional certificates	6
Second section Data related to the affecting factors on the expectations gap from the auditors perspective	The effect of uncertainty on auditor's independence on the expectations gap in the audit process in Jordan	(7 – 11)
	The effect of non-compliance with international auditing standards and the code of professional conduct on the expectations gap in the audit process in Jordan	(12 – 16)
	The effect of lack of awareness (unreasonable expectations) of the financial statement users on the expectations gap in the audit process in Jordan	(17 – 21)
Third section Suggested solutions	Suggestions to narrow the expectations gap in the audit process from the Jordanian certified auditors' perspective	(22 – 31)

It is worthy of mention, that the second and third section of the questionnaire were formed in a way to facilitate the measurement process,

which included the five point Likert-scale (agree to a very large extent, agree to a large extent, agree to a moderate extent, agree to a small extent, agree to a very small extent) and were given grades (5, 4, 3, 2, 1), respectively.

In order to test the reliability of the questionnaire and the correlation between the questions, the questionnaire was tested by a sample of arbitrators including faculty members in the accounting departments in Jordanian universities, and by some of certified auditors in Jordan. Additionally, a reliability analysis test was used to calculate the Cronbach's alpha. The result was almost (76%) which is more than the acceptable percentage (70%) (Sekaran & Bougie, 2017), and this ensured the possibility of adopting the questionnaire and achieving the objectives of the study.

DATA ANALYSIS METHODS

To achieve the objectives of the study and to test its hypotheses; the data that was obtained, was processed using the Statistical Package for the Social Scientists (SPSS). Numerous tests related to descriptive statistics were performed by analyzing ratios, duplicates, means, and standard deviations to identify the characteristics of the study sample.

The t-test of one sample was used to test the hypotheses of the study in comparison between two means. The availability of a characteristic whose mean was higher than the assumed mean (cut point) was verified as the (t) value which has to be at significant statistically at the user trust level (Sekaran & Bougie, 2017).

CHARACTERISTICS OF RESPONDENTS

It can be seen from the analysis of the first section of the questionnaire (Table 2) that the respondents who answered the questionnaire are appropriately qualified. All of them are bachelor degree holders. Moreover, confidence in the results obtained is reinforced by the fact that about 70% of the respondents have at least 5 years of experience in the audit field. It is also notable that there is a diversity in job titles and positions (audit manager, senior auditor, junior auditor, assistant auditor), which means that they are

up to date with the developments of the expectations gap in an audit and the affecting factors.

Moreover, the diversity of scientific disciplines of the respondents between accounting, business-administration, banking and finance sciences clarify that the respondents have different positions and titles, and the largest proportion was from accounting as their major (92.7% of the respondents).

It was also noted that 65.1% of the respondents were above 35 years of age, and this is in line with long years of experience in the auditing field, which led to the confidence in the results that have been obtained. In addition, 70.6% of the respondents held professional certifications that promoted and affirmed their professional knowledge in the auditing field.

From all of the above, it is clear that the respondents are aware of what the expectations gap in auditing is, the affecting factors and their ability to understand the questions and answering them.

Table 2: Demographic Characteristics of the Individual Respondents

Demographic	No	Percentage
Age		
• Less than 25 years	16	14.7%
• 25- less than 35 years	22	20.2%
• 35- less than 45 years	43	39.4%
• 45 years and above	28	25.7%
Highest qualification		
• Bachelor	98	%89.9
• Master	10	%9.2
• PHD	1	%0.9
Scientific major		
• Accounting	101	%92.7
• Business Administration	2	%1.8
• Banking and Finance	6	%5.5
Job position		
• Auditing office general manager	22	%20.3
• Senior Auditor	43	%39.4
• Auditor	37	%33.9
• Auditor Assistant	7	%6.4

Years of experience in auditing field		
• Less than 5 years	33	%30.3
• 5- less than 10 years	28	%25.7
• 10- less than 15years	21	%19.3
• 15 years and more	27	%24.7

Professional certificates		
• CPA	14	%12.8
• JCPA	43	%39.4
• CMA	11	%10.1
• CIA	9	%8.3

HYPOTHESIS TESTING

To test the study hypotheses, the researchers extracted the means and standard deviations for the respondents' answers for each paragraph of the questionnaire according to the field the section belongs to. The answers were divided according to the mean to the following categories in line with the Likert scale that the questionnaire was built on, based on the following equation:

$$\text{Term category} = (\text{maximum} - \text{minimum}) / \text{number of categories} = (5-1) / 3 = 1.33$$

Hence:

A high level of importance: If the mean was 3.67 and above.

An average level of importance: If the mean was between 2.34 and 3.66.

A low level of importance: If the mean was 2.33 or less.

The following is an explanation of the test results for each hypothesis:

First Hypothesis

H01: Uncertainty in auditor's independence does not affect the expectations gap in the audit process in Jordan.

Table 3 shows the means, standard deviations, the level of importance and rank of paragraphs related to the uncertainty impact in the independence of auditor's and the expectations gap in the audit process in Jordan.

Table 3: Means, Standard Deviations, and The Level of Importance and Rank of Paragraphs Related to The Factor of the Uncertainty in The Auditor's Independency

	The Paragraph	Mean	Standard Deviation	Level of Importance	Rank
7	The uncertainty in the auditor's independency leads to an increase in the expectations gap in the auditing process.	4.09	0.56	High	1
8	When the auditor provides non-auditing services to the company under auditing in the same year, it leads to an increase in the expectations gap in the auditing process.	3.61	0.76	Medium	3
9	Counting on a few number of customers as a major income for the audit office leads to an increase in the expectations gap in the auditing process.	3.89	0.61	High	2
10	Hiring an auditor and determining his fees by the management leads to an increase in the expectations gap in the auditing process.	3.51	0.97	Medium	5
11	The auditor benefitting from the goods or services provided by the client under auditing with special rates or free of charge, leads to an increase in the expectations gap in the auditing process.	3.57	0.89	Medium	4
	The mean of paragraphs combined that is related to the uncertainty in the auditor's independency on the expectations gap in the auditing process	3.68	0.63	High	

The table above shows the following results:

1. The high mean of the paragraph with the rank of 1 of 4.09 indicates the significant impact of uncertainty in an auditor's independence on the expectations gap in the auditing process. The standard deviation of the paragraph (0.56) indicates the existence of an agreement and harmony among individual respondents around this paragraph.
2. The mean of the paragraph with the rank of 5 of 3.51 refers to that hiring the auditor and determining his fees by the management, leads

to an increase the expectations gap in the auditing process from the Jordanian account auditor's perspective, and that is probably the reason why an auditor's independence may be affected by this hiring, and his keenness to get the specified- fees.

Generally, the mean of the paragraphs combined, related to measuring the uncertainty impact in the auditor's independency on the expectations gap in the auditing process from the Jordanian auditor's perspective, reached 3.68. This indicates a high level of impact, due (from the researchers' perspective) to the uncertainty impact in an auditor's independence on the financial statement users trust in the auditor's report and the objectivity of his professional opinion. The standard deviation of 0.63 indicates that there was an agreement and harmony between the individual respondents about the points of this axis in general.

To test this hypothesis, the t-test was used for one sample using the reference value that represented the average score of the Likert scale which is 3. Table No. 4 shows the results of this test.

Table 4: The Test Results for the First Hypothesis Using t-Test for One Sample

The Dimension	Mean	Standard Deviation	Calculated "t" value	Tabulated "t" value	Freedom Degrees	Significance Level	Hypothesis Result
The uncertainty impact on the auditor's independence in the expectations gap in the auditing process	3.68	0.63	9.77	1.96	108	0.000	Rejected

The findings in the above table shows that the calculated "t" value (9.77) is higher than the tabulated value, and the significance level (α) is less than (0.05), which means that the null hypothesis is rejected and the alternative hypothesis accepted. Accordingly, there is an impact for uncertainty in auditor's independence on the expectations gap in the audit process in Jordan from the Jordanian auditors' perspective.

Second Hypothesis

H02: Non-compliance with international auditing standards and code of professional conduct, does not affect the expectations gap in the auditing process in Jordan.

Table 5 shows the means, standard deviations, and the importance and rank of the paragraphs related to the impact of the auditor's lack of commitment to international auditing standards and code of professional conduct to the expectations gap in the auditing process from the Jordanian auditors' perspective.

Table 5: Means, Standard Deviations, And The Importance and Rank of the Paragraphs Related to The Impact of the Non-Compliance to the International Auditing Standards and Code of Professional Conduct on the Expectations Gap in the Auditing Process

	The Paragraph	Mean	Standard Deviation	Level of Importance	Rank
12	The non-compliance by the auditor to international auditing standards and code of professional conduct, leads to an increase in the expectations gap in the auditing process.	4.41	0.52	High	1
13	Revealing or publishing any of the information that the auditor has seen due to his job to any parties that is not authorized by law, leads to an increase in the expectations gap in the auditing process.	3.91	0.90	High	4
14	The auditor's speculation in the company's stocks that is subjected to auditing, leads to an increase in the expectations gap in the auditing process.	4.03	0.89	High	3
15	The auditor's participation on a regular basis in any technical, management and consultation work in the company that is subject to auditing, leads to an increase in the expectations gap in the auditing process.	4.24	0.74	High	2
16	The auditor's bias to any party and allowing conflicts of interests to affect his work, leads to an increase in the expectations gap in the auditing process.	3.82	0.99	High	5
The mean of paragraphs combined that related to the impact of non-compliance with international auditing standards and code of professional conduct on the expectations gap in the auditing process		4.08	0.54	High	

Based on the findings contained in the above table:

1. The high mean of the paragraph with the rank of 1 of 4.41 indicated the significant impact of the auditor's lack of commitment to international

auditing standards and the code of professional conduct on the expectations gap in the auditing process. The standard deviation of the paragraph (0.52) shows the existence of agreement and harmony among individual respondents about this paragraph.

2. The mean of the paragraph with the rank of 5 of 3.82 shows that the auditor’s bias to any party and allowing conflict of interests to affect his job leads to an increase the expectations gap in the auditing process from the Jordanian auditor’s perspective. Moreover, auditor’s credibility and repose to his objectivity may be affected by his bias and non-compliance to the code of professional conduct.

Broadly, the mean of the paragraphs combined, related to measuring the impact of the auditor’s non-compliance to international auditing standards and code of professional conduct on the expectations gap in the auditing process from the Jordanian auditors, reached 4.08, which indicated a high level of effectiveness. This is due to (from researchers’ perspective) the impact of non-compliance of the auditors to international auditing standards and code of professional conduct on the financial statement users in the auditor’s report and the accuracy of his/her professional opinion. The standard deviation of 0.54 shows the agreement and harmony between the individuals respondents on the paragraph of this dimension in general.

To test this hypothesis, the t-test was used for one sample using the reference value that represented the average score of the Likert scale which is 3. Table 6 shows the results of testing this hypothesis.

Table 6: The Result of Testing the Second Hypothesis Using t-Test for One Sample

The Dimension	Mean	Standard Deviation	calculated “t” value	tabulated “t” value	Freedom Degrees	Significance Level	Hypothesis Result
The impact of non-compliance with international standards and code of professional conduct on the expectations gap in the auditing process	4.08	0.54	20.83	1.96	108	0.000	Rejected

Based on the findings contained in the above table; the value of the calculated “t” of 20.83 is higher than the tabulated value, and the significance level (α) is less than 0.05, which means that the null hypothesis is rejected and the alternative hypothesis accepted. Consequently, there is an impact for uncertainty in the auditor’s independence on the expectations gap in the auditing process in Jordan from the Jordanian auditors’ perspective.

Third Hypothesis

H03: The lack of awareness does not affect (unreasonable expectations) the financial statements users on the expectations gap in the auditing process in Jordan.

Table 7 shows the means, standard deviations, and the level of importance and rank of the paragraphs related to the lack of awareness impact (unreasonable expectations) on the expectations gap in the auditing process from the Jordanian auditors perspective.

Table 7: Means, Standard Deviations and the Level of Importance and Rank of the Paragraphs Related to The Impact of Lack of Awareness (Unreasonable Expectations) Of The Financial Statements Users to The Expectations Gap in The Auditing Process

	The Paragraph	Mean	Standard Deviation	Level of Importance	Rank
17	The lack of awareness (unreasonable expectations) of the financial statement users, leads to an increase in the expectations gap in the auditing process.	4.40	0.55	High	2
18	The lack of awareness (unreasonable expectations) of the financial statement users in the auditor’s duties and responsibilities, leads to an increase in the expectations gap in the auditing process.	4.42	0.41	High	1
19	The lack of awareness (unreasonable expectations) of the financial statement users in the terminologies mentioned in the auditor report, leads to an increase in the expectations gap in the auditing process.	4.29	0.67	High	4

20	The lack of awareness (unreasonable expectations) of the financial statement users by believing that the auditor is responsible for the company's continuity and success leads to an increase in the expectations gap in the auditing process.	4.16	0.81	High	5
21	Lack of awareness (unreasonable expectations) of the financial statement users by believing that the auditor is responsible in revealing all the fundamental errors and fraud operations leads to an increase in the expectations gap in the auditing process.	4.37	0.61	High	3
The mean of paragraphs combined that related to the lack of awareness (unreasonable expectations) by the financial statements users on the expectations gap in the auditing process		4.33	0.47	High	

The findings contained in the above table show:

1. The high mean of the paragraph with a rank of 1 of 4.42 shows the significant impact of the lack of awareness (unreasonable expectations) of the financial statement users with the auditor's duties and responsibilities on the expectations gap in the auditing process. The standard deviation of the paragraph 0.41 shows the existence of an agreement and harmony between the individual respondents on this paragraph.
2. The mean of the paragraph with the rank of 5 of 4.16 indicates that the lack of awareness (unreasonable expectations) of the financial statements users believing that the auditor is responsible for the continuity and success of the company that is subjected to auditing, leads to an increase in the expectations gap in the auditing process from the Jordanian auditors' perspective.

Generally, the mean of the paragraphs combined, related to measuring the lack of awareness impact (unreasonable expectations) of the financial statement users on the expectations gap in the auditing process from the Jordanian auditors' perspective, reached 4.33, which shows a high impact. The standard deviation of 0.47 shows the existence of an agreement and harmony between the individual respondents about the paragraphs of this axis in general.

To test this hypothesis, the t-test was used for one sample using a reference value that represents the average score of the Likert scale which is 3. Table 8 shows the results of testing this hypothesis.

Table 8: The Results of Testing the Third Hypothesis Using t-test for One Sample

The Dimension	Mean	Standard Deviation	calculated "t" value	tabulated "t" value	Freedom Degrees	Significance Level	Hypothesis Result
The impact of the lack of awareness (unreasonable expectations) among the financial statement users on the expectations gap in the auditing process	4.33	0.47	29.34	1.96	108	0.000	Rejected

The finding contained in the above table shows that the value of the calculated "t" of (29.34) is higher than the tabulated value, and the significance level (α) is less than (0.05), which means that the null hypothesis will be rejected and the alternative hypothesis will be accepted. As a result, there is an impact for the lack of awareness (unreasonable expectations) of the financial statements users on the expectations gap in the auditing process in Jordan from the Jordanian auditors' perspective.

The Fourth Question

1. What are the suggested solutions that can help narrow the expectations gap between the financial statement users and auditors in Jordan?

Table 9 shows the means, standard deviations, and the level of importance and ranks of paragraphs related to the proposed solutions that can help narrow the expectations gap between the financial statement users and auditors in Jordan from the Jordanian auditors' perspective.

Table 9: Means, Standard Deviations and the Level of Importance and Rank for the Paragraphs Related to the Proposed Solutions that Can Help Narrow the Expectations Gap Between the Financial Statements' Users and Auditors

	The Paragraph	Mean	Standard Deviation	Level of Importance	Rank
22	Planning the auditing process properly, checking the internal control system, and setting the appropriate recommendations for the company management about the system helps narrow the expectations gap in the auditing process.	4.29	0.77	High	4
23	Supporting the Jordanian Association of Certified Public Accountants and activating its role in the supervision of the auditing profession, helps narrow the expectations gap in the auditing process.	4.17	0.81	High	7
24	Working on increasing the awareness among the financial statement users within the auditor's responsibilities and duties, regarding detecting errors and fraud helps narrow the expectations gap in the auditing process.	4.41	0.58	High	1
25	Working on increasing the awareness among the financial statement users within the auditor's responsibilities and duties in evaluating the continuity of the company that is subject to the auditing process, helps narrow the expectations gap in the auditing process	4.31	0.63	High	3
26	Enhancing the auditor's independency by reducing the personal relations between the clients who might reflect the auditing process; helps narrow the expectations gap in the auditing process.	4.10	0.88	High	9
27	Enhancing the auditor's independency through reduction of the parties control over him, by activating the auditing committee's role, helps in narrowing the expectations gap in the auditing process	4.20	0.77	High	5
28	Applying corporate governance rules effectively help narrow the expectations gap in auditing process.	4.07	0.87	High	10
29	Studying the financial statement users' rational expectations and issuing the professional standards and legislations that are compatible with the expectations, will help narrow the expectations gap in the auditing process.	4.16	0.74	High	8

30	Complying with the legal legislation and international standards helps narrow the expectations gap in the auditing process.	4.18	0.71	High	6
31	Compelling of auditors by the Jordanian Association of Certified Public Accountants to international auditing standards and code of professional conduct helps narrow the expectations gap in the auditing process.	4.37	0.68	High	2
The mean of the paragraphs combined that is related to the proposed solutions that can help narrow the expectations gap between the financial statement users and auditors		4.23	0.43	High	

The findings contained in the above table show the following:

1. Most of the proposed solutions are suitable to narrow the expectations gap in the auditing process between auditors and the financial statements users which was stated in the paragraph with the rank 1, represented as working on increasing the awareness among the financial statement users within the auditor's responsibilities and duties regarding revealing errors and frauds. Accordingly, it helps narrow the expectations gap in the auditing process where the mean reached 4.41. Moreover, the standard deviation of the paragraph 0.58 shows the existence of agreement and harmony between the individual respondents on this paragraph.
2. The least proposed solutions suitable to narrow the expectations gap in the auditing process between auditors and financial statement users are the ones stated in the paragraph with the rank 10, "applying the corporate governance rules effectively helps narrow the expectations gap in the auditing absence", where the mean reached 4.07. As a result, (from the researchers' perspective) applying corporate governance rules does not change the financial statement users' expectations, especially, unreasonable expectations that are a result of the lack of awareness of these users.

To sum up, the mean of the paragraphs combined, related to the solutions that can help narrow the expectations gap between auditors and financial statement users in the auditing process, from the Jordanian auditors' perspective, reached 4.23 which indicates its high suitability. The standard

deviation of 0.43 shows the existence of an agreement and harmony between the individual respondents about the paragraphs in general.

CONCLUSION AND RECOMMENDATION

The uncertainty in auditor's independence leads to an increase in the expectations gap in the auditing process from the Jordanian auditors' perspective. Furthermore, the dependence on a small number of clients as a major income source, and providing a non-audit service to the company (under auditing) along with the auditing service simultaneously weakens auditor's independence, and then leads to an increase in the audit expectations gap. Non-compliance with international auditing standards and code of professional conduct leads to an increase the expectations gap in the auditing process from the Jordanian auditors' perspective, and this is consistent with the results of some previous studies. For examples, the auditors should not provide any other services to the company under auditing such as administrative or technical consultations. In addition, the auditors should not participate in the speculation of company's stocks. These actions are considered as violations of the professional conduct which in turn increase the expectations gap.

Lack of awareness (unreasonable expectations) among the financial statement users leads to an increase in the expectations gap in the auditing process from the Jordanian auditors' perspective. This confirms what some studies explored (Draghama & Aqel, 2011; Salehi & Rostami, 2009; Saad, 2008; Porter, 1993). These researchers investigated the nature of the expectations gap and causes, and attributed a part of it to the financial statement users' beliefs. For example; the auditor is responsible to reveal all the fundamental errors and fraud, and is responsible for the continuity and success of the company.

In light of the findings, this study provides some recommendations. First, enhance auditor independence by limiting the personal relationship between the auditor and the client, limiting the provision of non-audit services in order to increase the confidence of the financial statements' users in the audit report. Second, place a high emphasis on the importance of the professional auditing body in Jordan, which is the Jordanian Association

of Certified Public Accountants (JACPA), as well as activate its role in supervising the auditing profession by obliging auditors to comply with the International Standards on Auditing (ISAs) and the code of professional conduct. Third, raise the awareness among users of the financial statements about the auditor's responsibilities and duties regarding to the detecting errors and fraud, as well as the role of the auditors in assessing the continuity of the company subject to auditing.

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