CHAPTER ONE

INTRODUCTION

1 .0 Background to the study

Ensuring an honest and fair view of a company's financial statement is one of the primary responsibilities of an external auditor. Different people use audited financial accounts for different reasons. Some of them are investors, creditors, employees, analysts, consultants, governments, the general public, and business owners. High wages and job security are priorities for workers. Investors are interested in getting a return on their investments and are interested in maximizing returns. Saleh (2016). The government wants companies to pay taxes, hire more employees, obey the law, and keep accurate financial records. Whether they will get their money back with interest is a concern for creditors. As employers of workers, the public has an interest in the company and wants it to offer quality goods on fair terms. A gap is the difference between what examiners present and what the public expects (Stephen, 2008). The view of Stephen and Kingsley (2018) on the expectations gap is similar to that of Stephen (2008). According to Ojo (2006), a gap is a mismatch between what reviewers should do and what users think. This gap could be interpreted as a disagreement between the public and auditors. According to Adeyemi and her Uadiale (2011), this gap is the difference in how the examiner and the user perceive things. The user's perspective and the examiner's perspective are her two ways of looking at audit gaps. (said, 2012). Users may lose money if the information used to make investment decisions is incorrect. With this in mind, users who suffer financial losses due to errors in relied-upon audit reports can file a lawsuit against the auditor (Stephen and Abuh, 2018). Public expectations of duty and responsibility were pointed out by Ajayi (2007). Audited financial statements are heavily relied upon by users of financial statements who need an unbiased view of a company's financial situation in order to make well-informed investment or disposition decisions. It is the auditor's duty to examine the annual financial statements prepared by management and to report the results to shareholders. Following the widespread phenomenon of Enron and Worldcom, several attempts have been made to change the duties, roles, and responsibilities of accountants to bridge the gap in expectations. However, much of the recent research on this concept tends to focus on the characteristics of gaps associated with different contexts, users, and reported meanings (Joseph 2015). This paper aims to summarize the literature on exam expectations gaps, with a particular focus on 21st century developments. This white paper is organized according to the following chronology: In the first section, we discussed different definitions of the trial expectations gap that are available in the literature for different trials. In the next section, we have tried to understand the existence of the audit expectations gap in the 21st century. The exam expectations gap results and suggestions given are summarized in the following three sections: Titles such as the effect of audit education on the audit expectations gap, the importance of long audit reports, and other issues in the 21st century literature.

This was done because the auditor wanted to reduce or avoid litigation. This contention is consistent with the conclusion of Chandler, Edwards, Anderson(1993), that management should be held accountable for detecting fraud, and that the auditing profession is now which says it's shifting its focus to fraud detection. Audit of annual accounts. They argue that changes in audit objectives and responsibilities have caused stakeholder dissatisfaction, resulting in an expectations gap as stakeholders expect more from the accounting industry than they actually do. (Saied, 2012). The role of the external auditor is extremely important in today's corporate world. Because external auditors are perceived as independent, users expect external auditors to be impartial and therefore rely on audit reports (Nagy, 2001). Similarly, business expansion and growth required a separation of ownership and management, thus creating room for demand for external auditors. Audits are conducted to increase the reliability of financial information published after the company's financial results are closed. However, stakeholders are often baffled when an unqualified audit report issued by an auditor does not mean that the organization is free of fraud (Lee, Gloak & Palaniappan, 2007). This is evident in the cases of Enron and WorldCom, which went bankrupt shortly after issuing unqualified audit reports (Lee, Gloak & Palaniappan, 2007). This study examines whether there are gaps in audit expectations among Nigerian depository bank stakeholders. Previous studies have been conducted on the components of the trial expectations gap. For example, Porter (1993) divides the test expectations gap into two parts: the validity gap and the performance gap. Empirically, Obiamaka (2008) considers auditing expectation gap in Lagos and Ogun states. Also, Olowookere and Soyemi, (2013) examines evidence of the audit expectation gap in Ibadan and Oshogbo. This study, however, covers the whole country unlike some of the studies mentioned.

Against this background, this study aimed to explore perceptions of gaps in audit expectations by stakeholders in Lagos State, Nigeria. In particular, the expected value for this test can take any of these dimensions which include performance gap, adequacy gap and deficient standards gap. To achieve this, we assume that there is no gap in exam expectations among Nigerian degree officials. This research is important because stakeholders of the financial statements being audited will benefit from improved knowledge of audit expectations gaps and will be able to better understand the objectives of statutory audits. This mitigates unreasonable auditor expectations that can lead to avoidable litigation. Therefore, this study seeks to empirically determine the perceptions of auditors (management, accountants, auditors, investors, customers, employees, and the general public) about the existence of audit expectations gaps. .

1.1 Statement of the Problem

The expectations gap should be viewed as a very serious problem for accounting professionals. Gaps are a big problem in today's professional world. Silviu (2019) Lead auditors rely on the reliability and credibility of audited reports. The public expects accountants to monitor and prevent fraud. The auditor did not consider fraud detection and prevention to be the primary purpose of the audit. As a result, some accountants do not take fraud in the accounting profession seriously. The expectations gap is an important issue for accountants. This is because accountants have failed to meet society's expectations and their importance has not been trusted. If a particular company appears to be in serious financial trouble without any advice or warning from the auditor, the auditor could be held liable for all contingencies. To minimize the expectations gap, auditors must demonstrate integrity and diligence in performing audit tasks. In fact, user interest is a top priority for reviewers. Akinbuli (2010) found that lawsuits and criticism of accountants are a function of the expectations gap.

The external auditor's report lends credibility to the financial report by ensuring that it conforms to generally accepted standards and is accurate, but the auditor's performance Did not live up to expectations. If he falls short, his signature on the decision and his brief statement are no longer viable authorship is issued by a chartered accountant, but failure to do so may result in performance that is considered unsatisfactory. Due to the user's belief in the auditor's duties and responsibilities, the auditor is usually singled out as the probable cause of the company's predicament if the company goes into liquidation. Alawi, Wadi , Kukreja (2018) Therefore, Nigerian examiners and authenticated account users (through research studies) assessed gaps in examination expectations and provided opinions on whether gaps actually existed and should be consulted to form and make appropriate recommendations for filling them.

1.2 Objectives of the Study

The objectives of carrying out this study are:

i To determine the stakeholders' audit expectation gap on auditor's responsibility in Nigeria

ii To determine the extent of the stakeholders' audit expectation gap on the reliability of auditor's report in Nigeria

iii To identify stakeholder's audit expectation gap on the auditors' independence in Nigeria.

1.3 Research Questions

- **i.** What is the level of stakeholders' expectation gap on auditors' responsibility in Nigeria?
- **ii.** To what extent is the stakeholders' audit expectation gap on the reliability of auditor's report in Nigeria?
- **iii.** What is the stakeholders' audit expectation gap on the auditors' independence?

1.4 Research Hypotheses

H_{01}: There is no stakeholders audit expectation gap on auditors' responsibility in Nigeria.

H_{02}: There is no stakeholders audit expectation gap on the reliability of auditors' report in Nigeria

H_{03}: There is no stakeholders audit expectation gap on the auditors' independence in Nigeria.

1.5 Significance of the Study

The motivation for conducting this study in Nigeria is that accountants are held accountable for business failures, possibly as a result of misunderstandings about the nature of auditing. This survey will help you:

1. External audit clients: Anyone among the test takers will benefit from the results of this survey. Better understand the statutory objectives of external auditors in order to reduce inappropriate expectations of external auditors.

2. Auditors.: Someone who helps maintain public confidence in financial statements, understands society's expectations of protecting its interests and remaining relevant.

3. The Accounting Profession: The changing nature of the business environment may require redefining the role of external accountants.

4. Academics in Accounting, Forensic Accounting and Related Fields: Those who push the boundaries of knowledge will benefit from this research by developing research interests from its findings. They will also have a broader understanding of the exam expectations gap in the Nigerian context

1.6 Scope and limitation of the Study

The main focus of this study is to identify the existence of a trial expectations gap in Nigeria. There are many factors that determine the exam expectations gap. This study employs the factors that Best, Buckby, and Tan (2001) considered in their study of the testing expectations gap in Singapore, namely the liability factor (external examiner duty) and the reliability factor. Shellac and Gay (2006) found that the nature and importance of audit report messages also contributed to the audit expectations gap. This factor is considered in the context of Nigeria. Corporate financial information has a wide range of users (Sasha and Borah, 2008). The study was designed to cover the entire Nigerian investment landscape. However, for reasons of proximity, we were limited to her sample size of 400 respondents located in Lagos and Ogun states, Nigeria. Solicit the opinions of 100 accountants, auditors, shareholders and bankers. However, the study would have been more extensive had it listed various professional groups, bondholders, creditors, other long-term financiers and accountants. There were limitations during the course of this study due to the time factor. As a result, research objectives were minimized and researchers were able to cover them. The scope of the survey was limited to 500 potential respondents. However, the researchers acknowledge that a higher number of respondents could have provided a higher level of evidence.

1.7 Definition of Terms

Audit: In this study ‘audit’ refers to statutory audit carried out by external auditors. It is an independent examination of the financial statements of a company.

Expectation: This term refers to the objective of an audit as perceived by an audience of financial statements.

Gap: This is the auditor's failure to meet user expectations. In this study, the gaps are the result of a misunderstanding of the auditor's role and responsibilities, an inadequate understanding of the message conveyed by the audit report, and expectations of auditor independence..

Stakeholders: These are users of financial statements who rely heavily on audited financial statements to obtain a reasonable view of a company's financial condition when making investment or disposition decisions. Some stakeholders may also require it for specific needs. Stakeholders’ perception:

Performance gap: Performance gap exist between performance standard of auditors and performance as expected and perceived by society.

Communication gap: Especially if the audit report indicates that the invoice cannot be contested for a period of time. The public believes that unqualified audits guarantee a company's survival.

Information gap: This is the gap arising has a result of the public having a misunderstanding of what auditors truly do

CHAPTER 2

LITERATURE REVIEW

2.0 INTRODUCTION

At the beginning of this chapter, the history of auditing and the audit profession will be presented. This is followed by several definitions of the audit expectation gap and then the knowledge gap, performance gap and evolution gap will be presented. The rest of this chapter covers the auditor's main task, roles and responsibilities of the auditor, audit profession communication and finally criticism of auditors. In the end of the chapter the theoretical framework used in this study is presented.

2.1 Conceptual Review

2.1.1 Auditing

An audit is an independent review of the books and accounts related to reporting on the adequacy of financial statements. Auditors express an opinion on the accuracy and fairness of the financial statements prepared by the directors. King (2018). The American Accounting Association (AAA), through its Board of Fundamental Auditing Concepts, provides a fully accepted definition. Commission definition cited by (Beasely and Hermanson, 2004). An audit is the objective acquisition and evaluation of evidence relating to claims about economic conduct or events, the determination of the extent to which these claims match established standards, and the communication of the results to interested users. This means that auditors must demonstrate professional qualifications. He must be methodical, independent, credible, objective and analytical in the performance of his work and effectively communicate the results of his work to stakeholders. Auditing means different things to different people, so external auditors are subject to different expectations (Hudaib and Haniffa, 2003). This takes into account how auditors and users of audited financial statements perceive the auditor's responsibilities, the reliability of the audit report, the nature and importance of disclosures in the audit report, and the auditor's independence. That's why. Auditing can be described as the function and process of assessing the veracity and acceptability of claims made by individuals, groups and organizations related to business activities (Salehi, 2011). Adeyemi and Uadiale (2011) use audits to obtain and evaluate evidence for claims about economic activity and to present a level of honesty between those claims and the means by which the results are disseminated to users. Akinbuli (2010) views auditing as the process of obtaining facts about information relating to economic entities in order for the auditor to convey the honesty of the report. Olagunju and Leyira (2012) state that auditing is concerned with the verification of accounting data, which determines the accuracy and reliability of financial statements and reports. The purpose of the audit report is to protect the interests of stakeholders and to inform users of the truthfulness and fairness of financial statements (Saeid and Abbas, 2017). Salehi (2011), Song and Windram (2000) argued that an agreement between shareholders and management requires management to provide financial information that represents the true state of the company

.2.1.2 History of Auditing and the Audit Profession

Auditing in the early 20th century was primarily focused on detecting fraud and verifying the accuracy of financial accounts. With an increasing number of transactions and an international client base, it was no longer possible for auditors to verify every transaction. Instead, the concept of importance and sampling techniques were introduced. In the mid-20th century, audit approaches changed as companies grew in size and complexity and auditors moved from validating transactions to auditing customer internal controls and accounts (Meuwissen 2014). In the 1980s, as the costs associated with auditing internal control systems began to rise, auditors placed increasing emphasis on analytical techniques and risk-based audits. As a result, more audit effort was spent on high-risk areas of the client and less on low-risk areas. As companies began using data processing systems to monitor and process financial information, auditors began examining customer data processing systems through electronic data processing (EDP) audits. With the advent of computer systems in the business world, accountants also began using computerized audit tools to improve their audit processes (Meuwissen, 2014). Since the birth of the accounting profession, today's accounting profession has changed. These changes are often the result of major corporate failures or increased demand for auditing services such as: B.: Customer Growth or Globalization. As a result, Meuwissen (2014) concludes that audit approaches, regulatory frameworks and objectives are constantly evolving. Previous audit research has shown that the auditor's efforts to enforce consistent reporting standards have a significant impact on the preparation of the audit report (Carmichael & Winters, 1982; King & Case 2003). In the 1930s, US accounting experts advocated standardized audit reports. This is aimed at achieving his two goals: Carmichael and Winters(1982) Call for`(1) Establishment of company-wide unified report wording". (2) Making the limitations of the audit report more readily recognizable" (Carmichael & Winters, 1982); Furthermore, Lee and Ali (2008) state that ancient checkbook activity was discovered in Greece. The history of auditing predates him by more than 55 years. Cooper Brothers & Co (now Coopers & Lybrand) undertook a feasibility study for a jute and cotton mill in Onitsha in 1951. In 1952, ENC (NEPA) hired his Cooper Brothers to produce the first annual accounts. However, in May 1952, Akintola Williams & Co. became the first local business. The auditing method at the time was to scrutinize records to ensure that cash transactions were recorded in the correct books and at the correct amounts. This is in contrast to current auditing, which analyzes systems and evaluates audit data to make decisions. The auditor's role as evidence also increases the credibility of the audit report (Edun 1999).

2.2 Audit Expectation Gap

Stephen (2008) defines this gap as the gap between what the public expects and what accountants provide. Stephen and Kingsley's (2018) opinion on gaps is similar to Stephen's (2008). Ojo (2006) states that the gap is the difference between what reviewers should do and what users expect. A gap can be viewed as an objection between accountants and the public. Adeyemi and Udiale (2011) viewed this gap as a different perception between examiners and users. Gaps can be categorized into communication and performance. The test report shows a communication gap. Especially when the report says the bill will be beyond doubt at some point. The public believes that a complete audit guarantees a company's survival. We also expect fraud to be detected through statutory audits. Kimberly (2015). Performance gaps occur when public expectations are reasonable. Auditors fall short of public expectations due to inadequate technical skills, outdated knowledge, inadequate audit budgets, and inadequate audit evidence (Adeniyi, 2012). The audit gap can be seen from her two perspectives: user and auditor. Users may suffer financial loss if the information used to make investment decisions is misleading. Legal action can therefore be taken against auditors if they suffer financial losses due to gaps in the audit reports they rely on (Stephen and Abuh, 2018). Considerations such as conducting audit training and increasing auditor accountability to monitor and prevent fraud can help minimize this gap (Soyemi, 2014). Agency troubles led to the services of an accountant. Shareholders expect auditors to lend credibility to the financial statements presented. Despite the importance of the audit function, defining the auditor's role in the most acceptable way has always been a difficult task. This challenge creates a perception gap between users and reviewers. The perception gap seems to have been exacerbated by the financial scandals of big companies such as Enron and Worldcom. In a 2019 report, the Association of Certified Public Accountants (ACCA) identified the gap in auditing expectations “between what the public thinks of auditors and what the public expects of them.” defined as defined as a gap. (ACCA, 2019). ACCA categorized exam expectations gaps into her three components: knowledge gaps, achievement gaps, and development gaps. The tester's expectations gap is an important issue in testing because of the negative impact it can have, further leading Fazdly to the nature of the tester's profession (Ahmed (2004)). Baker (2002) argues that public trust in expert groups is the 'living spirit' of the expert.

McEnroe and Martens (2001) argue that the audit expectations gap is defined by (i) what the public and other users of financial statements perceive as the auditor's responsibility, and (ii) what the auditor's responsibility, claim is defined by what constitutes the Between what you think and what you think. Ojo (2006) argues that audit expectations are the difference between the perception of audits by financial practitioners and the general public and the expectations of auditors in performing audits. In this context, it is important to distinguish between the auditor's expectations of the audit and the auditor's perception of the audit. Many members of the public expect accountants to have primary responsibility for financial statements. Auditors certify annual accounts. The auditor's report is intended to ensure the accuracy of the annual financial statements. An accountant should check his 99% of them. Accountants need timely warnings of potential business failures, and accountants need to prevent and detect fraud. Mansur, Tangi (2018). These public expectations exceed the auditor's actual performance standards. The reality of the accounting profession is that management is solely responsible for the content of the financial statements. An audit should only provide reasonable assurance that the financial statements are free of material misstatement. Auditing is only required to test selected transactions. Auditing every transaction is not economically justified

2.2.1 COMPONENTS OF AUDITING

As part of the theoretical framework used in this study, performance gaps occur when examiners fail to perform as required by auditing standards or regulations. This gap may be due to insufficient focus on trial quality. Complexity of specific audit criteria. Or differences in interpretation of audit standards or regulatory requirements between regulators and practitioners. To enable audit firms to ensure the quality of their advice, they are obliged to put in place certain systems and processes. In doing so, regulators review files of completed audits to monitor whether quality is being maintained (ACCA, 2019). An “evolution gap” is an area of audit that needs to evolve in the face of public demands, technological advances, and ways to improve the overall audit process to create more value. However, closing knowledge and performance gaps is an important step in recognizing what needs to evolve in exams. This helps avoid over-regulation or improper development of audit standards when the real problem is lack of knowledge or poor performance. Sheikh and Talha (2003)

By reducing knowledge and performance gaps, the public can focus more clearly on how exams should evolve. A broad discussion is needed between all closely related interest groups. How the auditing profession remains relevant and meets society's expectations for standard-setters, regulators, professional bodies, audit firms, members of audit committees, investors, governments, and the general public give advice on About what to develop (Sammy, 2017)

However, there are two ways to view financial reports. How to present financial statements separately and how to present them as a whole. According to Boterenbrod (2017), the audit expectations gap between companies and their auditors is measured by comparing financial statements as a whole. The results indicate that preparers have lower materiality assumptions than auditors. However, there are some gaps in expectations leading to different architectures and components in the literature (King 2018). Therefore, he argued that research expectations should be broken down into three components and that alternative solutions should be explored to lower them. New components include lack of information and skills, and evolutionary fragmentation. As a result of this information gap, the public misunderstands what accountants really do. Here are some common misconceptions among accountants. At the heart of this gap is auditors' noncompliance with codes and standards. There is a gap in the test development due to public recruitment,

2.2.2 AUDIT PROFESSION COMMUNICATION

Rasso (2014) investigated the use of post-delivery apologies that indirectly led to audit errors and found that: Audit firms that issue apologies that include a combination of elements, such as showing sympathy, taking responsibility, and promising to refrain from harmful behavior, have had varying success in mitigating penalties. There is a significant positive correlation between the number and reputation of accounting firms. A company's reputation is very important in maintaining its existing customer base and attracting new customers. Therefore, a well-crafted apology with many components has a clear positive effect on improving reputation perception. However, Rasso (2014) states that the strategies used in his study are one-off strategies that, if used frequently, can affect even public perceptions of a company's reputation.

When asked to testify before Congress following Enron's bankruptcy, Arthur Andersen CEO Joseph Berardino responded to allegations that Enron's audit had little to no error. Andersen's auditors stated that he had been duped by Enron for knowingly withholding information (Hartgraves, 2004). Berardino also said Andersen had tried to provide information about his Enron issues, but the Enron board selection committee refused and would not listen. Berardino argued that although Arthur Andersen was an accountant, it was Enron who committed the fraud, limiting liability (Forbes, 2002). The cause of the Lehman Brothers bankruptcy in 2008 can be easily boiled down to the failure of management and auditors. The collapse of Lehman Brothers that year triggered the global financial crisis and became the largest corporate scandal in history. In response to the release of Lehman Brothers' financial statements, the auditor said: In 2019, KPMG fined him £5 million over its 2008 financial crisis credit union fraud probe. Both the responsible partner and the audit firm said audit performance was "substantially below audit standards." KPMG responded that the bank's policies did not meet adequate standards and that it had significantly improved its procedures over the past decade (Kollewe & Jolly, 2019).

2.2.3 Criticism of Auditors

Guénin-Paracini and Gendron (2010) argue that, despite the constant occurrence of audit errors, examiners are not consistently seen as legitimate. The author argues that accountants are revered not because they are demonized, but because they are slandered. In the eyes of the masses they are the cause of the crisis, the cause of the return to order. Guénin-Paracini and Gendron (2010) risk oversimplification to argue that: Skærbæk and Christensen (2015), in their report on audit cleanup and debauchery, conclude that audits are involved in developing strategies to scapegoat individuals. Auditing plays a role in cultural cleansing rituals in which people are sacrificed to help others cope with crises. A key finding from the work of Skærbæk and Christensen (2015) is that audits can be used not only to clean up financial reporting, but also to clean up scapegoating strategies that enable debt avoidance.

In a 2018 study, Hoos, Saad, and Lesage examined why accountants are blamed when things go wrong. In one experiment, the authors found that accounting firms that actively communicated the assurance provider's message were more likely to attract non-professional investors than firms that did not actively communicate the assurance provider's message. I found it to be highly The authors also say that investors are more likely to blame large accounting firms than smaller companies because large firms are seen as wealthier and more capable of absorbing losses from accounting errors. I'm here. I found important evidence in my experiments. Savvy investors understand that notices provided by guarantee providers omit other aspects of the guarantee. This can lead to accountability behavior as it focuses too much on the role of assurance that audit firms communicate. Investors with less audit expertise tend to have higher expectations of trust in auditors, and these expectations go hand in hand with an increase in professional “trust us” communication strategies. Horse (2018) concluded that the auditor's communication strategy regarding their role as an auditor contributed to this.

2.2.4 Consequences of Audit Expectation Gap

Without results, there is no expectation gap in testing. Sikka said the testing expectations gap is having a negative impact on the auditing profession. They believe this undermines the credibility, revenue potential and reputation associated with audit work. They further pointed out that in a capitalist economy, the process of wealth accumulation and political stability depends on people's trust in the process of accountability. Onulaka , Samy (2017) Therefore, the audit expectations gap can be detrimental to users of accounting information, regulators, investors, and governments. Public trust is the "heartbeat of every profession". Loss of trust leads to credibility issues and reduced professional value. Corporate failure is the same as audit failure. This stakeholder perception increases the risk of liability and criticism to the auditor.

2.2.5 The Role Conflict Theory

This theory theoretically explains the existence of gaps in test expectations. Rizzo (2014) developed a theory of role conflict. This theory states that the auditor is responsible for auditing the books and providing credibility to the financial statements prepared by the board, and that stakeholders should expect the auditor to perform this task diligently. Based on the premise that Taslima , Fengju (2019) have. Theoretically, the auditor takes the position of a social system expert. Therefore, auditors must follow the role given to them by society. Compliance can be enforced through social measures and even lead to sanctions if violations occur. Biddle and Thomas, in their 1979 book, describe the role of the examiner as "the interplay of the normative expectations of various interest groups in society." These stakeholders are curious role senders who may be directly or indirectly related to the role position. This means that auditors are accountable not only to shareholders, but also to other stakeholders who are users of accounting information. Stakeholders in Davidson's work include management, institutional investors, financial analysts, tax authorities and creditors. All of these groups have different and wildly conflicting expectations. Group expectations change from time to time as we need to redefine our roles and interactions with other social factors. Complex expectations are the basis of role conflicts. Auditors must follow professional rules that largely affect their work, thus protecting their own interests that are worth protecting, while at the same time going against their role as a "watchdog" for users. . User expectations may also differ if the nature of the auditor's responsibilities is misunderstood, and because there are many users of accounting information, individual users' expectations may also differ. The extent to which an auditor can find a compromise between all competing interests determines the size of the audit expectations gap. Fulop Tiron-Tudor (2019)

2.3 Reducing the Audit Expectation Gap

Resolving the gap in test expectations is made difficult by the inherent nature of the gap (Jeddi and Richard. 2009). Judges' perceived performance is constantly changing. Knowing exactly what it is is why it can be lowered. According to the existing literature, there are various strategies to reduce them. Changes implemented include improved audit reporting, audit training and increased independence of certified auditors. Mandating exam rotation, regulating exam dates, and limiting mixed-service exams can help meet exam expectations (Taslima and Fengu. 2019). Several scientific studies have shown that the implementation of structured procedures benefits audit work. This strategy improves exam quality and client satisfaction and reduces the exam expectations gap. Researchers are divided on whether this strategy can be used to narrow the gap between research expectations. They are therefore difficult to measure and can therefore be reduced. The existing literature shows many ways to reduce them. This includes expanding auditor liability for fraud, error and misconduct. Improved audit reporting, audit training, and auditor independence. Additionally, gaps in exam expectations can be filled through mandatory exam rotations. This limits the appointment of examiners and the overall usefulness of the exam. Some research suggests using a structured method in testing work. This approach improves the quality of testing work, user satisfaction, and narrows the testing expectations gap. However, there is no consensus among researchers on using this method to bridge the gap between research expectations.

2.4 Stakeholders Perspectives

If audits are to be viewed as shareholder protection, other stakeholders must be considered in the light of stakeholder theory, given the diversity of companies in today's environment and the existence of different stakeholders. Yes (Institute of Chartered Accountants in England and Wales) (ICAEW 2008). A trust gap between auditors and consumers of audited financial statements is suggested by recent business scandals and failed audits (Hogan 2008). The greater the gap in expectations as a socially disadvantaged psychosis, the lower the credibility, profitability, and reputation of the auditor (Saied, 2012). Audit buyers can ensure that audit services are maintained at the highest level of quality to maintain public confidence (Humphrey.). Therefore, meeting society's expectations and closing the audit expectations gap is an important tool for maintaining stakeholder trust.

The global dominance of the Big 4 accounting firms has been underscored by the audit independence crisis, with many saying they need to reduce their reliance on them to boost competition in the audit market. (Haddrill, 2018): “There is a lack of trust in auditing and I believe the industry needs to address this issue immediately.” Many believe the Big 4 dominate the accounting industry. While independence, innovation and competition are steadily increasing (FRC, 2016), and market competition can lead to audit quality and auditor’s independence (Xie 2016). A study by the Financial Reporting Council (FRC 2016) found that accountants gain credibility when they act independently from their 'client' companies. For an audit to be credible, it must be conducted by an impartial and independent person (Olagunju 2011). The stronger the audit independence, the greater the trust in audited financial accounts (Baotham and Ussahawanitchakit 2009). A wider group of stakeholders, especially the public and media, do not understand the purpose and scope of an audit. Therefore, we would like more communication from the experts to improve public understanding of the final exam. There is a communique hole amongst customers on the character of the audit characteristic and the importance of the audit report, and a discussion board is needed for the interface among auditors, management, and customers of monetary statements with the intention to growth agree with in auditing (Okafor and Otalor 2013). There is a communique hole among auditors and customers of monetary statements on the subject of expertise the message conveyed with the aid of using the same old audit report, no matter the reality that it affords customers with extra self-assurance get the usefulness of audit reports; therefore, improvements to the audit reporting version are required (Asare and Wright 2012).The stakeholder idea has grown in recognition in current years however there's a great deal dialogue amongst teachers approximately what it means, ensuing in a mess of stakeholder theories. There also are some of criticisms of the idea, specifically from folks who favoured the stockholder (shareholder) idea as they see it as a weakening of the fiduciary obligation owed with the aid of using administrators to shareholders. According to Friedman and Miles `at its broadest and maximum formidable the stakeholder idea represents a redefinition of all organisations: how they have to be conceptualized and what they have to be. The enterprise itself have to be concept of as a grouping of stakeholders and the motive of the enterprise have to be to manipulate their interests, wishes and viewpoints` (Friedman and Miles, 2006,).While there's a great deal literature at the idea at the back of the stakeholder idea, there appears to be much less on its sensible application.

2.5 Responsibilities Score

As, the financial statement prepared by management are not accurate and covey wrong impression of the entity's financial appearance to the users of those statements. The primary responsibility for the preparation of financial statements free from material misstatements is that of the management including that of prevention and detection of fraud and error. Ali (2008) On the other hand, an auditor should be aware of his responsibilities in carrying out their duties. He is not responsible for preparing the accounts, maintaining internal control and assessing efficiency of business operations. These tasks are the responsibilities of the Directors / Management. His duty is to properly and adequately verify the transactions recorded in the books of account and their ultimate presentation in the form of accounting statements and to express opinion thereon. (Ojo, 2006) It is the duty of the auditor to use his or her skill and knowledge to consider, unfold and report whether the view given by the financial statement is consistent, accurate, true and fair. The auditor's responsibilities are wide-ranging as described above, and stakeholders such as shareholders, investors, creditors, regulators, tax authorities, other authorities, employees, debtors and the general public have high expectations of the auditors. There is no doubt that the auditor's report enhances the reliability of the financial statements by providing a high degree of assurance, although not absolute, that the financial statements are free of material misstatement. Factors such as the need for judgment, the use of tests, the inherent limitations of all accounting and internal control systems, and the fact that most audit evidence available to auditors can be achieved as relatively persuasive evidence. Therefore, there is no absolute certainty in auditing the financial statements.

2.7 Reliability Score

Financial statements are used by a variety of persons for different purposes which are share valuation and acquisition, divestment, mergers, dividend policy, diversification of portfolios, assessment of the worth of the firm, credit worthiness, etc. (Adeniji, 2004) However, there is need for detailed analysis of any data provided in financial statements before they are relied upon. Audit is carried out to examine the financial books of a company and establish that they conform to (GAAP), being truthful and fair to reveal the financial reality of firms and conform to statutory regulations. This infers that the audit report is not a financial analysis upon which investment decisions should be predicated. Reliability of audit report is concern with a condition in which the investors and all the company stakeholders consistently find the audit reports and opinion about a financial position of firms to be both dependable and credible. When audit reports are reliable, they also reveal whether accounting reports are reasonably free from error and bias and whether the accountants are justified in making a 'going concern' assumption. The implication of this is that for the audit report to be reliable it must give investors sufficient information concerning the quality and accuracy of the accounting reports. According to Ndubuisi and Ezechukwu (2017), the immediate role of auditor's independence is to make the audit more effective in providing assurance that the auditor will plan and execute the audit objectively. Also, Mitra, Deis and Hossain (2009) contend that the immediate objective of an audit is to improve the reliability of information. Improvement in the reliability of corporate disclosure minimizes the risk that an investor or creditor will make a poor decision simply because the information is inaccurate or wanting in quality. The higher the quality of information that stakeholders use for the assessment of economic risk is, the better will be their chances of making sound decisions; their information risk becomes lower. According to Saputra (2015), this stakeholders' perceived information risk is reflected in the hurdle rates of the firms.

2.6 Independence Score

Programming independence has been described as the ability of an auditor to plan his or her audit work properly and obtain all necessary information during the course of the audit exercise. Investigative independence is the ability of an auditor to carry out an audit exercise based on the planned audit without undue influence either within or outside the organization. Finally, reporting independence is the ability of an auditor to report fearlessly to shareholders without the management or any other outsider influencing the audit opinion. Similarly, there should be no influence by the management or any third party in all these types of independence. This is seen as the most valuable attribute of an auditor as it is of high importance that the audit is performed objectively. Adeniji (2004).There are concerns that auditors not being, or seeming to be, independent enough will affect the audit expectations gap. Competitive pressures to acquire audit clients may have led to audit firms cutting costs to an extent where it may affect the audit quality and the audit independence. Another concern that may impair the audit independence is the provision of non-audit services. However, all major investigations in this area up until the beginning of the 1990's have found little evidence that these services actually impaired the audit independence. According to several studies reviewed by Humphrey, user groups had much stricter views on situations that could affect the audit independence, than the auditors themselves. (Humphrey,) In spite of the efforts by the profession to increase the audit independence, the public confidence in the independence of auditors seems to remain unchanged (Dobroţeanu, Dobroteanu and Ciolpan,2009). This, they argue, is a consequence of a minority of the auditors, which do not seem to value the professional ethics and independence in appearance (Dobroţeanu, Dobroteanu and Ciolpan, 2009). When auditors of a company are in conflict with the directors it is important that this conflict is resolved without the auditors losing any of their independence. This can prove to be difficult as auditors earn some a fee from providing a service, which is how they earn a living. This fee is paid by the board of directors – a situation that provides them advantaged position in the relationship. Therein lies the dilemma as the audit team cannot work to please the directors without losing any of their independence.

2.8 Empirical Review

Lin and Chen (2004) conducted an empirical study on audit gaps in China. The study adopted coded questionnaires to collect data. Regression analysis was used to analyze data. The study confirmed issues of gaps in the duty of auditors in the country. Fadzly and Ahmad (2004) studied the dimensions of gaps In Malaysia. The study applied questionnaire to obtain data while regression analysis was used to analyze data. The results found evidence of gaps in audit profession in the country.

Adeyemi and Uadiale 2011 studied audit expectation gap in Nigeria. They used survey research method and structured questionnaire in collecting data. Using purposive sampling technique, they sampled two hundred (200) respondents. For the analysis of data, descriptive and inferential statistics were used. The testing of the hypotheses was done using analysis of variance (ANOVA). It was revealed in the findings that audit expectation gap existed in Nigeria, and there was significant difference in the beliefs of the groups regarding the responsibilities of auditors.

Stephen and Abuh (2018) examined audit gap as regards auditor's duty in Nigeria. Questionnaire was adopted to gather data while simple regression was used to analyze data. The study reveals that stakeholders were ignorant of auditor's work. This study also stated that the auditors' reports were not detailed enough to disclose gaps. Sacid and Abbas (2017) carried out a research on audit gaps in Iran. Questionnaire was adopted to generate data. Their result showed that no regards was given to the independence of auditors in the country. While Adeyemi and Uadiale observed wide expectation gap on decision usefulness of audit report in the private sector.

Olagunju and Leyira (2012) conducted an empirical study on audit perspectives of auditors and audited account users in Nigeria. Questionnaire was adopted for data collection. Chi-Square tool was used to canvas the data. There result revealed that there was significant affiliation between the roles of an auditor and the perception of the public. Johnson and Kenny (2013) carried out research work on evidence of the audit expectation gap in Nigeria. Linkert scale questionnaire adopted for collection of data. SPSS version 19 was used to analyze the data. Their study showed that it was the duty of auditors to notice and stall fraud.

Teslima and Frengju (2020) also investigated audit gap and its upshot on stakeholders' confidence in Bangladesh. Questionnaire was adopted to generate data while Man-Whitney U-Test was used to examine data. Their result confirms that financial reporting council played a vital part in maintaining auditor's independence that actually leads to diminution of gaps.

2.9 Theoretical Framework

The theoretical foundation of this study was based on the following theory

i. Credibility Theory

The theory assumes that the major function of an auditor is credibility. According to the theory, audited accounts should enhance the status of an organization. Such practices alley the fairs of shareholders, while it builds the confidence of other parties (Alexander, Britton and Jorissen, 2005). Among the theories, agency theory seems to be more related to the issue of auditing in Nigeria. The theory concluded that there is the need for a good relationship between managers and owners of business and that the relationship can only be strengthening through mutual understanding between the duos. The study adopted agency theory based on its relevance to the study. According to this theory, the role of the auditor is to supervise the relationship between the manager and the owners. A gap expectation occurs when the distribution of the responsibility is not well defined. The responsibility of every part is well defined in the regulation. The manager and the owners have to realize that the auditor does not have responsibility of the accounting, but only see that the auditing is done properly (Andresson and Emander, 2005).

The demand for auditing is sourced in the need to have some means of independent verification to reduce record keeping errors, asset misappropriation, and fraud within business and business organization. However, a survey conducted by Wahdan (2005) revealed that the auditors believe that the auditor's work would be used as a guide for investment, valuation of companies, and sometimes in predicting bankruptcy.

ii. The Role Of Conflict Theory

According to the theory, the auditor assumes the status of a professional person in a social system. As such, the auditor must comply with the role specifications provided to him by the society. Where there is a breach, compliance can be enforced through social action and this may even entail penalties, where it is necessary. From Davidson work, the stakeholders include management, institutional investors, financial analysts, tax authorities, and creditors. All these groups have different expectations, which are in most cases not constant. The expectations of the groups change occasionally because they have to re-define their role specifications and interplay with other societal factors. The multi-dimensional expectations are the basis for role conflict.

iii. Policeman Theory

This was the most widely held theory on auditing until the 1940s (Hayes., 1999). Under this theory, an auditor acts as a policeman focusing on arithmetical accuracy and on prevention and detection of fraud. However, due to its inability to explain the shift of auditing to, 'verification of truth and fairness of the financial statements,' the theory seems to have lost much of its explanatory power.

iv. The Agency Theory

In agency theory, a principal delegate decision making responsibility to an agent; in the case of a company the agents are the directors /managers. The theory implies entrusting resources to the agent and in turn these agents must usually produce a report regarding the use of resources both in quantitative and qualitative manner. Those entrusted with decision making authority are generally regarded as having a duty of „accountability‟ a duty to demonstrate how they managed the resources entrusted to them. Audit serves a fundamental purpose in promoting confidence and reinforcing trust in financial information. Agency theory is a useful economic theory of accountability that helps to explain the development of the audit. Agency theory posits that agents have more information than principals and that this information asymmetry adversely affects the principals‟ ability to monitor whether or not their interests are being properly served by the agents. Agency theory is based on this relationship between investors (principals) and managers (agents). (Porter, 2003).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter highlights the research methods adopted for the study. It forms the pillar of the study as it identifies the painstaking steps which were followed.

The term methodology is used to define all activities involved in the collection of essentials data required for this project. This section is concerned with the researcher's scope of procedural strategies used in the research. This include research design, population of the study, sample size determination, method of data collection, research instrument, pilot study, validity of research instrument, reliability test, method of data analysis, model specification and measurement variables.

3.1 Research Design

This study adopted survey research design. This design is used for making decisions on data sourced as it will help in obtaining similar information from various groups of persons through the use of an administered questionnaire.

Survey research is an appropriate choice when the research aim is to identify characteristics, frequencies, trends, and categories.

3.2 Population of the Study

Population can be explained as a comprehensive group of individuals, institutions and objects which have a common characteristic that are the interest of a researcher. They may be observed or physically counted.

The population size of the two audit firms used for the study which include KPMG and DELOITTE is around 1,300. However, due to time constraint, about 100 questionnaire were administered and 70 recovered.

3.3 Sampling size Determination

This is a fraction of the population selected such that the selected fraction represents the population adequately. For the purpose of this investigation, a sample size of 100 was obtained through the convenience sampling technique.

Table 3.1: Analysis of Questionnaire Distribution

Total Questionnaire administered	100
Total Questionnaire not returned	30
Total Questionnaire received	70
Variance	70%

Source: Researcher's computation from questionnaire survey, 2022

3.4 Method of Data Collection

Data is a collection of facts, figures, objects and events gathered from different sources. This study used a basic primary source of data collection.Questionnaire was the main instrument of data collection. In this study, the questionnaire was developed based on the objective of the study. Data is a collection of facts, figures, objects, symbols, and events gathered from different sources.

3.5 Research instrument

The research instrument used was questionnaire. The questionnaire will be a 5-point rating scale (Likert scale) starting with agree (A), disagree (N), neutral (U), strongly agree (SA) and strongly disagree (SD). The questionnaire was intended to link all the items in the questionnaire to the study's research objective. The findings are also utilized to address concerns from research.

3.6 Validity and Reliability of the Instrument

The instrument was validated by the project supervisor in the field of measurement and evaluation and research. The participants in this study were drawn from the whole Nigerian business community, including both auditors and audit beneficiaries.

3.7 Reliability of test

Reliability refers to a measurement that supplies consistent results with equal values. It measures consistency, precision, and trustworthiness of a research

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula _ = rk / [1 + (k - 1)r] where k is the number of items considered and r is the mean of the inter-item correlations the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. George and Mallery (2003) provide the following rules of thumb: "_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor, and _ < .5 – Unacceptable" (Joseph A. Gliem, 2003).

Reliability Statistics	
Cronbach's Alpha	N of Items
.780	23

Cronbach's alpha is a mesasure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The alpha (α) coefficient for the thirty (23) items is 0.780, suggesting that the items have relatively high internal consistency. It is worthy to note, that a reliability coefficient of 0.70 or higher is considered 'acceptable' in most social science research situations. Therefore, this reliability test (i.e.0.780) is acceptable because it is greater than 0.70.

3.8 Method of Data Analysis

The data collected were analyzed with the aid of SPSS statistical package version (26.0) and also the information gathered for this study (i.e. through questionnaire) using both the descriptive and inferential method analysis.

3.8.1 Model specification

The basis for the model specification is hinged on the theoretical framework which seeks to explain the perspective of stakeholders as regard the audit expectation gap in Nigeria. in Lagos state.

The model can be represented as follows;

SP = f(SAEG)

Which is also, $Y = f(x)$…………………………………………(1)

Where $Y= y_1, y_2, y_3$

$y_1 =$ auditors' responsibility (AUR)

$y_2 =$ reliability of auditor's report (RAR)

$y_3 =$ auditors' independence (AUI)

$y_1= \alpha + \beta_1 x_1 + \varepsilon$…………………………………………………………………(2)

$y_2= \alpha + \beta_1 x_1 + \varepsilon$…………………………………………………………………(3)

$y_3= \alpha + \beta_1 x_1 + \varepsilon$…………………………………………………………………(4)

$AUR = \alpha + \beta_1 SAEG + \varepsilon$…………………………………..,…………………………(5)

$RAR= \alpha+ \beta_1 SAEG +\varepsilon$……………………..……………………………………….(6)

$AUI = \alpha + \beta_1 SAEG + \varepsilon$……………..…………………………………………………(7)

where:

Y = Stakeholder’s Perspective (SP)

X = Stakeholder’s Audit Expectation Gap (SAEG)

y_1 = auditors’ responsibility

y_2 = reliability of auditor’s report

y_3 = auditors’ independence

α = Constant or Intercept

ε = Error Term

3.9 Limitation of study

1. Respondent withholding information due to fear of being victimized but however, the researcher convinced the respondents that the information was kept safe.

2. Respondents were reluctant to fill the papers. The researcher tried to be in constant touch with the respondent to make sure the papers get filled.

3. Respondents were not having a view that any direct benefit will be obtained from the research result.

4. Timing: the time was limited used to conduct the research of this study

CHAPTER 4

DATA ANALYSIS AND INTERPRETATIONS

4.0 INTRODUCTION

The purpose of this chapter is to analyze, explain and present the result of the data obtained from the questionnaire administered to the respondents. The data from the study was obtained in order to test the hypothesis and conclusion drawn was obtained through the questionnaire administered to the staff of KPMG and DELOITTE.

4.1 Data Presentation, Analysis and Interpretation

The data obtained for this study was analyzed through the use of regression analysis and Correlation Coefficient of the Statistical Package of the Social Sciences (SPSS). The analysis and the presentation of the result obtained from the data were categorized which include:

1. The analysis of the respondents' personal data; 2.the test of the hypothesis using SPSS packages such as regression analysis, correlation coefficients and descriptive analysis; 3 the outcome of the result.

4.1.1 Interpretation

Table 4.1

ACADEMIC QUALIFICATION					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND	1	1.4	1.4	1.4
	HND	8	11.4	11.4	12.9
	BSC	29	41.4	41.4	54.3
	BA	1	1.4	1.4	55.7
	MBA	3	4.3	4.3	60.0
	PHD	26	37.1	37.1	97.1
	8.00	2	2.9	2.9	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From this table, above the PHD respondents were 37.1%, the MBA respondents were 4.3%, BA respondents were 1.4%, the BSC respondents were 41.4%, HND respondents were 11.4%, while the OND respondents were 1.4%

Table 4.2

PROFESSIONAL QUALIFICATION					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CPA	16	22.9	22.9	22.9
	ACCA	26	37.1	37.1	60.0
	CPC	3	4.3	4.3	64.3
	ICAN	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022 From the table 22 above, 35.7% represents the ICAN professionals, 4.3% represents the CPC respondents, 37.1% represents the ACCA while 22.9% represents the CPA

Table 4.3

YEARS OF SERVICE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	57	81.4	81.4	81.4
	ABOVE YEARS	13	18.6	18.6	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table 4.3 above, 18.6% of the respondents represents above 10 years, 81.4% represents 1- 10 years.

Table 4.

The auditor is responsible for verifying every accounting transaction undertaken by a company.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	3	4.3	4.3	4.3
	DISAGREED	1	1.4	1.4	5.7
	NEUTRAL	5	7.1	7.1	12.9
	AGREED	32	45.7	45.7	58.6
	STRONGLY AGREED	29	41.4	41.4	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022 From the table above, 41.4% of the respondents strongly agreed to statement that auditor is responsible for verifying every accounting transaction undertaken by a company, 45.7% of the respondent agreed to the statement making a total of 87.1% while 7,1% of the respondents were neutral ,1.4 of the respondents disagreed to the statement while 4.3% strongly disagreed.

Table 4.5:

The auditor is responsible for preventing all fraud in a company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	1	1.4	1.4	1.4
	DISAGREED	3	4.3	4.3	5.7
	NEUTRAL	10	14.3	14.3	20.0
	AGREED	24	34.3	34.3	54.3
	STRONGLY AGREED	32	45.7	45.7	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above, 45,7% respondent strongly agreed to the statement that auditor is responsible for preventing all fraud in the company, 34.3% respondent agreed to the statement making a total of 80%, 14.3% of the respondent were neutral, and 5.7% of the respondents disagreed to this statement.

Objective 1: To determine the stakeholders' audit expectation gap on auditor's responsibility in Nigeria

Table 4.6:

The auditor is responsible for detecting all fraud in a company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	2	2.9	2.9	2.9
	DISAGREED	1	1.4	1.4	4.3
	NEUTRAL	13	18.6	18.6	22.9
	AGREED	21	30.0	30.0	52.9
	STRONGLY AGREED	33	47.1	47.1	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above 77.1% of respondent agree to the statement that the auditor is responsible for detecting all fraud in the company 18.6% of the respondent were neutral, while 4,3% of the respondents disagreed to this

Table 4.7:

Auditors are responsible for the preparation of the company's financial statements.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	6	8.6	8.6	8.6
	DISAGREED	14	20.0	20.0	28.6
	NEUTRAL	17	24.3	24.3	52.9
	AGREED	16	22.9	22.9	75.7
	STRONGLY AGREED	17	24.3	24.3	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022 From the table above, 24.3% strongly agree to the statement that auditors are responsible for the preparation of the company's financial statement while 22.9% agree to the statement making a total of of 47.2% ,while 24.3% respondent are neutral, 28.6% disagree to the statement.

Table 4.7

The auditor should take on additional responsibility for evaluating whether a company is a going concern.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	1	1.4	1.4	1.4
	DISAGREED	4	5.7	5.7	7.1
	NEUTRAL	11	15.7	15.7	22.9
	AGREED	34	48.6	48.6	71.4
	STRONGLY AGREED	20	28.6	28.6	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

Table 4.8

An auditor is responsible for maintaining public confidence in a company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	1	1.4	1.4	1.4
	DISAGREED	3	4.3	4.3	5.7
	NEUTRAL	14	20.0	20.0	25.7
	AGREED	30	42.9	42.9	68.6
	STRONGLY AGREED	22	31.4	31.4	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above, 77.2% agree to the statement that the auditor should take on additional responsibility for evaluating whether a company is a going concern, 15.7% respondent are neutral, while 7.1% respondent disagree to this statement.**:**

From the table above 74.3% respondents agree to the statement that an auditor is responsible for maintaining public confidence in a company while 20.0% respondents are neutral, 5.7% respondents disagree to this statement

Table 4.9:

Model Summary[b]										
					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.574[a]	.329	.253	.84480	.329	4.342	7	62	.001	2.477
a. Predictors: (Constant), An auditor is responsible for maintaining public confidence in a company, The auditor should take on additional responsibility for evaluating whether a company is a going concern., The auditor is responsible for preventing all fraud in a company, The auditor is responsible for expressing an independent opinion on the financial statements based on their audit, The auditor is responsible for verifying every accounting transaction undertaken by a company., Auditors are responsible for the preparation of the company's financial statements., The auditor should take on additional responsibility for communicating whether a company is a going concern.										
b. Dependent Variable: The auditor is responsible for detecting all fraud in a company										

Source: SPSS, 2022

From table above ,the R^2 is 0.329 or 32.9% while the adjusted R^2(0.253) shows that the explanatory variables significantly can explain variations in the dependent variable, meaning that the dependent variable have 25.3% explanatory ability of explicating the behavior of the dependent variable . The F-test (4.342) presented in the table 24 shows that the exogenous variables jointly explain variations in the dependent variations to a significant degree of p-value = 0.001 < 0.05.

Table 4.10

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.694	7	3.099	4.342	.001[b]
	Residual	44.249	62	.714		
	Total	65.943	69			
a. Dependent Variable: The auditor is responsible for detecting all fraud in a company						

b. Predictors: (Constant), An auditor is responsible for maintaining public confidence in a company, The auditor should take on additional responsibility for evaluating whether a company is a going concern., The auditor is responsible for preventing all fraud in a company, The auditor is responsible for expressing an independent opinion on the financial statements based on their audit, The auditor is responsible for verifying every accounting transaction undertaken by a company., Auditors are responsible for the preparation of the company's financial statements., The auditor should take on additional responsibility for communicating whether a company is a going concern.

Source: SPSS, 2022

From the table above, it was indicated that the independent variable had positive and significant impact on the dependent variable at a p- value of 0.001 which is less than 0.05 .Hence, there is an indication that the p-value is 0.001, which indicates that the hypothesis is statistically significant at level of significance (5%), hence p-value of the test statistic is less than alpha value (0.001<0.05). The statement that the auditor is responsible for preventing fraud in a company

Table 4.11:

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.122	.772		1.455	.151
	The auditor is responsible for verifying every accounting transaction undertaken by a company.	.410	.130	.399	3.153	.002
	The auditor is responsible for preventing all fraud in a company	.094	.120	.090	.778	.440
	Auditors are responsible for the preparation of the company's financial statements.	.219	.096	.288	2.274	.026
	The auditor should take on additional responsibility for evaluating whether a company is a going concern.	-.047	.158	-.043	-.295	.769
	The auditor is responsible for expressing an independent opinion on the financial statements based on their audit	.177	.142	.154	1.247	.217

	The auditor should take on additional responsibility for communicating whether a company is a going concern.	-.174	.140	-.179	-1.242	.219
	An auditor is responsible for maintaining public confidence in a company	.088	.130	.081	.672	.504
a. Dependent Variable: The auditor is responsible for detecting all fraud in a company						

SPSS, 2022

From table above, the statement that the auditor is responsible for verifying accounting transaction undertaken by a company has a t-coefficient of 3.153 with the p- value =0.002 < 0.05.this is an indication that the auditor is responsible for the verifying of accounting transaction undertaken by a company. The statement that the auditor is responsible for preventing fraud in a company has a t-coefficient of -0.778 with a p- value =0.440 > 0.05. This is indicating that the auditors are not responsible for the prevention of fraud in a company. The statement that the auditor is responsible for the preparation of the company's financial statements has a t- coefficient of 2.274 with the p-value = 0.026 < 0.05. This is an indication that the auditors are not responsible for the preparation of company's financial statement. The statement the auditor should take on additional responsibility for evaluating whether a company is a going concern has a t- coefficient of 0.295 with the p- value =0.769 <0.05,this means that the auditor should take on additional responsibility for evaluating whether a company is a going concern. The statement that the auditor is responsible for expressing an independent opinion on the financial statements based on their audit has a coefficient of 1.247 with the p- value =0.217. the statement the auditor should take on additional responsibility for communicating whether a company is a going concern has a coefficient of 1.242 with the p- value =0.219< 0.05. The statement an auditor is responsible for maintaining public confidence in a company has a coefficient of 0.672 with the p-value of 0.504<0.05 this is an indication that the auditor is responsible for maintaining public confidence.

Objective 2: To determine the extent of the stakeholders' audit expectation gap on the reliability of auditor's report in Nigeria.

Table 4.12

An unqualified audit report means that a company is a safe investment haven					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	16	22.9	22.9	22.9
	DISAGREED	11	15.7	15.7	38.6
	NEUTRAL	14	20.0	20.0	58.6
	AGREED	18	25.7	25.7	84.3
	STRONGLY AGREED	11	15.7	15.7	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above 15.7% strongly agree to the statement that an unqualified audit report means that a company is a safe investment haven, 25.7% of respondents agreed making a total of 41.7% of respondents, 20.0% are neutral, while 38.6% respondents disagree to the statement.

Table 4.13:

An unqualified audit report can be relied upon to make investment decisions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	10	14.3	14.3	14.3
	DISAGREED	18	25.7	25.7	40.0
	NEUTRAL	7	10.0	10.0	50.0
	AGREED	20	28.6	28.6	78.6
	STRONGLY AGREED	15	21.4	21.4	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above, 50 % agree to the statement that an unqualified report can be relied upon to make investment decisions while 10.0% respondent are neutral, 40% respondents disagree with the statement

Table 4.14:

The audited financial statements can be used in making decisions pertaining to sale and purchase of shares					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	6	8.6	8.6	8.6
	DISAGREED	4	5.7	5.7	14.3
	NEUTRAL	13	18.6	18.6	32.9
	AGREED	26	37.1	37.1	70.0
	STRONGLY AGREED	21	30.0	30.0	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above 67.1% agree to the statement that the audited financial statement can be used in making decisions pertaining to sale and purchase of shares, while 18.6% is neutral, 14.3% respondents disagreed to this statement

Table 4.15:

An unqualified audit report shows that the financial statements show a true and fair view.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	9	12.9	12.9	12.9
	DISAGREED	16	22.9	22.9	35.7
	NEUTRAL	8	11.4	11.4	47.1
	AGREED	15	21.4	21.4	68.6
	STRONGLY AGREED	22	31.4	31.4	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From table 4.15 above , 31.4% respondent strongly agree to the statement that an unqualified audit report shows that the financial statements show a true and fair view, 21.4% respondent agree to the statement making a total of 52.8%, while 11.4% respondents were neutral,35.8% respondents strongly disagree to the statement.

Table 4.16:

An unqualified audit report means that a company is well managed					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	11	15.7	15.7	15.7
	DISAGREED	19	27.1	27.1	42.9
	NEUTRAL	13	18.6	18.6	61.4
	AGREED	18	25.7	25.7	87.1
	STRONGLY AGREED	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above,38.6% respondent agree to the statement that an unqualified audit report means that a company is well managed ,while 18.6% respondent are neutral, 42.8% of the respondent disagree to the statement.

Table 4.17:

An unqualified audit report means that the financial statement is free from material misstatement					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREED	15	21.4	21.4	21.4
	DISAGREED	13	18.6	18.6	40.0
	NEUTRAL	6	8.6	8.6	48.6
	AGREED	16	22.9	22.9	71.4
	STRONGLY AGREED	20	28.6	28.6	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table 4.17, 51.5% of the respondent agree to the statement that an unqualified audit report means that the financial statement is free from material misstatements, while 8.6% respondents are neutral,40% respondents disagree to the statement

Table 4.18:

Model Summary[b]										
					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.789[a]	.623	.594	.92748	.623	21.162	5	64	.000	2.104

a. Predictors: (Constant), An unqualified audit report means that the financial statement is free from material misstatements., The audited financial statements can be used in making decisions pertaining to sale and purchase of shares , An unqualified audit report means that a company is a safe investment haven , An unqualified audit report means that a company is well managed, An unqualified audit report can be relied upon to make investment decisions

b. Dependent Variable: An unqualified audit report shows that the financial statements show a true and fair view.

Source: SPSS, 2022

From the table above, the R^2 is 0.623 or 62.3% the adjusted R^2 (0.594) shows that the explanatory variables significantly explain variations in the dependent variable, meaning that the independent variable have a (59.4%) explanatory ability of explicating the behavior of the dependent variable . the F-test (21.1) presented in table shows the exogenous variables jointly explain variations in the dependent variations to a significant degree.

Table 4.19:

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91.018	5	18.204	21.162	.000[b]
	Residual	55.054	64	.860		
	Total	146.071	69			
a. Dependent Variable: An unqualified audit report shows that the financial statements show a true and fair view.						
b. Predictors: (Constant), An unqualified audit report means that the financial statement is free from material misstatements., The audited financial statements can be used in making decisions pertaining to sale and purchase of shares , An unqualified audit report means that a company is a safe investment haven , An unqualified audit report means that a company is well managed, An unqualified audit report can be relied upon to make investment decisions						

Source: SPSS, 2022

From the table above, it was indicated that the independent variable had positive and significant impact on the dependent variable at a p- value of 0.000 which is less than 0.05 .Hence, there is an indication that the p-value is 0.000, which indicates that the hypothesis is statistically significant at level of significance (5%), hence p-value of the test statistic is less than alpha value (0.000<0.05). An unqualified audit report shows that the financial statements show a true and fair view.

Table 4.20:

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.700	.386		1.815	.074
	An unqualified audit report means that a company is a safe investment haven	-.306	.169	-.296	-1.807	.076
	An unqualified audit report can be relied upon to make investment decisions	.492	.181	.474	2.715	.009
	The audited financial statements can be used in making decisions pertaining to sale and purchase of shares	.019	.107	.016	.179	.859
	An unqualified audit report means that a company is well managed	.289	.176	.258	1.642	.106
	An unqualified audit report means that the financial statement is free from material misstatements.	.340	.147	.364	2.308	.024
a. Dependent Variable: An unqualified audit report shows that the financial statements show a true and fair view.						

Source: SPSS, 2022

From the table above, the statement that an unqualified audit report means that a company is a safe investment haven has a t-coefficient of -1.807 with the p-value =0.074 < 0.05 indicating that an unqualified audit report means that a company is a safe investment haven. The statement that an unqualified audit report can be relied upon to make investment decisions has a t-coefficient of 2.715 and the p- 0.009 <0.05. the statement that the audited financial statements can be used in making decisions pertaining to sale and purchase of shares has a coefficient of 0.179 and p- value

=0.859< 0.05. The statement that an unqualified audit report means that a company is well managed has a t-coefficient of 1.642 with the p- value = 0.106<0.05. The statement that an unqualified audit report means that the financial statement is free from material misstatements has a t-coefficient of 2.308 with a p- value =0.024

Objective 3: To identify stakeholders' audit expectation gap on the auditors' independence in Nigeria.

Table 4.21:

Provision of audit services consistently for a long period of time may lead to familiarity threat.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREED	5	7.1	7.1	7.1
	NEUTRAL	17	24.3	24.3	31.4
	AGREED	35	50.0	50.0	81.4
	STRONGLY AGREED	13	18.6	18.6	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table, 68.6% respondents agree to the statement that provision of audit services consistently for a long period of time may lead to familiarity threat, while 24.3% are neutral, 7.1% respondents disagreed to the statement

Table 4.22:

Auditor independence can influence the performance of audit services.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREED	5	7.1	7.1	7.1
	NEUTRAL	11	15.7	15.7	22.9
	AGREED	27	38.6	38.6	61.4
	STRONGLY AGREED	27	38.6	38.6	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above, 77.2% agree to the statement that an auditor's independence can influence the performance of audit service, while 15.7% respondent are neutral, 7.1% respondent disagree with the statement

Table 4.23

Auditor independence affect the credibility of the financial statement					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREED	2	2.9	2.9	2.9
	NEUTRAL	17	24.3	24.3	27.1
	AGREED	26	37.1	37.1	64.3
	STRONGLY AGREED	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table, 72.8% agree to the statement that an auditor independence affect the credibility of the financial statement while 24,3% respondent neutral, 2.9% respondent disagree with the statement

Table 4.24:

Independence is fundamental to the credibility of auditor's report					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREED	1	1.4	1.4	1.4
	NEUTRAL	13	18.6	18.6	20.0
	AGREED	23	32.9	32.9	52.9
	STRONGLY AGREED	33	47.1	47.1	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table above 80% agree with the statement that independence is fundamental to the credibility of auditor's report, 18.6% respondent are neutral, 1.4% respondent disagree with the statement.

Table 4.25:

Independence is fundamental to the reliability of auditor's report					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NEUTRAL	9	12.9	12.9	12.9
	AGREED	21	30.0	30.0	42.9
	STRONGLY AGREED	40	57.1	57.1	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table 4.25 above shows that, 57.1% respondent strongly agree with the statement that independence is fundamental to the reliability of auditor's report, while the 30.0% agree making a total of 87.1% respondents, 12.9% respondents were neutral, no respondents disagreed with this statement

Table 4.26:

There should be rotation of auditors to improve the auditors' independence.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREED	2	2.9	2.9	2.9
	NEUTRAL	7	10.0	10.0	12.9
	AGREED	16	22.9	22.9	35.7
	STRONGLY AGREED	45	64.3	64.3	100.0
	Total	70	100.0	100.0	

Source: SPSS, 2022

From the table 26 above 87.2% respondent agree to the statement that there should be a rotation of auditors to improve the auditor's independence while 10.0% respondent were neutral 2.9% respondent disagree to this statement.

Table 4.27:

Model Summary[b]										
					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.666[a]	.444	.401	.70662	.444	10.226	5	64	.000	1.410

a. Predictors: (Constant), There should be rotation of auditors to improve the auditors' independence., Auditor independence affect the credibility of the financial statement, Independence is fundamental to the reliability of auditor's report , Provision of audit services consistently for a long period of time may lead to familiarity threat., Independence is fundamental to the credibility of auditor's report

b. Dependent Variable: Auditor independence can influence the performance of audit services.

Source: SPSS, 2022

From the table 27, the R2 is 0.444 or 44.4% the adjusted R2 (0.401) shows that the explanatory variables significantly explain variations in the dependent variable, meaning that the independent variable have a (40.1%) explanatory ability of explicating the behavior of the dependent variable .The F-test (10.22) shows the exogenous variables jointly explain variations in the dependent variations to a significant degree. The model is best fit at p-value = 0.000 < 0.05.

Table 4.28:

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.530	5	5.106	10.226	.000[b]
	Residual	31.956	64	.499		
	Total	57.486	69			

a. Dependent Variable: Auditor independence can influence the performance of audit services.

b. Predictors: (Constant), There should be rotation of auditors to improve the auditors' independence., Auditor independence affect the credibility of the financial statement, Independence is fundamental to the reliability of auditor's report , Provision of audit services consistently for a long period of time may lead to familiarity threat., Independence is fundamental to the credibility of auditor's report

Source: SPSS, 2022

From the table 28 above, it was indicated that the independent variable had positive and significant impact on the dependent variable at a p- value of 0.000 which is less than 0.05 .Hence, there is an indication that the p-value is 0.000, which indicates that the hypothesis is statistically significant at level of significance (5%), hence p-value of the test statistic is less than alpha value (0.000<0.05). Auditor independence can influence the performance of audit services.

Table 4.29:

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.289	.625		-.463	.645
	Provision of audit services consistently for a long period of time may lead to familiarity threat.	.235	.133	.213	1.770	.082
	Auditor independence affect the credibility of the financial statement	.105	.131	.098	.803	.425
	Independence is fundamental to the credibility of auditor's report	-.023	.149	-.020	-.154	.878
	Independence is fundamental to the reliability of auditor's report	.558	.164	.437	3.404	.001
	There should be rotation of auditors to improve the auditors' independence.	.151	.145	.131	1.040	.302
a. Dependent Variable: Auditor independence can influence the performance of audit services.						

Source: SPSS, 2022

From the Table 29 the statement the provision of audit service consistently for a long period of time may lead to familiarity threat has a t- coefficient of 1.770 with a p-value of 0.082<0.05 this indicates that the provision of audit services consistently for a long period of time may lead to familiarity threat . The statement the auditor independence affect the credibility of the financial statement has a t- coefficient of 0.803 with a p-value of 0.425 < 0.05. This shows that auditor independence affects the credibility of the financial statement .The statement independence is fundamental to credibility of auditor's report has a coefficient of -0.154 with a p-value of 0.8780.05 this shows that the independence is fundamental to credibility of auditor's report. The statement that there should be rotation of auditors to improve the auditor's independence

4.2 TEST OF HYPOTHESIS

The following hypotheses were tested in this study:

Hypothesis 1

H0: There is no stakeholder's audit expectation gap on auditors' responsibility in Nigeria

H1: There is stakeholder's audit expectation gap on auditors' responsibility in Nigeria

The analysis from the statement the auditor is responsible for the detection of fraud has a p-value 0.000 < 0.05.This indicates that the hypothesis is less than 0.05 and that it is statistically significant at a level of significance (5%). Therefore, the stakeholders believed that the auditors have responsibility to detect to fraud and the auditor is responsible for verifying every accounting transaction undertaken by a company has an effect on auditor's opinions and responsibilities. So we reject null hypothesis and accept alternate hypothesis and conclude that there is stakeholder's audit expectation gap on auditors' responsibilities.

Hypothesis 2:

Ho: There is no stakeholders audit expectation gap on the reliability of auditors' report in Nigeria

H1: There is stakeholders audit expectation gap on the reliability of auditors' report in Nigeria

The analysis from the statement that an unqualified audit report can be relied upon to make investment decision has a p-value of 0.009 < 0.05. This indicates that the hypothesis is less than 0.05 and that it is statistically significant at a level of significance (5%). Therefore, the statement that the unqualified audit report can be relied upon to make investment decisions has effect on the reliability of auditor's report. So, we reject null hypothesis and accept the alternative hypothesis and conclude there is stakeholder's audit expectation gap on the reliability of auditor's report in Nigeria

Hypothesis 3

H0: There is no stakeholders audit expectation gap on the auditors' independence in Nigeria.

H1: There is stakeholders audit expectation gap on the auditors' independence in Nigeria.

The analysis indicated that the stakeholders perceived that the independence of auditors can enhance the performance of audit services has a p-value 0.000 < 0.05.This indicates that the hypothesis is less than 0.05 and that it is statistically significant at a level of significance (5%). Therefore, so we reject null hypothesis and accept this hypothesis and conclude that there is stakeholder’s audit expectation gap on auditor’s independence.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

The chapter enumerates the summary of the research exercise on the audit expectation gap and stakeholders perspectives in Lagos state Nigeria. The chapter discussed the findings from the research exercise, the conclusions and the recommendations given based on the study's findings, which will go a long way in the Nigeria public sector. The research also will stand as a foundation for further study on the subject matter in Nigeria.

5.1 SUMMARY OF THE STUDY

The focus of this study is on the audit expectation gap and stakeholders perspectives in Lagos state Nigeria. The objectives of the study are enumerated below:

1 To determine the stakeholders' audit expectation gap on auditor's responsibility in Nigeria

2. To determine the extent of the expectation gap on the reliability of auditor's report in Nigeria

3. To identify stakeholder's expectation gap on the auditor's independence in Nigeria

The first objective of this study is to determine the stakeholders' audit expectation gap on auditor's responsibility in Nigeria the using the views of the respondents that filled the questionnaire of the project. The objective of this study reviewed that there is stakeholder's audit expectation gap on auditors' responsibility in Nigeria.

The second objective which is to determine the extent of the expectation gap on the reliability of auditor's report in Nigeria. The study revealed that it is statistically significant because it rejects the null hypothesis and accept the alternate hypothesis. However, the final objective, to identify stakeholder's expectation gap on the auditor's independence in Nigeria to has a p-value less than 0.05, which makes it statistically significant.

In order to achieve the above stated objectives, 70 questionnaires were administered to the staffs of KPMG and Deloitte in Lagos state Nigeria. The hypothesis were tested using the regression analysis and correlation coefficient. Based on the test of hypothesis, the null hypotheses were rejected and the conclusion drawn from there is that the audit expectation gap is affected by stakeholder's perspectives. The study aimed at the audit expectation gap and stakeholder's perspectives in Lagos state Nigeria. The study focused on three major objectives in order to unravel the subject matter and three major hypotheses were also tested which include: the test of significant which includes; There is no stakeholder's audit expectation gap on auditors' independence in Nigeria; There is no stakeholders audit expectation gap on the reliability of auditors' report in Nigeria; There is no stakeholders audit expectation gap on the auditors' opinions and responsibilities in Nigeria.; The summary of the findings is the summary of data obtained from the responses given in the questionnaire administered.

5.2 CONCLUSION

The audit expectation gap and stakeholder's perspectives in Lagos state Nigeria was discussed in this study. The independence, reliability and responsibility score of auditors was discussed in this study. The affect expectation gap has discussed in the literature review is the difference between the expectation of the public and the auditor's work. Based on this study the expectation gap cannot be eliminated but can only be reduced, which means the expectation gap is evidence during the audit service based on my hypothesis.

5.3 RECOMMENDATION

In line with analysis carried out in previous chapters and the findings gathered and in addition to the review of relevant literature and responses of respondents, the following are the general recommendations for the Audit firms which are deemed necessary to ensure that auditors meet up.

1. Auditors should have the necessary adequate technical skills, up to date knowledge, and a reasonable audit budget and sufficient audit evidence in order to meet up with the expectations.

2. Auditors clear opinion should guarantee the accuracy of financial statements, i.e auditors should perform 99% check.

3. The accounting profession should seek to reduce the number of years an auditor can provide auditing services to a client. This is because the independence of an auditor is threatened when engaged in providing audit services for a long time.

4. Auditors are encouraged to exercise due care and diligence in handling the accounts of a company. This is because failure to do so may abruptly end the business and increase the blame on the accounting profession.

5.4 SUGGESTIONS FOR FURTHER STUDIES

Not all the factors contributing to an audit expectation gap have been examined in this study. Other factors which may be looked into in future research are the influence of the audit report on educating users of financial statements, environmental factors in the Nigerian business environment that may lead to an audit expectation gap and reducing the responsibility of auditor issues associated with the audit expectation gap in Nigeria.