

DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft
ZBW – Leibniz Information Centre for Economics

Tanasă, Florentin-Emil

Article

Perceptions and expectations regarding the financial audit activity in the current economic and financial context

The journal of accounting and management

Provided in Cooperation with:
Danubius University of Galati

Reference: Tanasă, Florentin-Emil (2019). Perceptions and expectations regarding the financial audit activity in the current economic and financial context. In: The journal of accounting and management 9 (1), S. 87 - 95.

This Version is available at:
<http://hdl.handle.net/11159/4322>

Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics
Düsternbrooker Weg 120
24105 Kiel (Germany)
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)
<https://www.zbw.eu/>

Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.



<https://savearchive.zbw.eu/termsfuse>

Terms of use:

This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.

Perceptions and Expectations Regarding the Financial Audit Activity in the Current Economic and Financial Context

Florentin-Emil Tanasă¹

Abstract: The discrepancies in the manner in which the external audit activity is perceived and its role in financial reporting and in society in general are one of the major issues of the accounting profession. In the dedicated literature, there is a lot of writing about the existence of a gap between the role of the external audit and the expectations that investors have in relation to this activity, which often exceeds the provisions of the professional regulations and standards. Research has shown that public perception of the role of the audit reflects a close link with economic cycles. The ever-changing economic and financial environment, characterized by growing signals for a new period of recession, brings to light the debates on the “audit expectation gap”. The study aims at conducting research based on a questionnaire. The purpose of the action is to analyze the perceptions and expectations that financial information users have about the external audit activity. These issues are presented in the context of the need to increase the quality of the audit and the preoccupations of professional bodies to actively engage in the continuous training of its members.

Keywords: external audit activity; financial reporting; accounting profession

JEL Classification: M42

The discrepancies in the manner in which the external audit activity is perceived and its role in financial reporting and in society in general are one of the major issues of the accounting profession. In the dedicated literature, there is a lot of writing about the existence of a gap between the role of the external audit and the expectations that investors have in relation to this activity, which often exceeds the provisions of the professional regulations and standards.

Events such as Enron in the USA, Parmalat in Italy, Maxwell in the UK, Flowtex in Germany, Vivendi in France have led to a decrease in public confidence in auditors’ ability to contribute to the recovery of the economic environment. In order to improve the image of the profession it is vital to take measures to align the expectations with the responsibilities of the professional accountants (auditors).

An audit can inspire a better corporate governance, financial rigor, can help minimize the risk of fraud, but does not guarantee the solvency and financial performance. According to ISAs, the management and those in charge of governance are responsible for the content of information provided to the public, and auditors, while addressing commitment with professional skepticism, can not guarantee that fraud will be detected, particularly given that the tests are not carried out on all transactions by the entity, but only on a sample.

Research has shown that public perception of the role of the audit reflects a close link with economic cycles. In times of economic crisis, the public directs their criticism towards external auditors, considering them responsible for the failure of the business itself. For example, we should not be

¹ Senior Lecturer, PhD, Danubius University of Galati, Romania, Corresponding author: florentinemil.tanasa@univ-danubius.ro.

surprised that there are opinions that believe that among the culprits of the global financial crisis in recent years are the professional accountants and the whole sophisticated regulatory system.

The role of the audit is not a static one, but it evolves in line with the changes that occur in the accounting field, the economic environment and society in a general way. “As a result of recent economic events, audit services extend to areas such as environmental accounting, due diligence, and financial investigations. Audit beneficiaries do not only appreciate skills and technical knowledge, but also interaction skills, efficient time management, or consulting skills.”¹ The perception that audit activity should be part of an alert system for the entity’s financial system is partly true. In this respect, we subscribe to the views expressed in other studies², which consider that internal audit plays a much more important role within such a system. The external audit has a limited contribution, especially in the current economic context, characterized by rapid changes, and the forecasts based on the historical financial statements have a low degree of achievement. Minimizing the “perceptions-expectations” gap is in the interests of both the profession and the public. Possible ways to act could be represented by:

- expanding the role and responsibility of auditors, especially in the area of consulting for business growth;
- continuously strengthening independence;
- providing educational services to users of financial statements in order to facilitate a better understanding of the role of the profession.

In the specific literature, the issue of financial audit perceptions is referred to as the “audit expectation gap”. An ad-literal translation into Romanian of the concept is almost impossible due to the complexity of the meanings that the phrase may have. Audit expectation gap (AEG) could represent discrepancies between the role of external audit on the one hand and what it is expected to do or how users understand them on the other. The definitions are based on the “perceptions – expectations” binomial. Thus, AEG is characterized from the users perspective by these two time coordinates.

From the analysis of the literature we identified the following components of AEG:

- A deficient performance gap reveals that auditors fail to meet audit standards or are perceived in this way.
- A deficient standard gap is the case where regulations do not respond to users' specific needs, thus leading to a possible discrepancy in perception due to non-uniform approaches in practice.
- Unreasonable expectations gap refers to the unreasonable expectations of users of financial statements about the role of auditors.

A structure of these is further developed (Figure 2.1)

¹ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

² ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

The Purpose and Objectives of the Research

The ever-changing economic and financial environment, characterized by growing signals for a new period of recession, brings to light the debates on the “audit expectation gap”. The study aims to conduct research based on a questionnaire. The purpose of the action is to analyze the perceptions and expectations that financial information users have about the external audit activity. These issues are presented in the context of the need to increase the quality of the audit and the preoccupations of professional bodies to actively engage in the continuous training of its members.

- In order to achieve the purpose of the analysis, the following objectives were pursued:
- revision of relevant literature;
- presenting the research methodology;
- presenting collected data and analyzing them;
- identifying the elements that determine perceived discrepancies and unrealistic expectations of the audience about the responsibilities of auditors and presenting possible solutions for reducing AEG.

Revision of the relevant literature for audit expectation gap

Most studies that analyze the expectation gap concept (the gap between user expectations and the functions performed by the audit) use the questionnaire survey technique¹. The approaches to defining the concept differ from one person to another. However, there is a consensus among researchers that discrepancies arise as a result of over-expectations due to the lack of knowledge from those interested in companies' financial reporting and synthesis documents. Providing their educational services could facilitate the reduction of perceptions.

The basis of the concept research was set forth in the work “The nature of the audit and its objectives”, in which the responsibilities auditors had to undergo, and “The expectation gap: the accounting officer's legal Waterloo”², analyzing the changing role of the audit being defined for the first time in the literature by the term AEG.

In the US, Baron et al.³ have tried to determine whether there are differences of perception between auditors' responsibilities for detecting and reporting fraud information and the expectations of users of financial reporting (financial analysts, investors, market makers). The authors concluded that there are significant differences in perception, auditors are required to be more accountable for fraud detection than they think it should be. Similarly, Low⁴ examined the “peer gap” by asking questionnaires for a group of auditors and a group of financial analysts, bankers and investors in Australia. Research findings reveal that the group of non-auditors has unreasonable expectations about the responsibilities

¹ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

² ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

³ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

⁴ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

of account controllers. These results are in line with Beck's¹ research that has shown that investors have higher expectations than the auditors consider reasonable that they should meet.

After 2000, there is an increase in the number of studies addressing the issue of “discrepancy in perception” between auditors and users of financial statements. Numerous researches² appeal to student groups to study the different aspects of AEG. Some authors argue that the best way to reduce AEG is to educate the public about the inherent limits of the audit work. A different point of view is presented in the report of the Institute of Authorized Accountants of Canada (CICA)³.

Its conclusions show that in general the expectations of users are reasonable and achievable by the auditors. The profession should take some measures to ensure the independence and continuous improvement of the members. Another study⁴ suggests that attending audit classes and presenting financial scandals within them would help reduce unrealistic expectations of the public.

In Romania there is a very small number of studies that address the AEG issue. They are mainly based on a questionnaire survey on student samples or on a *literature review*⁵. Dobroțeanu et al.⁶ aimed at identifying and analyzing dynamically the factors that determine the audience discrepancies regarding the role of the audit during 2008-2009. The research results reveal discrepancies in the understanding of the role of the auditors at the level of the subjects surveyed. Moreover, under the impact of the financial crisis, there is a decline in perceptions about the role of the audit, emphasizing the state of mistrust related to the observance of ethical principles. Expectations aim to increase the role and responsibilities of professional accountants.

From the analysis of articles published in prestigious journals, we appreciate that the mitigation of perceptual discrepancies can be achieved through the active involvement of professional organizations in educating and informing the public about the inherent responsibilities and limitations of external audit work. By doing so, the profession ensures its status quo, and the public will reduce its unrealistic expectations.

Research Methodology

The study involved the use of qualitative and quantitative research methods through a deductive-inductive process. The paper is based on a questionnaire survey, a quantitative method, and the

¹ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

² ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

³ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

⁴ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

⁵ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

⁶ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

interpretation of the results has been achieved through qualitative tools such as: analysis, generalization of the obtained data and professional reasoning.

The questionnaire is structured in two parts (Annex no. 2), as follows:

- a) the first section seeks to obtain general information about the respondents: their status and the number of years of professional experience;
- b) the second section contains two items. The first item is formulated as a closed question with multiple choices. The second contains 14 questions with the following variants: “true”, “false” and “do not know” Based on this, factors determining the perceptual discrepancies (AEG) will be analyzed. The questions addressed issues recognized in the literature as AEG generating factors, such as: professional ethics issues, the role and responsibilities of the auditor, responsibilities of the client company management, financial reporting.

For the subjects of the study to have an easy way to respond, the questionnaire was created and transmitted through an electronic platform. Access is based on a link¹ sent to the e-mail addresses of the target sample.

The total number of questionnaires sent was 500, but only 346 emails were actually received and a total of 32 valid responses were obtained, with a 9.24% rate. Collection of responses took place between February and April 2015.

Research Results and Interpretations

In the current economic context, characterized by a constant search for new macroeconomic balances, the attitude of users on the activity of financial auditors remains negative, generally due to discrepancies in the perception of the role of the audit in the validation of financial reports. Attenuation of AEG is a sensitive issue for the audit profession. Professional organizations by actively engaging in the continuous training of their members and in educating the public, along with the effort of auditors to professionalize their engagement, can contribute to this goal.

For a better understanding of the factors generating AEG, each question is individually analyzed, and some general conclusions about the opinions expressed by the respondents will be made.

1. Does the auditor guarantee the company's continuity of business by expressing its opinion?

Analysis of the answers to this first question reveals that only 19 of the 32 subjects of the study, namely 59.37%, answered correctly, indicating a poor understanding of the meaning of the opinion expressed in the audit report. According to ISA 200, paragraph 11 and ISA 700, paragraph 10, “the auditor expresses an opinion on the extent to which the financial statements are free from material misstatement” and “they are prepared in accordance with an applicable financial reporting framework”. For example, an unqualified audit opinion indicates that the financial statements give a true and fair view, being prepared in accordance with the applicable accounting principles and not a judgment on the future performance of the enterprise.

¹ ACCA, 2011, *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf)
accessed January 2015.

[publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),

2. An unfavorable (contrary) opinion assumes that the client entity will cease activity in the near future?

Similar to the opinions expressed in question 1, the respondents to the questionnaire have a poor understanding of the significance of the audit opinion. Only 71.87% answered correctly, while 18.75% considered that the position and financial performance of the client entity played an essential role in issuing the type of opinion. According to ISA 705, “Amendments to the Independent Auditor’s Report”, an unfavorable opinion is formulated when the auditor concludes that the financial statements as a whole contain distortions that are taken individually or cumulatively are both significant and ubiquitous.

3. Does the auditor be responsible for the efficiency and effectiveness of the entity's internal control?

The options expressed in this question are consistent with the current responsibilities of the auditors (5 - true, 24 - false, 3 - do not know). Management and those charged with governance should ensure that the entity establishes and maintains effective and effective internal control to provide reasonable assurance about the fairness of financial reporting.

4. Does the auditor have to report the deficiencies of internal control in the audit report?

In this case, there is a clear perceived discrepancy. Centralizing the responses reveals that 20 of the 32 study subjects believe that the auditor has the responsibility to present the internal control deficiencies in the audit report. Audit standards do not include references to the fact that the auditor should detail the possible shortcomings of the internal control system in the audit report, instead require disclosure of system failures in a document addressed to the management of the entity. On the other hand, we must also take into account the fact that some respondents checked “true” on the grounds that the inclusion of such information would increase the auditors' responsibility.

5. Is the Auditor Responsible for preventing and detecting fraud in financial statements?

The options expressed in this question (14-true, 18-fake) are slightly above 56% in accordance with the requirements of the regulations in force. There is a discrepancy in public perceptions about the auditor's current responsibilities. Audit objectives have evolved from fraud detection and business control (these were mainly taken over by internal control and audit) to the certification of financial statements. This process has unfolded gradually as society and business have developed. Unfortunately, the level of information for users of financial reporting remained low, thus often creating the wrong impression that professional accountants and the regulatory system in the field are responsible for major financial scandals or the decline of macroeconomics.

In accordance with ISA 240, “primary responsibility for fraud detection lies with management and those charged with corporate governance,” while the auditor should identify and assess the risks of misrepresentation in financial statements as a result of fraud. This nuance of audit standards is not perceived by the public as fairly, and is one of the elements that creates confusion.

6. Should the audit report detail the level of assurance provided by the auditor?

ISA 200 states that “the auditor must provide reasonable assurance” through the audit report, but there are no specific requirements regarding the level of detail of this aspect. Most people who participated in the study (20 - true, 8 - fake, 4 - do not know) consider that it would be necessary to provide more information about the level of assurance offered by the auditor in the opinion expressed.

7. Do users receive absolute assurance that the audited financial statements are free from material misstatement?

To our surprise, only 22 of the 32 respondents checked “false”, the options of others being “true”. In order to accomplish the mission, the auditor proceeds to the testing of the transactions on the basis of sampling. Under the current economy and the huge number of transactions of a company, an exhaustive check of transactions would be inconceivable, and the cost-benefit ratio would be uneven. Probably confusion arises amidst the anchoring of public perceptions in the traditional role of audit.

8. Is entity management responsible for fraud prevention and detection?

The options expressed in this question (22-true, 10-fake) are 68.75% according to the requirements of the current regulations, but we would have expected the number of subjects who completed the questionnaire and falsely answered this assertion be smaller. The difference in perception can be justified by the fact that, in general, misrepresentations result from fraudulent financial reporting. It is often generated by management by stealing from controls or by manipulating revenue. Therefore, fraud is generally committed by persons who hold top management positions in the company, have the ability to control the transactions of the company and a large number of staff.

9. Does the auditor be impartial and objective in his / her work?

The analysis of the answers to this question indicates a fairly good degree of trust from the users of financial reporting to the auditor's objectivity (22-true, 4-fake, 6-do not know).

10. Are auditors enough independent to urge a client to fix the identified errors or frauds?

The views expressed in this question are similar to those of the previous assertion. A total of 22 respondents to the questionnaire believe that auditors are independent of clients, while 8 are in the opposite opinion and two have checked “do not know”. Fears of lack of credibility are mainly due to the fact that some professional accountants provide non-audit services to clients at the same time as audits or that the auditors are hired and paid by the enterprise.

11. Are audited financial statements more useful than unaudited investors in making decisions?

The centralization of responses indicates that only 43.75% of the study participants have a positive perception of the role of external audit in validating financial reporting, while about 30% have checked “do not know”. The low confidence of the respondents in the usefulness of the audit work was to some extent expected, given that the economy has recently experienced a deep financial crisis. At such times, the number of those who consider the audit activity responsible for business bankruptcy is growing significantly.

In order to provide an overview of the research carried out, a centralized situation with the answers for each question is presented (table 2.3)

Table 2.3 Users' perceptions and expectations of financial reporting on financial audit activity

Nr.crt.	Questions	True	False	Neutral
1	Does the auditor guarantee the company's continuity of business by expressing its opinion?	12	19	1
2	An unfavorable (contrary) opinion assumes that the client entity will cease activity in the near future?	6	23	3
3	Does the auditor be responsible for the efficiency and effectiveness of the entity's internal control?	5	24	3
4	Does the auditor have to report the deficiencies of internal control in the audit report?	20	10	2
5	Is the Auditor Responsible for Preventing and Detecting Fraud in Financial Statements?	14	18	
6	Should the audit report detail the level of assurance provided by the auditor?	20	8	4
7	Do users receive absolute assurance that the audited financial statements are free from material misstatement?	10	22	
8	Is entity management responsible for fraud prevention and detection?	22	10	
9	Does the auditor be impartial and objective in his / her work?	22	4	6
10	Are auditors enough independent to urge a client to fix the identified errors or frauds?	22	8	2
11	Are audited financial statements more useful than unaudited investors in making decisions?	14	8	10

Source: based on applied questionnaires

Conclusions

The results of the research confirm the existence of discrepancies in perceptions and expectations regarding the role of financial audit. Except for the last assertion, in the case of seven out of the 10 remaining questions, the options expressed by the interviewed subjects indicate at least 25% an erroneous perception or a much higher expectation than the auditors actually achieve through the committed engagement. Moreover, the difference of understanding is more obvious for questions 4 and 6. In their case, the proportion of those who responded “true” to a false item and vice versa is at least 50%.

At the level of the analyzed sample, the discrepancies in perception are mainly due to the lack of education of the respondents, especially with regard to the technical elements of a basic mission in financial audit. The attitude towards the objectivity and independence of professional accountants is generally good.

AEG's abolition is almost impossible to achieve but a narrowing of the gap could be achieved through active involvement of professional bodies in presenting the role and responsibilities of auditors in validating financial reporting.

Of course, the research has some limitations. We faced a small response rate on the distributed questionnaire, which implies a small sample of only 32 subjects. The limited access to reference articles that addressed the same issue and the assessment of only one (statically) AEG represents other untouched dimensions of the study.

As far as future research directions are concerned, it is important to look at the expansion of the sample and the study of AEG in dynamics (for two moments).

Previous studies conducted in Romania have based their conclusions on the basis of information provided by questionnaires sent to student samples or are “literature review”. Through this study we

try to contribute to Romanian literature by evaluating AEG (perceptions-expectations) at the level of users of financial reporting.

Bibliography

ACCA (2011). *A Framework for Extended Audit Reporting*,
[http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit- publications/extended_audit_reporting.pdf](http://www.accaglobal.com/content/dam/acca/global/PDF-technical/audit-publications/extended_audit_reporting.pdf),
accessed January 2015.