

A STUDY ON EXPECTATION GAP BETWEEN THE INDEPENDENT AUDITORS AND THE GENERAL PUBLIC USERS

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ABSTRACT

As the business world grows more and more complex, public expectation of the auditing profession seem to have increased. The audit expectation gap is defined as a difference perception between the independence auditors, general public, and the auditing standards towards the current and ideal auditor's liability.

The purpose of this study is to provide details of the four expectation gap's components namely unreasonable gap, perception gap, standard gap and performance gap, and to find the relative significance of each component to be total audit expectation gap so that future efforts in narrowing the audit expectation gap can be more focused.

A questionnaire survey was conducted amongst public and auditors. Statistical analysis of the survey results was conducted. The relative significant of each component (contribution ratio) is calculated by the weight ages of the components over the audit expectation gap. In addition, the research also recommended possible solutions to close the expectation gap.

The contribution ratios implied that there are varying degrees of significance for each component to the audit expectation gap. The four components contribute to the audit expectation gap (100%) in the following order; standard gap (29%), unreasonable gap (28%), performance gap (22%) and perception gap (21%). Thus the contribution ratios may serve as a guide in prioritizing future efforts to narrow the audit expectation gap.