Research Journal of Finance and Accounting
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.6, No.19, 2015

Audit Expectation Gap among Finance Staff of Public Universities within Kumasi Metropolis, Ghana: Spellman's Hydrostatic Pressure Modeling Approach

Frank Yao Gbadago
Department of Accounting Studies Education,College of Technology Education,University of Education, Winneba,Kumasi, Ghana

Abstract
Literature suggests though auditing is very instrumental in resource allocation functioning within economies across the globe, there is still dichotomy between what the users of audited financial statements (the public) do perceive auditor(s) and their duties and responsibilities to be as against what auditing regulatory frameworks promulgate. In this paper, we analyze the knowledge and awareness of 56 Finance Staff of Public Universities within Kumasi metropolis using Spellman's Hydrostatic Pressure Model (SHPM). Our results suggest that large number of the finance Staff of the public universities are youthful with highly adequate professional and academic qualifications in auditing and accountancy coupled with fairly good number of working experiences in this field. The present study proposed and validated the argument that adequate professional and academic knowledge and training in auditing and accountancy largely elucidate Audit Expectation Gap (AEG). Given that the model has explained that adequate professional and academic knowledge and training in auditing and accountancy largely elucidate AEG, it assures to be a valid model for predicting AEG and how to avoid it completely. The paper therefore concludes that, adequate training and education is the panacea for eliminating AEG's ugly hairy heads among the public. This study thus fills scarcity of conceptual model in understanding the critical determinant(s) that influence AEG not only in Ghana, a developing country but also elsewhere. The limitations of this present study are noted, the implications to theory and accountancy in general have been conferred and recommendations for future research have also been suggested.
Keywords: Audit Expectation Gap, Finance staff of Public Universities, Kumasi Ghana

1. Introduction

A casual review of literature in accountancy, corporate governance among others suggests that auditing is very instrumental in resource allocation functioning within economies and across the globe (Gbadago, 2015; Saladrigues and Grañó, 2014; Ramlugun, 2014; Okafor and Otalor, 2013; Kim, Nofsinger and Mohr, 2010; Lee, Azham and Kandasamy, 2008; Lueng, Coram, Cooper, Cosserat and Gill, 2004). However, both users of audited financial statements and the public do have different expectations of auditor(s) and their duties and/ or responsibilities (Saladrigues & Grañó, 2014; Agyei, Aye & Owusu-Yeboah, 2013; Noghondari & Foong, 2009; Lee et al., 2007). Thus, there seem to be a dichotomy between what end users of audited financial information perceive the audit function to be and how auditors actually perform their audit engagements (Ogbonna and Appah, 2014; Agyei et al., 2013 and Okafor and Otalor, 2013). More incongruously, a critical review of the publics' perceptions and/ or expectations about effectiveness of audit engagement, auditors' ability to detect and prevent fraud (Agyei et al., 2013) coupled with what the auditors believe is their responsibilities as supported by the auditing standards and status (Lee et al., 2007) makes it still absurd in the eye of the public.

This difference in expectation of what audit is in the opinion of the public and what auditors do within the ambit of the auditing standards and status is what is has become known as Audit Expectation Gap (AEG) or simply put expectation gap (Agyei et al., 2013; Noghondari & Foong, 2009; Omane-Antwi, 2009; ICAG, 2008; Lee et al., 2007 and Millichamp, 1996). For instance, the public still do not seem to understand the nature of the attest function, especially in the context of an unqualified opinion, fraud detection and prevention. Evidences in extant literature do suggest that the public thinks an unqualified audit opinion means fool proof financial reporting (Agyei et al., 2013). Some feel that the auditor should not only give an opinion, but also interpret the financial statements to enable users evaluate whether to invest in the company or otherwise. Also, they do think it is the responsibility of the auditors to detect and prevent fraud in organizations (Agyei et al., 2013). Further, the public thinks, it is also the responsibility of the auditor to prepare the financial reports for the business entity. These expectations and perceptions do create a gap between auditors and the end users of audited financial information in respect of the audit function. This demonstrates that even though, auditing is said to have began as far back as early 15th centuries in the days of Pacioli Lucas (Wood and Sangster, 2008) and seen as indispensable tools in corporate governance, many end users and patrons still do not fully understand it and its concepts. This is partly due to its ever changing underlying concepts and principles and hence leaving the stakeholders to conjecture what auditing and its concepts are.

Despite the infusions of extant prior studies that attempted to find out why audit expectation gap does exist (Agyei et al., 2013), its determinants or causes, the nature, how the gap could be narrowed both in developed and developing economies, extant literature suggests that AEG still have its hairy heads up among financial information end users because of lack of education (Ramlugun, 2014; Okafor and Otalor, 2013; Agyei et al., 2013; Olagunju and Leyira, 2012; Onumah et al., 2009; Dixon and Woodhead, 2006). In other words, review of extant literature suggests that lack of education and provable training (Okafor and Otalor, 2013) is largely responsible for the unremitting existence of AEG. Assumingly, where the stakeholders are well educated and trained in accounting and auditing (Ramlugun, 2014) especially on auditors' duties and responsibilities as stipulated by the legal status (the companies code) and supported by regulatory frameworks (auditing standards, ethical guidelines for accountants and auditors), they may stand to be knowledgeable and very clear on the subject matter and hence such differences (or expectation gap) may be largely elucidated. Contrarily, Gbadago (2015) observed that, AEG does exist even among Final year MBA Accounting Students who did studied audit assurance and investigations in the course of their studies. In view of ubiquitous nature of this hairy gap, extant literature suggests that there is the need for joint concerted approach in elucidating it (Olagunju and Leyira, 2012; Onumah et al., 2009). As such, this study like prior ones is motivated to ascertain if the finance staffs of public Universities in Ghana do have adequate knowledge on auditors' duties and responsibilities as provided for under the auditing frameworks. However, this current study is seen as innovative and assumes paradigm shift from other prior studies on audit expectation gap as it examines audit expectation gap among participants considered highly knowledgeable and educated. There exist evidences that portray that finance staff of public universities are highly trained and educated and hence possessed adequate knowledge of auditors' duties and responsibilities. The problem of this research stems from the fact that to answer the above calls for concerted efforts in elucidating the ugly hairy AEG, requires the identification of the groups among which the gap does exist for appropriate remedial actions considering the importance audit and auditors play in corporate life. Consequently, this current study re-examines the existence of audit expectation gap among finance staff of public universities within Kumasi Metropolis, Ghana. If confirmed to exist, discuss the roles and responsibilities of auditors with the chosen research participants.

Despite the increasing potential challenges veneer by AEG to audit profession in general and auditors' reputation in particular (Ogbonna & Appah, 2014; Agyei et al., 2013 and Okafor and Otalor, 2013), there is relatively limited models explaining the key drivers of AEG concept and its existence. The critical contribution of this study is to fill this research gap. Theoretically, the study fills the drought of conceptual models in understanding AEG especially in developing country context. It also provides important implications for audit profession and corporate governance.

The rest of the paper is organized as follows. The immediately next section continues with a brief review of relevant prior literature and specification of model. This is then followed by a description of the research methodology, results and discussions of the findings. It finally wraps up with the implications of the research, discussion of limitations, areas of further research and conclusion while providing some recommendations.

2. Review of Relevant Literature

The extant body of literature suggests that audit came about as shareholders attempted finding remedy to agency problem in corporate governance (Gbadago, 2015; Omane-Antwi, 2009; ICAG, 2008; Watson & Head, 1998; and Millichamp, 1996). Thus, auditing helps to ensure goal congruence (Kim et al., 2010; Watson and Head, 1998) in organizations.

In the views of Porter (2005) and Limperg (1932) as cited in Lee et al. (2007) and supported by Agye et al. (2013), auditors' failure to meet the above perceived expectations of corporate governance participants may undermines their confidence in the auditor as well as his audit function just like the general public. Again, as observed by Agyei et al. (2013); Porter (2005) and Limperg (1932) as cited in Lee et al. (2007), the fear is if that confidence is betrayed, the audit function will be destroyed simply because it thus becomes a futile exercise then. Reasons being that, the stakeholders and users of audited financial statements need to put reliance on the audited financial statements for purposes of entity's economic performance evaluation, investment decisions and/ or resource allocation which propels not only economic entities alone but also the global economy at large (Libby et al. (2008); Godsell (1992) as cited by Lee et al. (2007).

There are host of both theoretical and empirical studies that posit that audit expectation gap exist suggesting that there is dichotomy between what the public mostly the users of audited financial statements and the auditors' understanding of the audit function and/ or performance (Saladrigues & Grañó, 2014; Agyei et al., 2013; Noghondari & Foong, 2009, Omane-Antwi, 2009; ICAG, 2008; Lee et al., 2007; Dixon et al., 2006; Chowdhury et al,2005; Lin & Chin 2004; Fadzly & Ahmad, 2004; Leung & Chau, 2001; Millichamp, 1996; Epstein & Geiger 1994; Humphrey et al., 1993; Gloeck & De Jager, 1993; Porter, 1993; Liggio, 1974). As observed by Lee et al. (2007) and Noghondari & Foong (2009), most of the above mentioned studies happened in the developed economies (Saladrigues & Grañó, 2014; Chowdhury et al.,2005; Lin & Chin 2004; Fadzly and Ahmad, 2004; Leung & Chau, 2001; Epstein & Geiger 1994; Humphrey et al., 1993; Gloeck & De Jager, 1993; Porter, 1993 and Liggio, 1974) while just a few in the developing economies like South Africa (Noghondari and Foong, 2009; McInnes, 1994), Egypt (Dixon et al., 2006), Nigeria (Okafor and Otalor, 2013; Olagunju & Leyira, 2012; Adeyemi & Uadiale, 2011).

In recent times, there has been emergence of empirical studies in Ghana investigating audit expectation gap. Notably among them are Gbadago (2015), Agyei et al. (2013), Onumah, Nana Yaw & Adafula (2009) based on information available to the researcher(s). The few Ghanaian studies available only examined the existence of audit expectation gap. For example, Onumah et al. (2009) observed that whereas financial statements users have significantly different perceptions about assurances provided by auditors' reports, the views of company accountants are somehow, quite close to those of auditors. Also, Agyei et al. (2013) affirmed that there exists audit expectation gap in Ghana particularly in respect to auditors' responsibility relating to fraud detection and prevention and soundness of internal control structure of the audited entity. There after proposed to the audit profession regulators to formulate such standards, rules and regulations that adequately guide the auditors in fulfilling the reasonable expectations of various user groups. It appears; the Ghanaian studies (Onumah et al, 2009 and Agyei et al, 2013) like most other studies elsewhere failed to identity the factors that account for the audit expectation gap. However, Gbadago (2015) observed that even Final MBA (Accounting) Students from one of the public Universities could not rightly pin-point the roles and responsibilities of auditors immediately upon completion of course of studies in Audit Assurance and Investigation. Also, Humphrey (1997) and Epstein and Geiger (1994) discovered that; the technicality of terms and concepts used in auditing by the auditors, users inability to appreciate the nature and limitations of audit respectively largely accounted for the existence of the audit expectation gap. Also, Agyei et al. (2013) posited that the shift in audit objectives and responsibilities in late 20th century from fraud detection to verification of financial statements is responsible to some extent for the expectation gap continues existence.

Therefore a pervasive fresh empirical study in a Ghanaian context is still of the essence in understanding the gap existence. This sets the scene for the current study on audit expectation gap using Finance Staff of the public universities within the Kumasi Metropolis of Ghana as a case. A parallel studies by Lee et al. (2007) in Malaysia; Noghondari and Foong (2009) in Iran and Saladrigues & Grañó, (2014) in Spain confirmed the gaps existence and postulated that fraud

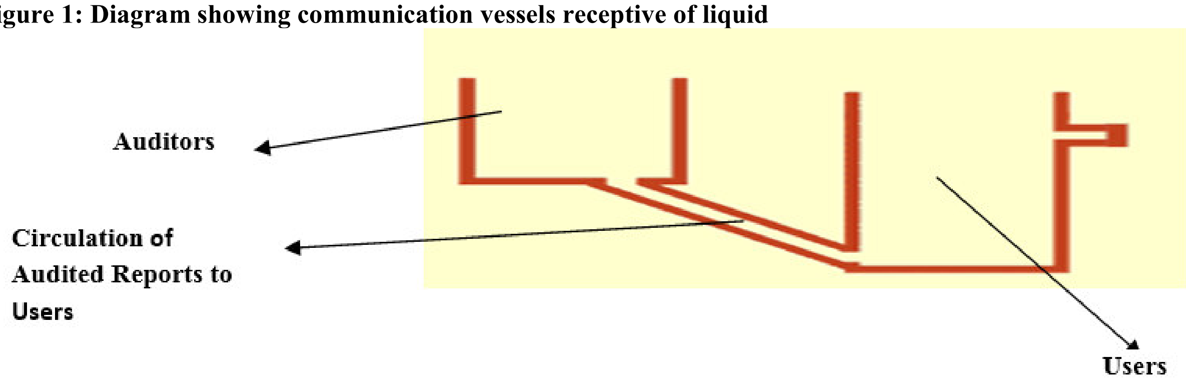
detection, independence, erroneous expectations, nature of the audit process and the "going concern" analysis are some factors responsible for its existence. As observed by Onumah et al. (2009) and supported by Agyei et al. (2013), most of the widely circulated previous studies that postulate model(s) for explaining the AEG if not all were constructed outside Ghanaian environment with different cultural and social settings making it difficult to accept their findings and propositions outright, though they do confirm the existence of audit expectation gap between users of financial information and auditors. For example, Porter, 1993 asserted that the gap was as result of performance, Fadzly and Ahmad, 2004 concluded that an audit expectation gap does exist in Malaysia in respect of auditor's responsibility (as cited in Lee et al., 2007). Lee et al. (2007) though confirmed existence of the gap in Malaysia (as observed by earlier researchers) in their study were however quick to observed that the existence of the audit expectation gap was due to deficient audit standards and performance, leaving the question what the standard might have been in Malaysia. However, Noghondari & Foong (2009) in their studies in Iran using loan Officers of five Commercial banks asserted that there is existence of fairly large audit expectation gap among the Iranian bank loan officers. Also, Onumah et al. (2009) found that accounting knowledge significantly mitigate the extent of the gap among the preparers and users of audited financial statements in Ghana. In addition, however, Okafor and Otalor (2013) posit that lack of education and provable training, in other words knowledge largely is accountable for audit expectation gap's existence contrarily to Gbadago (2015). From the above discussions, the diverse research findings that keeping popping up every time leads to ever renewed research efforts and interests in AEG and possibly that model capable of addressing its complete elimination. For instance, there are evidences around that suggest that since enactment of big reforms and proposals such as Sarbanes-Oxley Act, 2002, combine code (2006), Cadbury Reports and Carbon Reports among others in the so called advanced economies of the world, still the hairy ugly heads of AEG is still with these economies largely precipitating the frequent legal tussles among audit clients and auditors, causing huge reputational effects for audit profession Appiah, 2013).

Consequently, as auditing profession assumes a growing new dynamisms following the Andersen, Enron, Worldcom etc debacle and the 2008 financial crisis coupled with the frequent legal battles and public calls for tighter regulations and monitoring as well as new International Standards on Auditing (ISAs), there is therefore the need for comprehensive empirical studies not only to ascertain the existence of the audit expectation gap in Ghana but also propose model to explain the key drivers of the gap's continuous existence. More importantly, existence of audit expectation gap in Ghana, a developing country may provide fertile ground to analyse the complex interplay of action and context that underlies the existence of the concept. This in turn, may contribute towards formalizing a more rigid regulatory framework for the audit profession in Ghana to moderate its pervasiveness. This is important because of the role auditing and audit profession plays in corporate life of entities and economic development of a nation as well as allocation and reallocation of economic resources in the market place (Ogbonna & Appah, 2014; Okafor & Otalor, 2013 and Lee, Azham & Kandasamy, 2008). This study therefore attempts a paradigm shift from all the previous ones in that it adapted the theory of communication vessels (Fontana & Dicapua, 2005 and Spellman & Whitting, 2005) in explaining the causes of audit expectation gap among finance staff of public universities within the Kumasi Metropolis as proposed below.

3. Model Specification

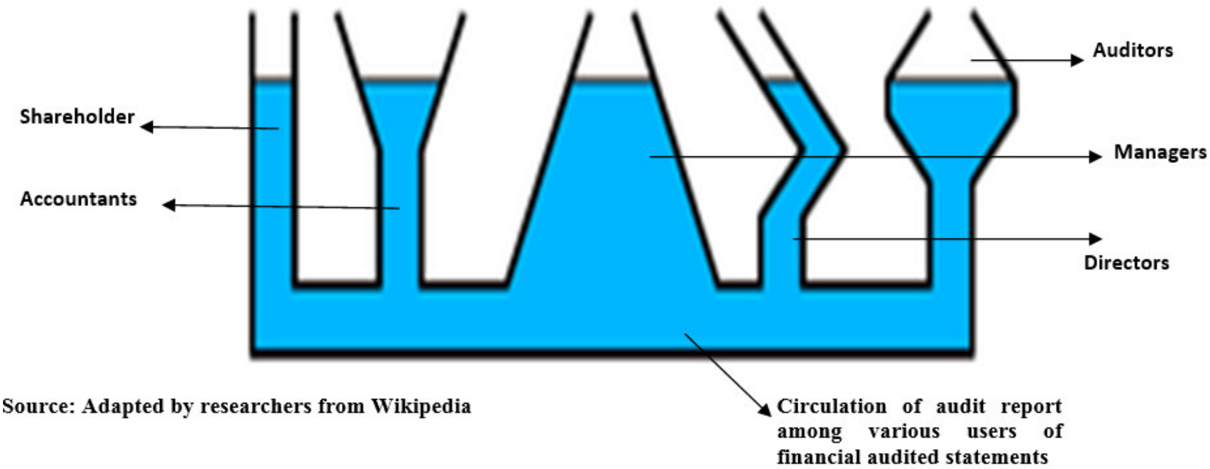
Borrowing from the Role Theory which posits that if in fact, we have information about the role expectations for a specified position, a significant portion of the behavior of the persons occupying that position can be predicted (Michener & Delamater, 1999; Biddle,1986; Goffman, 1961 and Goffman, 1959). As confirmed by Lee et al. (2007), the auditor is seen as role player that most stakeholders in social settings largely corporate governance participants do depend on, look up to and/ or interact with as his audit performance (in this case report) gives them the assurance that all is well with their investments in business entities across the market place (Kim et al, 2010). Also, managements of their business organizations were operating their entities and/ or resources made available to them within the laid down rules, regulations, practice, norms and/ or to achieve agreed targets and profitability (Watson & Head, 1998). In so doing, auditors' performance over time causes the various stakeholders to hold pre-conceived notions of the role expectations of the auditor. These Roles may in part be dictated by social structure and interactions. Thus, the auditors in their role of attestation, providing audit assurance to stakeholders and users of financial information may be perceived with some expectation far and above what their actual roles and responsibilities are. This according to Lee et al., 2007 places the auditor in multi-role, multi expectation situations. As such, it is suggested that there could be different expectations between the auditors and their role senders or observers leading to an expectation gap. Consequently thereon, the role expectations play by the auditors and the reprisal reactions from the end users of the audited financial statements where the outcomes differ from their expectations may be likened to how communication vessels containing liquids (refer to figure 1 and 2) as put forward in hydrostatic pressure theory.

Figure 1: Diagram showing communication vessels receptive of liquid



Source: Adapted by researchers from Wikipedia

Figure 2: Diagram showing communication vessels full of liquid and in equilibrium with each other signifying various users of audited financial statements (auditor's report)



Source: Adapted by researchers from Wikipedia

Source: Adapted by researchers from Wikipedia

Under the framework as (shown in figures 1 and 2 above), the interactions between the stakeholders of audited financial statements and the auditors' roles and responsibilities could be seen as sets of containers containing a homogeneous fluid. The containers (vessels) signify the auditor, audit clients and various users of audited financial statements as depict in figures 1 and 2 above. When the liquid (auditors report) settles in all the vessels (users) which are connected to each others, it balances out to the same level in all of the containers regardless of the shape and/ or volume of the containers. This happens where the audit performance together with the reports meet the stakeholders expectations. In this case the actual audit as stipulated in the guidelines of the governing frameworks permeates stakeholders' expectations. If additional and/ or different liquid is added or taken to or from one vessel, the liquid will again find a new equilibrium level in all the connected vessels by means of Stevin's Law as gravity and pressure are constant in each vessel usually (referred to as hydrostatic pressure) (Fontana & Dicapau, 2005 and Spellman & Whitting, 2005). The pressure exerted on a molecule of a liquid is transmitted in full and with the same intensity in all directions. For the purposes of this study, the auditor and the users of audited financial statements (be it shareholders, Directors, management, employees, bankers, tax authorities, regulators, competitors, creditors) as well as the auditor himself (Libby, Libby, Short, Kanaan and Gowing, 2008) are seen as separate vessels as information is poured into (communicated to) them by the auditor through his final audit report on the audited financial statements regarding the state of affairs. As each stakeholder receives and digests the report at that initial stage, it is not yet full and hence raises imbalances. However, a good, comprehensive and up to the standard audit performance accompanied with good, comprehensive audit report which meets the terms of the audit engagement and all other regulatory framework is likely to meet the users' expectations and hence causes the internal equilibrium in the users as well as the auditor to remain in stability. Succinctly put, a well performed audit in accordance with the terms of engagement, legal status and other regulatory frameworks such as ISA and ethical and professional guidelines is likely to meet the users expectations and hence may not cause any expectation gap.

A critical review of auditing literature on status, standards and practicing guidelines revealed that in practice, the auditor performs an audit engagement(s) in strict adherence to the following regulatory frameworks as explained below;

a) The engagement contract(s) which indicates the terms of reference upon which the auditor is appointed. The engagement contract or letter sets out the extent of work to be undertaken by the auditor for the client and reminds the client of the liabilities of both parties (Millichamp, 1996; ICAG, 2008; Omane-Antwi, 2009). According to ISA 210 (as cited in ICAG, 2008; Omane-Antwi, 2009), engagement contract usually covers the functions of the auditor and the responsibilities of the directors, discovering of fraud and defalcations, details of other services, charges, reporting authority as well as the time frame within which the report is expected. The golden rule to auditor is that he should avoid being side tracked.
b) The provisions of local legislation governing auditors as provided in the Companies Code, 1963 (Act 179). In Ghana, auditor's duties and responsibilities are governed by Act 179. Thus, he is said to have performed his duties if he had complied with the Act specifically Section 136 (1).
c) The Ethical and Professional Guidelines. This serves as a conceptual frame work that requires the auditor in performance of his audit engagement to maintain highest integrity, professional competence while remaining objective, confidential, and exercising due care IFAC Handbook, 2007(as cited in ICAG, 2008; Omane-Antwi, 2009).
d) The international Standards on audit (ISA), stipulates the attitude the auditor should assume in the

course of his audit performance (ISA 200 & 240). Thus, he is said to have performed his duties if he is seen to have assumed the recommended attitude and skillfulness.

The object of the above frameworks is to ensure that the audit or the auditor while protecting himself from any liability does perform his work objectively, professionally with the needed due care and skills to the satisfaction of the engaging party. Hence any audit performed in the spirit of the above is likely to meet the expectations of the engaging party and hence all the users. Absurdly, empirical and theoretical studies suggest that there exist difference in what the users expect auditors to do and what they actually do usually referred to as expectation gap. Lack of education and training has been identified as key drivers for this difference. This therefore suggests that where there is good knowledge on auditors' duties and responsibilities, there may not be any audit expectation gap. As such those with good accounting and auditing studies backgrounds are favoured as not having audit expectation gap among them. This is what this study intended testing with the view to postulate a possible model are the urging motivating objective for this study.

4. Methodology

The general approach adopted for this research was a survey using a questionnaire as the data collection instrument. The items in the instrument as adapted from Gbadago (2015) was intended to measure the finance staff of the public Universities within Kumasi Metropolis of Ghana's knowledge of auditors duties and responsibilities. The instrument having been tested for its potency was administered to the research respondents within their office settings. The population for the study comprises of Finance staff of all public universities having presence within the Kumasi Metropolis of Ghana. This stood at four as at April, 2015. However, due to vastness of the population, a non-probabilistic (convenient quota) sampling technique was adopted to arrive at a sample for the study. A list of all the public universities having presences in the metropolis was obtained. Kumasi metropolis was chosen because of its proximity and convenience. Also, for the purposes of the study, the public university finance staffs are perceived to be knowledgeable and highly learned and are expected to know the roles and responsibilities of auditors as provided in the standards and regulatory frameworks. This is believed to provide strong basis for their inclusion in the study. Consequently, the sample is made up of Finance staffs who work in the finance and accounting units or departments of the selected institutions. The bases of selecting the Finance staffs are for the following two reasons. Firstly, the Finance staffs are audit beneficiaries who have used audit reports from the work of auditors for different purposes. As such, they know what to expect from the auditors. Secondly, as Finance staffs they might have been audited in one way or the other before and/ or in constant contact with auditors. Further, they are more familiar with the work of auditors as they have previously been audited, had adequate training and education in accountancy and auditing and hence are in a better position to identify what duties and responsibilities expected of auditors.

Structured questionnaire was used to collect data from the respondents at their various work places. To ensure a good response rate, some time was given to the respondents to fill out the questionnaire and return them almost immediately. In all, 60 sets of questionnaire were administered. Out of this number only 56 copies of set of the questionnaire were returned as usable representing 93.33% response rate. The data were collected in the month of April, 2015 by the author(s) and their research assistants.

The items in the data collection instrument were essentially closed-ended questions. Closed ended questions were used because, to the researcher, this was expected to obtain the needed data within the shortest possible timeline within which respondents were expected to complete the instruments, coupled with its ability to cover large number of respondents that the study intended to use in short time. Also, to ensure the highest response rate, the researcher(s) assisted the respondents in completing the research questionnaires on site in some cases. The responses were collated and coded for analysis and interpretation to enable inferences to be made for possible conclusions using Statistical Package for Social Science (SPSS) and excel program. The descriptive statistics were used to summarize the data as presented using frequency tables under results and discussions.

5. Results and Discussions

The results of the study based on an analysis of the responses from the 56 copies of completed and usable data collection instruments are as discussed in this section. The demographic characteristics in respect of gender, age, educational background, number of years working experience of the respondents are as depict in table 1. Out of the 56 respondents aged 25 years and above, 75% are males and 25% are females indicating the males' dominance in the chosen sample. Those aged between 25 to 30 years dominated representing 50%. This is followed by those within ages 36 to 40 years being 26.79%. Those within age 31 to 35 years were about 19.64% while those within ages 41 years and above represent about 3.57%.

Table 1: Respondents' Demographic Characteristics

Variable	Categorization	Frequency	Percentage (%)
Gender	Male	42	75.00
	Female	12	21.43
	No response	2	3.57
Age	25-30	28	50.00
	31-35	11	19.64
	36-40	15	26.79
	41 & Above	2	3.57
Educational Background	Degree	18	32.14
	Masters	12	21.43
	Professional	26	46.43
No. Years of Working Experience	1-3 years	7	12.50
	3-5 years	12	21.43
	6-9 years	3	5.36
	10 years and above	11	19.64
	No response	23	41.07

Source: Field Survey, April, 2015

From the age distribution as revealed in table 1, about 70% of the finance staff are below age 36 years. Impliedly, only about 30% of the finance staff from the public Universities within Kumasi Metropolis are 36 years and above. The finance staff of the respondent public universities had educational background in first degree (being 32.14%), masters degree (being 21.43%) and professional (being 46.43%) qualification in accounting and business related courses as shown in the table 1. This suggests that the finance staffs are highly qualified in terms of academic qualifications. The study further revealed that, while about 41% of the respondents did not indicate their number of years working experience, about 20% of the respondents indicated that they have worked for 10 years and above and finally well about 39% had worked between 1 to 9 years. This suggests that on the average the finance staff had good working experience and knowledge.

Having confirmed the educational background and working knowledge of the research participants which confirms the assumption(s) used in deciding on them, their knowledge on the duties and responsibilities of auditors were then tested as extant prior literature suggest this will help in elucidating audit expectation gap. The results were as depicted in table 2 below.

The study revealed while 55.36% of the respondent finance staff rightly knew that it is not the responsibility of the auditor (s) to prepare the financial statements of their clients about 44.54% did not know. Though, the respondents had relevant academic qualifications and working experiences in finance and accounting and have been audited in one way or the other, well about 45% of them do not know that it is not the responsibility of the auditors to prepare financial statements of their audit clients. In consonance with the provisions of the Companies Code, 1963 (Act 179), keeping of proper books, preparation of financial statements as well as its fair presentation is the sole responsibility of the entity and its directors. This finding corroborates with Gbadago (2015)'s observations that while 71% of Final year MBA (Accounting) students do know that this function is not one of the responsibilities of auditors, 29% of them do not know.

Also, about 91% of the respondents expect auditors to verify every accounting transaction of their audit clients. This is largely contrary to what pertains in practice where during audit engagements due to voluminous nature of transactions, auditors are tempted to rely on sampling and risk based approaches (Gbadago, 2015) instead. Similarly, while about 55% of respondents think auditors are responsible for preventing fraud and errors, 45% think otherwise.

Table 2: knowledge of Respondents on Auditor's Responsibilities and Duties

	Variables	Frequency										
	The auditor's responsibility is:	**YES**	**%**	**No**	**%**	**Not Sure**	**%**	**No response**	**%**	**Total**	**Total (%)**	**Comments**
1	To prepare the company's financial statements	25	44.64	31	55.36	0	-	0	-	**56**	**100**	NG
2	To verify every accounting transaction	51	91.07	3	5.36	0	-	2	3.57	**56**	**100**	G
3	To prevent fraud and errors in the company	31	55.36	21	37.50	0	-	4	7.14	**56**	**100**	G
4	To detect all frauds and errors in the company	24	42.86	28	50.00	0	-	4	7.14	**56**	**100**	NG
5	To detect theft (other than petty theft) which has been committed by employees & directors	23	41.07	28	50.00	2	3.57	3	5.36	**56**	**100**	NG
6	To guarantee that a company whose financial statements have been given an unqualified ('clean') audit report is financially sound	39	69.64	12	21.43	5	8.93	0	-	**56**	**100**	G
7	To plan the accounting and internal control system	33	58.93	11	19.64	12	21.43	0	-	**56**	**100**	G
8	To interpret the financial statements to enable users evaluate whether to invest in the company	39	69.64	3	5.36	4	7.14	10	17.86	**56**	**100**	G
*9.	To guarantee the complete accuracy of audited financial statements	39	69.64	12	21.43	3	5.36	2	3.57	**56**	**100**	NG
*10.	To verify the accounting estimates in the financial statement	38	67.86	13	23.21	0	-	5	8.93	**56**	**100**	NG
*11.	To performs his duties in accordance with the Companies code, 1963 (Act179), ISA, Ethical guidelines, engagement contracts etc	46	82.14	4	7.14	3	5.36	3	5.36	**56**	**100**	NG
*12.	To obtain reasonable and material evidence in the performance of his audit work	35	62.50	10	17.86	1	1.79	10	17.86	**56**	**100**	NG
Proportion of Audit Expectation Gaps Identified to No Audit Expectation Gap						***41.67***						

Operational Definitions: G=*Audit Expectation Gaps, NG= No Audit Expectation Gap*
****Denotes Actual Auditor(s)' Responsibilities per status and frameworks***

Source: Field Survey, April, 2015

However, about 43% pointed out that it is the responsibility of the auditor to detect all frauds, theft and errors in their audit clients' organization during audit(s) as against 50% with contrary views. Extant literature opined that collusion, teeming and lading and management overrides, make it is impossible for an auditor to uncover all fraud and thefts as well as errors in an organization.

Further, about 70% of the respondents believe unqualified audit report signifies financially sound entity. Also, same per centum of respondents, think auditors should guarantee for the audited financial statements' completeness and accuracy, as well as interpret the financials to users to enable them evaluate if they should invest or otherwise.

The study also revealed that while 67.86% of the respondents agreed that auditors are responsible for verifying the estimates in the financial statements, 23.21% did not agreed with 8.93% did not provided any response. Further, on errors, fraud, theft detecting and prevention 65%, 59%, 59% indicated that the auditor is not responsible any of the above respectively. About 82% of respondents agreed that auditors are to perform their duties in accordance with the auditing status and regulatory frameworks. This is largely consistent with views of extant literature. Finally, the study revealed that about 63% of respondents think auditors are to obtain reasonable and material evidences as basis of their audit opinions.

On the basis of the foregoing discussions, evidence suggests that overall, about 71% of the respondents are fully aware of the responsibilities and duties of auditors as represented by items 9 to 12 (Table 2). This presupposes that, good knowledge and training in auditing and accountancy elucidates audit expectation gap (Okafor and Otalor, 2013; Onumah et al., 2009).

As suggested by Fontana & Dicapau (2005) and Spellman & Whitting (2005), where the role senders do possessed adequate knowledge, perceived expectations do not largely differ from the actual expectations leading to no or little expectation gap existence. Consequently, there is no cause of instability to necessitate reactions as suggested by hydrostatic pressure theory (Fontana & Dicapau, 2005 and Spellman & Whitting, 2005).

Further, categorization of the results above (table 3) portrays that about 59% of respondents' expectation coincide with the actual audit and hence there should not be much issue of audit expectation gap.

Table 3: Categorizing the Auditors' Responsibilities and Duties

	Variables	Frequency					
	Categorization of Auditors' Responsibilities:	**YES**	**%**	**NO**	**%**	**Total**	**Total (%)**
a)	Actual Auditors Responsibilities	33.14	59.17	22.86	40.83	**56**	**100**
b)	Perceived Auditors Responsibilities	39.50	70.54	16.50	29.46	**56**	**100**

Source: Field Survey, April, 2015

On this basis, where the perceived auditors roles and responsibilities coinside with what have been specified by the status and regulatory frameworks together with the actual audits, there should not be any gap or difference. In other words no audit expectation gap and therefore no reactions as there is stability among the various end users of the audited financial statements. Alternatively, where these do not coinside, it does bring about instability among the end users forcing reactions from them. This reaction thresh-hood (usually refer to as disequilibrium) may finally results in reputation deficits among auditors and their profession if care is not taken to resolve it.

Given, the foregoing discussions, there is therefore the need to device immediately remedy for the audit expectation gap illumination.

Table 4: Descriptive Statistics on the Variables

	Variables **The auditor's responsibility is**:	**Mean**	**Stand.Dev**	**Median**	**Coeff. of Var**
1.	To prepare the company's financial statements	14.00	16.35	12.50	0.86
2.	To verify every accounting transaction	14.00	24.70	2.50	0.57
3.	To prevent fraud and errors in the company	14.00	14.54	12.50	0.96
4.	To detect all frauds and errors in the company	14.00	14.05	14.00	1.00
5.	To detect theft (other than petty theft) which has been committed by employees & directors	14.00	13.44	13.00	1.04
6.	To guarantee that a company whose financial statements have been given an unqualified ('clean') audit report is financially sound	14.00	17.38	8.50	0.81
7.	To plan the accounting and internal control system	14.00	13.78	11.50	1.02
8.	To interpret the financial statements to enable users evaluate whether to invest in the company	14.00	16.95	7.00	0.83
*9.	To guarantee the complete accuracy of audited financial statements	14.00	17.26	7.50	0.81
*10.	To verify the accounting estimates in the financial statement	14.00	16.87	9.00	0.83
*11.	To performs his duties in accordance with the Companies code, 1963 (Act179), ISA, Ethical guidelines, engagement contracts etc	14.00	21.34	3.50	0.66
*12.	To obtain reasonable and material evidence in the performance of his audit work	14.00	14.63	10.00	0.96

Denotes Actual Auditor(s)' Responsibilities per status and frameworks

Source: Field Survey, April, 2015

The findings of the study as discussed above have some serious implications for both theory and practice in corporate life in general and the audit profession in particular.

Theoretically, our findings confirm many previous studies that AEG does exist largely as a result of knowledge gap (Ramlugun, 2014; Okafor and Otalor, 2013; Agyei et al., 2013; Olagunju and Leyira, 2012; Onumah et al., 2009; Dixon and Woodhead, 2006). That is generally lack of knowledge on the duties and responsibilities of auditors will definitely results in AEG and the reverse is true. This suggests that to avoidance of the AEG completely requires that accounting and auditing professionals should be thoroughly trained and educated on the responsibilities and duties of the auditor as stipulated in the auditing status (companies code) and regulatory frameworks (standards and ethical guidelines). This implies that, both in the classrooms as well as the professional programs should be well designed with the view to achieve these objectives. Extending this further suggests concerted efforts from the lecturers, educators and programs regulators needs to collaborate to achieve the desire results (Ramlugun, 2014; Okafor and Otalor, 2013; Agyei et al., 2013; Olagunju and Leyira, 2012; Onumah et al., 2009; Dixon and Woodhead, 2006).

The implications for practice in corporate life and the audit profession are viewed in terms of the effects of AEG on audit practice. This involves its effect on reputation of auditors and the disincentive that the corporate participants may have towards the need for having an audit carried out especially if it is just a futile exercise that must be paid in hard currency. Consequently, the stakeholders might abandon it for good and hence there might be jobs for the auditors.

Also, once cannot image the effects on agency problems in corporate life as well as resource allocation in the market place (Libby et al., 2008; Godsell, 1992 as cited by Lee et al., 2007).

6. Conclusions and Recommendations

This study sought to empirically explain the existence of AEG among public universities' finance staff within Kumasi metropolis of Ghana using hydrostatic pressure model. The evidences from this study compose several contributions to the auditing and accountancy profession and expected to resolve the reputation challenges (Ogbonna & Appah, 2014; Agyei et al., 2013 and Okafor and Otalor, 2013) that emerged immediately after Andersen, Enron, Worldcom etc debacle and the 2008 financial crisis that saw frequent legal battles against auditors.

The key contribution of this study lies in the fact that it validated a theoretical model for analyzing AEG and public universities finance staff knowledge on auditors' responsibilities and duties. The proposed model established that adequate education and trainings lead to acceptable level of knowledge and awareness of auditors' responsibilities and duties which are determinants of the existence of AEG of the public. It has also dogged the extent to which the determinants are critical in elucidating AEG in Ghana a developing country context. As prior empirical studies on AEG were mostly conducted in developed country contexts, this study however, fills the dearth of empirical models in the AEG context, especially in developing country context. It presents a strong validated model of AEG that is capable of explaining the critical factors that influence AEG in Ghanaian auditing and accountancy profession.

Theoretically, the validated model adds to the convergence in the general auditing literature and in particular the audit expectation gap literature. The findings support the role expectation model that postulates that if in fact, we have information about the role expectations for a specified position or person, a significant portion of the behavior of the persons occupying that position can be predicted (Michener & Delamater, 1999; Goffman, 1961 and Goffman, 1959). The findings are also consistent with few other extant AEG literatures that postulate that education is panacea for eliminating or narrowing the AEG.

Further, this study tenders implications and recommendations to regulators of auditing and accountancy as well as training and educational institutions in particular. First, it found that appreciable education and training has the strongest influence on the public knowledge and awareness of auditors' responsibilities and duties. This implies that the more knowledgeable the public is the narrower the AEG will be. It is recommended that the regulators of auditing and accountancy as well as training and educational institutions should put in place effective strategies to adequately train and educate the public on the auditors' responsibilities and duties. Consequently, this may help in reducing the resultant reputation challenges coupled with legal battles against auditors

This study cannot be said to be without limitations. Apparently, there are several limitations inherent in the qualitative specifically the sample and sampling methodology used. Firstly, the study is based on four public universities having presence within Kumasi Metropolis where the sample is seen as not representative enough and hence limiting the generalization of the findings. Therefore, future research using a larger sample to provide a better insight is desirable and highly recommended.

Also, the analysis and the model specification might not have been properly formulated as not statistical techniques were embedded. This may put its soundness to text.

Further, the next limitation relates to the culture in Ghana, which might have affected responses from respondents. As mostly the case, information usually given out in response to survey questions are usually not the true picture as respondents usually discuss and or seek other colleagues opinions, making it difficult for us to guarantee the data validity despite our efforts to curtail this. In sum, factors like the sample size, subjectivity of respondents and inability to authenticate the primary data by preventing the respondents from sharing and discussing their responses with their colleagues certainly limit the ability to generalize the findings. Therefore, future research can consider replication from the perspective of other highly knowledgeable publics such as the university faculties. We bicker this might craft fruitful avenues of research necessary for deepening our understanding of causes of AEG and its complete elucidation.

In conclusion, the purpose of this study was to empirically explain the existence of AEG among public universities' finance staff within Kumasi metropolis of Ghana using hydrostatic pressure model. The present study proposed and validated the argument that adequate professional and academic knowledge and training in auditing and accountancy largely elucidate AEG. Given that the model has explained that adequate professional and academic knowledge and training in auditing and accountancy largely elucidate AEG, it assures to be a valid model for predicting AEG and how to avoid it completely. It therefore concludes that, adequate training and education is the panacea for eliminating AEG's ugly hairy heads among the public. This study thus fills scarcity of conceptual model in understanding the critical determinant(s) that influence AEG not only in Ghana, a developing country but also elsewhere. The limitations of this present study are noted, the implications to theory and accountancy in general have been conferred and recommendations for future research have also been suggested.

References:

Agyei, A., Aye, B.K. and Owusu-Yeboah, E. (2013), An Assessment of Audit Expectation Gap in Ghana. International Journal of Academic Research in Accounting, Finance and Management Sciences, Vol.3. No.4. pp112-118.

Appiah, K.O. (2013), Corporate Governance and Corporate Failure: Evidence From Listed UK Firms, PhD Thesis, Loughborough University, UK.

Biddle, B. J. (1986), Recent Development in Role Theory. Annual Review of Sociology. pp. 1267-1292.

Chowdhury, R.; Innes. J. and Kouhy, R. (2005), The public Sector Audit Expectation Gap in Bangladesh. Managerial Auditing Journal. Vol 20. No 8. pp 893-905.

Cohen Commission (1978), Commission on Auditors' Responsibilities. Report, Conclusions and Recommendations. New York, AICPA.

Dixon, R. and Woodhead, A. (2006), An Investigation of the Expectation Gap in Egypt. Managerial Auditing Journal. Vol 21. No 3. pp 293-302.

Epstein, M. and Geiger, M. (1994), Investor Views of Audit Assurance: Recent Evidence of the Expectation Gap. Journal of Accountancy. Vol 177. No 1. pp 60-66.

Fazdly, M. and Ahmad, Z. (2004), Audit Expectation Gap: The Case of Malaysia. Managerial Auditing Journal. Vol 19. pp 897-915.

Fontana, F. and DiCapua, R. (2005), Role of hydrostatic paradoxes towards the formation of the scientific thought of students at academic level. European Journal of Physics (6): 1017–1030. Bibcode:2005EJPh...26.1017F. doi:10.1088/0143-0807/26/6/009.

Gloeck, J.D. and De Jager, H. (1993), The audit expectation gap in the Republic of South Africa. School of Accountancy Research Series. Research Report 93 (1). University of Pretoria.

Goffman, E. (1959), The Presentation of Self in Everyday Life. Anchor Books. ISBN 0385094027

Goffman, E. (1961), Encounters: Two Studies in the Sociology of Interaction. MacMillan Publishing Co. ISBN 0023445602

Humphrey, C.; Moizer, P. and Turley, W. (1993), The audit expectation gap in Britain: an empirical investigation. Accounting and Business Research. Vol 23. pp 395-411.

http://en.wikipedia.org/wiki/Communicating_vessels

ICAG (2008), "Auditing and Internal review" Accra, Ghana, Black Mask Ltd.

Lee, T.H. & Azham, M.A. (2008), The Audit Expectation Gap: A Review of Contributing Factors. Journal of Modern Accounting and Auditing, Vol. 4, No. 8 (39), 30-36.

Lee, T.H., Gloeck, J.D. and Palaniappan, A.K. (2007), The Audit Expectation Gap: An Empirical Study in Malaysia. Southern African Journal of Accountability and Auditing Research Vol. 7, pp. 1-15.

Leung, P. and Chau, G. (2001), The Problematic Relationship between Audit Reporting And Audit Expectations; Some Evidence from Hong Kong. Advances in International Accounting. Vol 14. pp 181-206.

Libby, R., Libby, P.A, Short, D.G., Kanaan, G and Gowing M.(2008), Financial Accounting (3rd Canadian Edition), McGraw-Hill Ryerson Ltd, Montreal, Canada.

Liggio, C. (1974), The Expectation Gap: The Accountant's Waterloo. Journal of Contemporary Business. Vol 3. pp 27-44.

Lin, Z. & Chen, F. (2004), An Empirical Study of Audit 'Expectation Gap' in The People's Republic of China. International Journal of Auditing. Vol 8. pp 93-115.

Michener, H. A. and DeLamater, .J.D. (1999), Social Psychology. Harcourt Brace College Publishers. ISBN 0534583210

Millichamp, A.H. (1996), "Auditing" 7th Edition, London, UK, Letts Educational.

Noghondari, A.T. and Foong, S.Y. (2009), Audit Expectation Gap and Loan Decision Performance of Bank Officers in Iran. Int. J. Accounting, Auditing and Performance Evaluation, Vol. 5 (3), pp. 310–328.

Ogbonna, G.N. and Appah, E. (2014), Causality of Audit Expectation Gap and Corporate Performance in Nigeria. Causality of Audit Expectation Gap and Corporate Performance in Nigeria. Research Journal of Finance and Accounting, Vol.5(9), pp. 11-22.

Omane-Antwi, K.B. (2009), "Auditing Theory and Practice (the auditing Compendium)" Tema, Ghana, Digibooks Ghana Ltd.

Onumah,M.J., Nana Yaw, S.S. and Babonyire, A. (2009), The audit expectation gap concept: Examining views on auditors' reports from Ghana. Accounting in Emerging Economies (Research in Accounting in

Emerging Economies, Volume 9. Emerald Group Publishing Limited, pp.321 – 343.
Okafor, C. and Otalor, I. J. (2013), Narrowing the Expectation Gap in Auditing: The Role of the Auditing Profession. Research Journal of Finance and Accounting, Vol.5(9), pp. 43-53.
Porter, B. (1993), An Empirical Study Of The Audit Expectation-Performance Gap. Accounting and Business Research. Vol 24. pp 49-68.
Saladrigues, R. and Grañó, M. (2014), Audit Expectation Gap: Fraud Detection and Other Factors. European Accounting and Management Review Vol. 1 (1), pp. 120-142.
Sarbanes, P., (2002), Sarbanes-Oxley Act of 2002. In The Public Company Accounting Reform Investor Protection Act. Washington DC: US Congress.
Spellman, F. R. and Whiting, N. E. (2005), Environmental Engineer's Mathematics Handbook. CRC Press. ISBN 978-1-56670-681-0.
Watson, D. and Head, T. (1998), “Corporate Finance Principles and Practice” England, Pearson Education Ltd.
Wood, Frank and Sangster, A. (2008), Frank Wood’s Business Accounting 1 (11^{th} Edition), Prentice Hall Financial Times, Harlow, England.