AN EVALUATION OF THE AUDITORS ROLES AND ELIMINATION OF THE AUDIT EXPECTATION GAP IN THE EDUCATIONAL SECTOR [CASE STUDY OF MAZOWE DISTRICT SECONDARY SCHOOLS]

TOPIC
BY
BENJAMIN MAPINGIRE
B1439054

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF ACCOUNTANCY HONOURS DEGREE
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APPROVAL FORM

The undersigned certify that they have supervised, read and recommend to Bindura University of Science Education for acceptance of a research project entitled:

AN EVALUATION OF THE AUDITORS ROLES AND ELIMINATION OF THE AUDIT EXPECTATION GAP IN THE EDUCATIONAL SECTOR [CASE STUDY OF MAZOWE DISTRICT SECONDARY SCHOOLS]

Submitted by:  B1439054

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE BACHELOR OF ACCOUNTANCY HONOURS DEGREE

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Name of student                     Signature                     Date

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Name of Supervisor                  Signature                     Date

..................................................  ..................................................  ...../...../...
Chairperson                        Signature                     Date
RELEASE FORM

REGISTRATION NUMBER:  B1439054

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SIGNED:  …………………………………………………………………

PERMAMMENT ADDRESS:  6531 – 133 CRESCENT
                        KUWADZANA 5
                        HARARE
                        ZIMBABWE

DATE:  July 2017
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DEDICATION

This research is dedicated to the researcher’s mother –Lillian, young brothers –Todd and Hatirarame, sisters -Emily, Linah and Regina, twins-Joyce and Tanyaradzwa lastly siblings Tatenda, Memory, Wilbert junior, Happiness, Nicole, Chelsea, Mitchell, Malvern. Todd junior and Mukudzeishe Benjamin junior, not forgetting Cynthia my wife, for the support they gave throughout my academic life. The research is also dedicated to my late Mapingire family members who died in a car accident on 26 October 1997; father Todd Zuvarimwe [who always uttered this statement “this system must be abolished”] was a professional driver in life and the family, elder brother Wellington [Panganayi] an English teacher in field and at home and to my eldest brother Wilbert [Mandebvu-Mafirakureva] who passed away on 21 April 2001, he was an achiever and a comforter for the entire family.
ABSTRACT

This study investigates the auditors’ roles and the elimination of the audit expectation gap in the educational sector by taking a case study of three secondary schools in Mazowe west District, Mashonaland Central. According to Chivore [1995], the government of Zimbabwe formed the School Development Committees for government-aided public schools and the School Development Associations for government public schools in terms of Section 29 of the Education Amendment Act 1991. The committee is comprised of 5 individual persons elected by parents and guardians during the Annual General Meetings. Every school has a Finance committee that constitutes the Head, Deputy Head, School Development Committee [SDC] Chairperson and the Vice chairperson. According to Rehman [2002], usually the school Finance committee and the SDC make the projection for the coming year from assumption based on reliable data of expected incomes, which form the basis for the projected expenditure. Studies by Chikoko [2008] in Gutu district showed that members of the Finance committee lacked financial management abilities and skills to account for funds in their custody. In the previous year’s many schools financial statements were audited and it was discovered that there are fraud activities and other irregularities taking place hence the stakeholders state that it is the duty of auditor to reveal the fraud and other irregularities but the audited clients state that the auditor’s are auditing beyond their roles and duties. This different perception as necessitated this research as to evaluate the auditor’s roles and elimination of the audit expectation gap in the educational sector. The researcher recommended that there is need to educate the finance committee and the SDC members about the International Accounting Standards and International Auditing Standards which defines the auditor’s roles, duties and responsibilities and also reliability on audit reports for decision making, and other independent factors.
ACKNOWLEDGEMENTS

I salute the almighty God for the precious time that I was given to be able to complete my study under harsh economic challenges and not forgetting my supervisor who was always there to guide me throughout the research. Also, the contribution of Mapingire family, friends and workmates especially my school head Mr Muruvi Muruvi who supported my studies on uncountable ways cannot be forgotten.
TABLE OF CONTENTS

Table of Contents

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPROVAL FORM</td>
<td>ii</td>
</tr>
<tr>
<td>RELEASE FORM</td>
<td>iii</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>v</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>vi</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>x</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xi</td>
</tr>
<tr>
<td>LIST OF ACRONYMS</td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td>xiii</td>
</tr>
</tbody>
</table>

CHAPTER I ..................................................................................................................1
INTRODUCTION .............................................................................................................1
1.0 INTRODUCTION ......................................................................................................1
1.1 BACKGROUND TO THE STUDY ..................................................................................1
1.2 STATEMENT OF THE PROBLEM ................................................................................1
1.3 RESEARCH OBJECTIVES ........................................................................................2
1.4 RESEARCH QUESTIONS ..........................................................................................2
1.5 RESEARCH ASSUMPTIONS ......................................................................................2
1.6 SIGNIFICANCE OF THE STUDY ..............................................................................3
1.7 DELIMITATIONS OF THE STUDY ............................................................................3
1.8 LIMITATIONS ........................................................................................................3
1.9 LITERATURE REVIEW ..............................................................................................4
1.10 RESEARCH METHODOLOGY ....................................................................................4
1.11 ABBREVIATIONS OF KEY TERMS ..........................................................................4
1.12 DEFINITION OF TERMS .......................................................................................4
1.13 SUMMARY ............................................................................................................5

CHAPTER II ..................................................................................................................6
LITERATURE REVIEW .....................................................................................................6
2.0 INTRODUCTION .......................................................................................................6
2.1 THEORETICAL LITERATURE ....................................................................................6
2.2 EMPIRICAL EVIDENCE ..........................................................................................19
2.3 GAP ANALYSIS ......................................................................................................22
2.4 SUMMARY ..............................................................................................................22
CHAPTER III .......................................................................................................................23
RESEARCH DESIGN AND METHODOLOGY .................................................................23
3.0 INTRODUCTION ............................................................................................................23
3.1 RESEARCH DESIGN .................................................................................................23
3.2 TARGET POPULATION .............................................................................................25
3.3 SAMPLING TECHNIQUES ..........................................................................................25
3.4 SOURCES OF INFORMATION .....................................................................................25
3.5 RESEARCH INSTRUMENTS .........................................................................................26
3.5.1 QUESTIONNAIRES ..............................................................................................26
3.5.2 INTERVIEWS .........................................................................................................28
3.6 DOCUMENTARY ANALYSIS ......................................................................................29
3.7 VALIDITY AND RELIABILITY ....................................................................................30
3.8 DATA PRESENTATION AND ANALYSIS ..................................................................30
3.9 ETHICAL CONSIDERATIONS ....................................................................................30
3.10 PROBLEMS ENCOUNTERED IN DATA GATHERING ..................................................31
3.11 SUMMARY ..............................................................................................................31

CHAPTER IV .....................................................................................................................32
DATA PRESENTATION, ANALYSIS AND DISCUSSION ......................................................32
4.0 INTRODUCTION .........................................................................................................32
4.1 QUESTIONNAIRE ANALYSIS ...................................................................................32
4.1.1 Response rate ........................................................................................................32
4.1.2 DEMOGRAPHIC INFORMATION OF THE RESPONDENTS .....................................33
4.1.2.1 Gender ..............................................................................................................33
4.1.2.2 Respondents Educational qualifications ................................................................34
4.1.2.3 Respondents length of service ..........................................................................35
4.1.3 Financial statements preparations ..........................................................................35
4.1.4 Audited financial statements are used to monitor a school financial performs ............36
4.1.5 Analysis of respondents’ knowledge and perceptions on Auditors ............................37
4.1.5.1 Audit sampling ..................................................................................................37
4.1.5.2 Auditors are accountable for organizational failure .............................................38
4.1.6 Present auditing standards and practice in Zimbabwe are low ..................................39
4.1.7 The similarity between internal and external auditors ............................................40
4.1.8 Causes of audit expectation gap in the educational sector ......................................40
4.1.9 Elimination of the audit expectation gap in the educational sector ............................41
4.2 INTERVIEW ANALYSIS ............................................................................................42
4.2.1 Interview response rate ........................................................................................42
4.2.2 Auditors reported any fraudulent activities at your school .......................................42
4.2.3 External auditors roles and expectations ..................................................................43
4.2.4 Merits and demerits of outsourcing the audit function ............................................43
4.2.5 Do external auditors conduct annual audits at your school ......................................44
4.2.6 The complex nature of fraud ................................................................................44
4.2.7 Efforts done by schools administration to prevent fraud activities ............................44
4.4 DISCUSSION.................................................................................................45
4.5 CONCLUSION...............................................................................................45

CHAPTER V .............................................................................................................46
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ..................................46
5.0 INTRODUCTION .............................................................................................46
5.1 Summary of findings .....................................................................................48
5.2 Conclusions ...................................................................................................48
5.3 Recommendations ........................................................................................48
5.4 Future Research .............................................................................................49
REFERENCES ........................................................................................................50
LIST OF FIGURES

Figure 1 Gender of the respondents……………………………………………………………………….33
Figure 2 Respondents highest academic qualification ………………………………………………34
Figure 3 Respondents length of service………………………………………………………………37
Figure 4 Audit sampling ……………………………………………………………………………………..39
Figure 5 Auditor are accountable for organizational failures………………………………………38
Figure 6 Present auditing standards are in Zimbabwe ………………………………………………39
Figure 7 Elimination of the audit expectation gap in the educational sector…………………41
LIST OF TABLES

Table 1 Questionnaire distribution and response rate .................................................. 32
Table 2 Financial statements preparation ........................................................................ 35
Table 3 Audit financial statements ................................................................................ 36
Table 4 Respondents knowledge and perception on auditors ......................................... 37
Table 5 Relationship between internal and external auditors ....................................... 40
Table 6 Interview planned and response rate .................................................................. 42
LIST OF ACRONYMS

DSI..........................................................District Schools Inspector
SDC..........................................................School Development Committee
SDA..........................................................School Development Association
GAAS..........................................................General Acceptable Auditing Standards
ISA..........................................................International Standards of Auditing
IFAC..........................................................International Federation of Accountants Committee
PCAOB.........................................................Public Company Accounting Oversight Board
SOX..........................................................Sarbanes-Oxley Act
ICFR..........................................................International Control over Financial Reporting
AEG..........................................................Audit Expectation Gap
LIST OF APPENDICES

Appendix A: Cover letter........................................................................................................53
Appendix B: Questionnaire..................................................................................................54
Appendix C: Interview Guide...............................................................................................55
CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION
This chapter states the background of the study and the statement of the problem. It spells out research questions, the statement of the hypothesis and research objectives. The chapter also highlights the research objectives, limitations and delimitations. Abbreviations and definitions of technical terms are stated at the end of the chapter.

1.1 BACKGROUND TO THE STUDY
According to Coltart [2009], funding of schools decreased due to the rise in inflation in Zimbabwe and this also resulted in a decrease in the pass rate of pupils as schools failed to acquire the conducive learning materials for pupils. As to alleviate the problem the government, According to Chivore [2009], established the School Development Committees for government-aided public schools and the School Development Associations for government public schools in terms of Section 29 of the Education Amendment Act 1991 and it comprises of 5 individual persons elected by parents and guardians during the Annual General Meetings, thus the chairperson, vice chairperson, treasurer, secretary, and committee member. Chivore [2009] stated that the SDC is responsible for the employment of non-teaching staff as, bursars, night watchman and grounds person. Each school has a Finance committee which consists of the school head, deputy head, SDC chairperson and SDC vice chairperson and the four members are the signatories to the school bank account. Studies by Chikoko (2008) in Gutu district showed that members of the Finance committee lacked financial management abilities and skills to account for funds in their custody and this has resulted in many schools finance committees been under scrutiny by stakeholders.

1.2 STATEMENT OF THE PROBLEM
The Finance committee and the SDC play a major role in the management of all school financial activities, which involve the disbursement of money obtained through various sources including fees, [Summers 2005]. Some of the SDC members are illiterate or have insufficient knowledge in school financial matters. Chatiza [2011], stated that Mashonaland East province alone had ten misconduct hearings for school heads of which eight of them related to misuse of funds. The Provincial Education Director of Manicaland province,
Mr Muzavazi reported that 96 school heads and SDC members had been arrested countrywide following reports of abuse of teacher incentives in the Manica Post of 13/11/09. The public perception is that, Auditors are not doing their roles well of detecting and preventing fraudulent practices and irregularities in the educational sector before such grievous, serious cases have taken place therefore there is a gap between what the public expects and what Auditors actually do. There is evidence that some of this criticism is based on society’s lack of knowledge of company law and auditing standards and a misunderstanding of the fundamental role of external auditor (Pierce and Kilcommins, 1997). The audit expectation gap indicates the difference between the actual standard performance of the auditor and the various expectations of the public concerning the auditor’s performance to the anticipated performance measure (Ojo, 2006). This background has necessitated this study of evaluating the auditor’s roles and elimination of the audit expectation gap in the educational sector through a case study of three secondary schools in Mazowe West District.

STATEMENT OF HYPOTHESIS
H1- an audit expectation gap exists in the educational sector
H2- An audit expectation gap does not exist in the educational sector

1.3 RESEARCH OBJECTIVES
- to evaluate the roles of both internal and external auditors
- to explore the similarities between internal and external auditors
- to find out whether there exists an audit expectation gap in the educational sector
- to establish approaches that reduce the audit expectation gap in the educational sector

1.4 RESEARCH QUESTIONS
- What are the roles, duties and responsibilities of the internal and external auditors?
- What is the similarity between internal and external auditors?
- Is there an audit expectation gap in the educational sector?
- How do we reduce the audit expectation gap?

1.5 RESEARCH ASSUMPTIONS
In carrying out the study, the researcher assumes that
- The school administration members have basic knowledge of accounting concepts
• The finance and the procurement committees have been audited before by internal and external auditors.
• The respondents are truthful and accurate in providing information
• The research environment remains constant for the researcher to get validity and reliability on the research.
• The chosen sample population will be a true representative of the entire schools in Mazowe west district.

1.6 SIGNIFICANCE OF THE STUDY
• The study is expected to result in improved understanding of the external audit function
• To explain the roles of management with regard to prevention, reduction and detection of errors and fraud
• To equip external auditors with their roles as per requirements of International Auditing Standards [ISAs] profession.
• To educate the public, stakeholders and shareholders on the responsibilities of auditors and the extent to which they can rely on auditor’s reports of financial statements

1.7 DELIMITATIONS OF STUDY
The shortage of sufficient financial resources for researcher to be able to gather enough information that could have been necessary as to change the outcome of the study conclusion

There was limited time allocated for the researcher to conclude the study. Some respondents may not be comfortable to disclose information needed for the study as it may be regarded as confidential by the school although they had been guaranteed of confidentiality.

1.8 LIMITATIONS OF STUDY
The study objective is to evaluate the auditor’s roles and elimination of the audit expectation gap in the educational sector. The study is limited to a sample of 20 respondents and their opinions may not represent the views of all the educational sector members however the limitations will not adversely affect the study findings.
1.9 LITERATURE REVIEW
This chapter will include a summary of literature on auditor’s roles and elimination of the audit expectation gap. Sources will include journals on observations that were carried out by other researchers.

1.10 RESEARCH METHODOLOGY
The techniques applied to gather information will be mainly composed of structured interviews and questionnaires so that adequate data will be obtained. Interviews increase clarity on questions which may seem not to be clear to the respondents. As to increase the chances of obtaining authentic and sufficient data, the researcher will also collect data from secondary sources such as internet, textbooks and audited school financial statements.

1.11 ABBREVIATIONS OF KEY TERMS
BUSE - Bindura University of Science Education
ACCA - Association of Chartered Certified Accountants
ICAZ - Institute of Chartered Accountants of Zimbabwe
IAS - International Auditing Standards
IRF - International Reporting Framework
SDC - School Development Committee

1.12 DEFINITION OF TERMS
Auditing - the independent examination of financial information of an entity, with a view to express an audit opinion
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 word refers to the purpose of audit as perceived by the users of financial statements.
Gap - This is the inability of auditors to meet the expectation of the users. In this study, the gap is a result of misunderstanding of the auditor’s roles and responsibilities, inadequate understanding of the audit report and expectations about auditor’s independence.
Expectation gap - is the difference between what the public and users of financial statements perceive the role of an audit to be and what the audit profession claim is expected of them during the conduct of an audit.
**Fraud** - this refers to an intentional act by one or more individuals among management, those charged with governance, employees or third parties involving the use of deception to obtain an unjust or illegal advantage.

**Error** - this refers to an unintentional act which results in the misstatements in the financial statements and may include

**Accounting** – is the process of identifying, measuring, and communicating economic information to various users

### 1.13 SUMMARY OF THE STUDY

This chapter spelled out the introductory part of the dissertation encompassing background of the study, the statement of the problem, objectives of the study, research questions and the definition of terms. The research is subdivided into five chapters, the remaining chapters are divided as follows; Chapter two focuses on literature reviews both theoretical and empirical literature on the subject. Chapter three covers the research methodology that was used to attain the research objectives. The fourth chapter covers data analysis, presentation and discussion of the findings of the study. Chapter five concludes the study and gives recommendations and conclusion.
CHAPTER 11

LITERATURE REVIEW

2.0 INTRODUCTION
The objective of this chapter is to review and analyze what other researchers and writers have said about evaluation of the auditor’s roles and elimination of the audit expectation gap in particularly in light of a line of accounting scandals and corporate failures in the past decade. According to Saunders [2005], it is essential that every research project begins with a review of the existing literature and in addition to that it also serves as an answer to most of the questions asked that pertains to the auditor’s roles and elimination of the audit expectation gap in the educational sector. Wiersma, [1995] states that literature review [theoretically and empirically], establishes the need for the research and indicates that the researcher is knowledgeable about the area of study.

2.1 THEORETICAL LITERATURE
The theoretical review considers related studies such as books, journals and articles that have been written by other authors on the subject. This review evaluates the auditor’s roles and the elimination of audit expectation gap and other relevant aspects of the subject are also discussed.

2.2.1 DEVELOPMENT OF AUDITING
Auditing is the critical analysis of the accounts and financial statements prepared by the accountant, Salehi [2011]. Therefore audit is independent appraisal performed by an independent expert of an activity or event. There are operational, technical, ecological and other types of audit. Most commonly, nevertheless, this term refers to audits of financial statements. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements and it is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework [ISA 200].
2.1.2 HISTORICAL BACKGROUND AND THE ANCIENT AUDITOR.

According to Flint [1998], the phenomenon of auditing dates back to the medieval ages, where people in ancient Egypt and Rome, were tasked to review works carried out by tax collectors and estate managers. It is further researched that during the era of medieval Britain, independent people were employed to ensure that the returns from tenant farmers accurately reflected revenues received from the estate. In that era, there was much attention on detecting fraud and other irregular acts [Gay, Schelluch and Baines 1998]. According to Brown [1992], the word “audit” is a coined word from the Latin word ‘audire’ meaning simply to hear in line with the historical practice of hearing accounts. The first auditors only had means of listening to oral reports of mandated professionals or individuals and confirmed or denied the accuracy of the reports.

According to Teck-Heang and Ali [2008], modern means of auditing started in mid 1800s in the United Kingdom when the Joint Stock Companies Act was enacted and directors of companies reported to shareholders through the Balance Sheet, nowadays known as the Statement of Financial Position. Auditors were not required to be accountants nor independent. In 1900 however, a new Companies Act was put in place to give mandate to organizations to appoint independent auditors. The discussion thus reveals that, the issue of having independent auditors has been in existence over a century.

An audit can be classified as internal or external, depending on the inter relationships among participants. Internal audits are performed by employees of your organization. External audits are performed by an outside agent. Internal audits are often referred to as first-party audits, while external audits can be either second-party, or third-party.

2.1.3 STANDARDS AND LEGISLATIONS THAT GOVERN AUDITING

The International Auditing and Assurance Standards Board [IAASB] sets high-quality international standards for auditing, assurance, and quality control that strengthen public confidence in the global profession.

International Standards on Auditing [ISA] are professional standards for the performance of financial audit of financial information. The standards are issued by International Federation of Accountants through the International Auditing and Assurance Standards Board [IAASB].
The International Auditing and Assurance Standards Board [IAASB] is an independent standards body which issues standards, quality control guidelines and other services, to support the international auditing of financial statements.

Generally Accepted Auditing Standards [GAAS] are a set of systematic guidelines used by auditors when conducting audits on companies' finances, ensuring the accuracy, consistency and verifiability of auditors' actions and reports.


The Companies Act (Chapter 24:03) of Zimbabwe requires all public interest entities to be audited and this includes all parastatals, government departments, state universities and government schools both primary and secondary. Private companies are not required to be audited if they are not required under the Act to appoint an auditor.

2.1.4 ROLES, DUTIES AND RESPONSIBILITIES OF AUDITORS

According to Porter et al [2012], the roles, duties and responsibilities of auditors are as follows

- To identify and explore the risks of material misstatements that are in the financial statements due to error or fraud
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses
- To respond appropriately to fraud or suspected fraud identified during the audit
- Perform procedures that will lead to obtain information that is used to identify the risk of material misstatement due to fraud
- Identify and assess the risk of material misstatement due to fraud at the financial statement level and assertion level
- Determine the overall response to address the risk of material misstatement due to fraud at the financial statement level and assertion level
- To design audit procedures that can respond to the risk of management been able to override the internal controls
- Ensures compliance with established internal control procedures by examining records, reports, operating practices, and documentation
- Verifies assets and liabilities by comparing items to documentation
- Completes audit work papers by documenting audit tests and findings
When reporting on accounts, the auditor has a duty to act with the skills and care that reasonably be expected in the circumstance having regards to Approved Auditing Standards and Auditing Guidelines

2.1.5 INTERNAL AUDITORS ROLES

- Internal auditing is an independent, objective assurance and consulting activity that is designed to add value and improve an organization's operations.
- Internal auditing emphasizes operational auditing and involves financial and non-financial data; they are viewed as operational auditors.
- They are part of the organization and their primary client is the management and the board of directors.
- The scope of work is comprehensive as they help the organization to accomplish its objectives in both financial and non-financial.
- Independent from the audited activities.
- The audit covers all the organization transactions.
- Internal audits are performed during the entire year.
- Concerned with fraud from all the organization activities.

2.1.6 EXTERNAL AUDITORS ROLES

By law, many commercial and non-profit organisations around the world must be independently audited. To meet this requirement, external auditors review financial statements to ensure they are a ‘true and fair’ account of past financial performance and current financial position.

- External auditing is concerned primarily with historical data, in order to be able to identify possible ways of improving future business operations, therefore are regarded as financial auditors.
- External auditors are not part of the organization.
- Provide an independent opinion on the financial statements.
- Independent from its client.
- Covers operations that have contribution to the to the financial statements and performance.
- External audits are usually conducted on yearly bases.
- Concerned with fraud from financial activities only.
2.1.7 SIMILARITIES BETWEEN INTERNAL AND EXTERNAL AUDITORS
Both internal audit and external audit profession are governed by one set of international standards issued by the professional organism specific for each profession and it includes the professional standards and the ethical code;

- both internal and external auditors face the same risk in planning
- The auditor must be independent
- Have interest in the organisation internal control systems
- the results of their activities are presented through audit reports

2.1.8 COMPETENCES OF AN AUDITOR
- Reporting competences refers to the auditor’s ability and willingness to discover and report material misstatements.
- Process competences thus the auditor’s ability to choose appropriate audit evidence gathering procedures such as tests of controls, substantive test and executing audit procedures
- Technical competences are that auditors should be knowledgeable in profession standards, rules, laws and regulations and also to be able to understand their clients industry and business, corporate governance, financial reporting process and internal controls
- Profession competences, means that the audit firm should be registered with the board and it has to meet all the requirements

2.1.9 AUDIT COMMITTEE
An audit committee is a selected number of members of a company's board of directors whose responsibilities include helping auditors remain independent of management. The audit committees are usually comprised of three to seven directors who are not a part of company management. The Public Company Accounting Oversight Board [PCAOB] maintains external auditing standards for public companies (issuers) registered with the Securities and Exchange Commission [SEC]. PCAOB revised its policy on audit committee duties and responsibilities to incorporate requirements consistent with those in the Sarbanes-Oxley Act [SOX] of 2002 and the American Institute of Certified Public Accountants’ Statement on Auditing Standards No. 99 Audit." "Consideration of Fraud in a Financial Statement Audit." The revised policy requires that the audit committee establish procedures
for the confidential, anonymous submission of accounting and auditing complaints and concerns [whistle-blower procedures], and that audit committee members be prepared to answer inquiries from the external auditors, especially concerning fraud and fraud mitigation. The revised policy also acknowledges the audit committee's authority to engage counsel and other advisors it determines necessary to carry out its duties.

2.1.10 RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Appointment, compensation and retention of registered public accounting firms
- Preapproval of audit services and permissible non-audit services
- Review of the independent auditors plan for an integrated audit of both audit of International Control over Financial Reporting [ICFR] and financial statements
- Review and discussion of financial statements audited or reviewed by the independent auditor
- Monitoring the auditors independence
- Audit rotation requirement

2.1.11 AUDIT EXPECTATION GAP [AEG]

The existence of the audit expectation gap has a long history and it was first applied to auditing by Liggio [1974], and ever since then, there is continues evidence that the gap is even widening. The auditing profession has been the focus of attention, particularly because of certain well-publicized corporate collapses. Gay, Schelluch and Baines [1998] argued that there is a belief that a person who has any interest in a company such as stakeholders, shareholders, potential investors, take-over bidders and creditors, should be able to rely on company audited accounts as a guarantee of its solvency and business viability. An audit expectation gap exists when there are differences in beliefs between auditors and the public about the duties and responsibilities assumed by auditors and the information provided by audit reports and also differences in the interpretation of the information conveyed by the auditor [Monroe and Woodcliff, 1994].

According to Epstein and Geiger [1994], auditors were engaged to provide almost “absolute” assurance against fraud and intentional mismanagement during the early development of the profession, however users of financial statements expectations remained unchanged although
the audit profession has experienced a transition from the role of detecting fraud by verifying all transactions and amounts to giving truth and fairness opinion of financial statements. According to Sikka et al [2003], the audit expectation gap exists and argued that it was difficult to eliminate the gap. The expectations from various entities change almost every day, thus taking great and integrated efforts to bridge the gap. Sikka et al [2003] proposed two ways to reduce the audit expectation gap by expanding the roles and responsibilities of auditors in fraud detection as well as audit education.

McEnroe and Martens [2001] indicates that, audit expectation gap is the difference between the perceptions of people, particularly financial statement clients, about the roles or duties of the auditor and the roles and duties from the point of view of auditors. Salehi [2011] asserts that professionals within the accounting and auditing profession have varied views of the term external auditing. However, due to recent scandals at national and international level, the credibility of the audit profession has been questioned [Salehi, 2011]. This has resulted in the public holding differing beliefs about the duties and responsibilities of an auditor compared to those held by the audit profession. This is termed as the audit expectations gap. This is because as the gap widens, the less credibility auditors have in the minds of the public and the less reliable the work of auditors becomes. According to Porter et al [2012], auditors’ failure to meet society’s expectations of them has resulted in severe criticism of, and litigation against, auditors and this, in turn, has served to undermine confidence in the audit function.

The audit expectation gap indicates the difference between the actual standard performance of the auditor and the various expectations of the public concerning the auditor’s performance to the anticipated performance measure [Ojo, 2006], therefore this implies that the expectation gap exist with auditors on one hand and the general public on the other hand, with respect to the detection and prevention of fraud, errors and other irregularities.

2.1.12 CAUSES OF THE AUDIT EXPECTATIONS GAP
A number of causes for the existence of the audit expectations gap have been put forward over the years. Teck-Heang and Ali [2008] argues, the expectations gap exits as a result of a normal time lag by the auditing profession in identifying and reacting continually to the changing auditing environments and public expectations. For example some schools constantly uses audited financial statements in decision-making. Humphrey et al [1993] argue
that it is the consequence of the contradictions in self-regulated audit system regulating with minimal government intervention. This view is supported by the finding of a study by Porter and Gowthorpe [2004] where they suggested that the significant and unexpected company collapse both in the UK and New Zealand partly contributed to an audit expectations gap in these two countries.

The audit expectations gap has also been caused by the ever changing audit environment and there is no significant change in the standards both internal and external for example the public insist that auditors should assume the responsibility of fraud prevention and detection and also to audit non-financial statement of organisations. Salehi [2011] states that more contemporary studies have increasingly considered inadequate performance of the audit functions as a significant cause of expectation gap in the light of self-regulated practices of the accounting profession and very minimal intervention stance of government.

According to Pierce and Kilcommins, [1997], there is evidence that some of this criticism is based on society’s lack of knowledge of company law and auditing standards and a misunderstanding of the fundamental role of external auditor. In 2004, the International Auditing and Assurance Board [IAASB] of the International Federation of Accountants [IFAC] issued a revised version of ISA No 240: “The auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements”, with directions to external auditors with respect to fraud in line with the requirement by IFAC. The standard specified the primary responsibility regarding fraud prevention that it is the responsibility of the management and auditors are therefore to maintain an attitude of professional skepticism throughout the audit, recognizing the possibility that a material misstatement could exist due to fraud.

The auditors were only statutorily required to express opinion on how well the stewardship reports reflect a ‘true and fair view’ of the state of affairs of the audited entity [Sidani, 2007]. ISA 240 widened audit expectation gap and the stakeholders had to rightly question the usefulness of annual audit beyond the need to fulfill regulatory requirements. The issue is the auditor’s inability to detect material fraud. The profession has relied on terms it has self-defined and used in setting the boundaries of its reporting. For example terms like ‘materiality’, ‘reasonable assurance’, ‘fair presentation’ etc. are common phrases used by the profession in their reporting. As argued by Onulaka [2015], the use of these terms and the
self-regulatory posture of the accounting and auditing profession exacerbate the expectations gap problem. These terms are often couched to limit the liability of, and shield auditors from potential lawsuits arising from their unintended audit failures. The profession has thus over the years functionally applied these concepts and precepts to meet its goals in the audit activity. The audit expectation gap between the auditor’s roles, as perceived by the auditor, and the expectations of the users of financial statements, may be subdivided into communications gap and performance gap.

The communications gap exists when the public expectations are being unreasonable; for example, users of accounts may expect all fraud to have been identified by a statutory audit, whereas the auditor is only expected to plan the audit to prevent and detect fraud to comply with Statement of Auditing Standards 110, Fraud and Error. The communications gap could be closed by ensuring that the users of accounts understand what an audit is and what its limitations are. The performance gap occurs when public expectations are reasonable but the auditor’s performance does not fulfill them. This can only be overcome by improving the quality of the auditor’s work. The general public appears to have a high expectation that auditors will detect or prevent all frauds, whereas the auditing profession does not agree fraud detection as primary audit objective. According to Hassink et al [2009], the audit profession minimises its role in fraud detection and expresses that, it is the management.

2.1.13 APPROACHES TO REDUCE THE AUDIT EXPECTATION GAP [AEG]

Expanded audit report

Bankers found expanded audit reports to be more useful and understandable than the short form reports. Humphrey et al. [1993], stated that audit report give a fuller understanding of the scope, nature and significance of the audit and influences the reader’s perceptions concerning the audit and the auditor’s role. This implies that, somehow, an expanded audit report has narrowed the audit expectation gap. This was supported by Innes, Brown and Hatherly [1991] who concluded that an expanded audit report offered scope to inform users of what auditors actually do and thereby reduce the gap between the perceptions of users and auditors.
Auditing education
The provision of auditing education to users has also been suggested by some researchers as a possible means of addressing the audit expectation gap. Their belief is that knowledge of the users influences the size of the expectation gap. Epstein and Geiger [1994] found that more educated investors, with respect to accounting, finance and investment analysis knowledge, are less likely to demand higher auditor assurance. Hence, they suggested that by increasing public awareness of the nature and limitations of an audit, the audit expectation gap could be narrowed. On the other hand, Porter and Gowthorpe [2004], stressed that society must be educated on the duties which may reasonably be expected of auditors if the unreasonableness gap is to be eliminated. Monroe and Woodliff [1994] from their research pointed out that education is an effective approach to addressing the audit expectations gap but that consideration needs to be given to the appropriate type of education. Porter, ÓhÓgartaigh and Baskerville. [2012], went further to suggest that a major way of minimizing the expectation gap is to improve the knowledge base and understanding of the auditors’ duties through the provision of auditing education.

Increasing the responsibilities of auditors
Sikka and et al. [2003] argued that there is a need for the audit profession to take action in increasing the responsibilities of auditors so as to successfully address the audit expectation gap. Humphrey et al. [1993]) offered three propositions of reducing the audit expectation gap
1. Setting up an independent office for auditing to enhance auditor independence by overseeing the appointment of auditors of large companies and to regulate audit fees;
2. Extending auditors’ responsibilities by statute so that they clearly include responsibilities to shareholders, creditors and potential shareholders
3. Clarifying that auditors have a duty to detect fraud.

International standards
The international standards on auditing can be used to reduce the audit expectation gap by establishing standards that guide on the materiality concept and how it relates to audit risk.
The International Accounting Standards Board’s “Framework for the Preparation and Presentation of Financial Statements” defines the materiality concept as information is material if its omission or misstatement in the financial statements could influence the economic decisions of users. There are a lot of subjective issues affect the concept of materiality. Legal and regulatory issues that may affect materiality need to be defined and an
estimate should be given. It has been argued the individual auditor should be also be able to make decisions of certain matters as determined by the Auditing Practices Board [APB] and clearly set out in the standards.

**Sarbanes-Oxley Act**

It’s an act which protects investors by improving the accuracy and reliability of corporate disclosures. The Sarbanes-Oxley Act was implemented in US from August 2002. The focus of the legislation is on integrity of financial reporting and the independence of external auditors, although other issues, such as insider trading in company shares are also covered. SOX changed the characteristic of the accounting profession by connecting the audit function to the corporate governance structure by requiring that audit committee be directly responsible for not only hiring, compensating and firing external auditors but also overseeing their work, monitoring their independence, and avoiding potential conflicts of interest. Auditors should focus on prevention, detection and correction of controls at both company level and the transaction level.

**2.1.14 AUDIT REASONABLE ASSURANCE**

An auditor forms a professional opinion on the accounts on the basis of reasonable assurance. He does not certify that the accounts are absolutely correct because the audit opinion is formed on the basis of testing of samples. The auditor therefore does not check all transactions [Denmark Study Guide 2002]. The level of assurance perceived by investors with regards to the detection of material misstatements as a result of errors and frauds is different to that which is intended by auditors. Enofe et al [2013] elaborated on the findings of Epstein and Geiger [1994] with regards to their different perceptions of the level of assurance of investors and auditors. They identified that less sophisticated investors as well as more sophisticated investors expected absolute assurance with regards to the detection of material misstatements as a result of errors and frauds. The role of the auditor includes a phrase ‘reasonable assurance’. This phrase is used because the auditor does not certify that the accounts are 100% correct. This is because of the following reasons

- Auditor don not test every transaction due to financial and time constraints.
- Auditors rely on systems which the client has put in place to provide financial information and systems have weaknesses, which may result in the failure to detect errors or frauds.
• The auditor is persuaded that a transaction took place by the presence of documents without witnessing the event
• Subjective accounts for example non-current assets, inventory and receivables are affected by estimates of depreciation, stock obsolescence and bad debts. It is impossible to determine which debtors will be bad or which stock will be obsolete. The determination decision is based on the Auditors opinion.

2.1.15 THEORIES
The perception that the external auditors are responsible for the prevention and detection of fraud is supported by the Policeman Theory by Hayes et al (2005), as it claims that the auditor is responsible for searching, discovering and preventing fraud. Therefore the goal post of external auditors is expanding from their initial responsibility to provide reasonable assurance and verify the truth and fairness of the financial statements. The Lending Credibility Theory Hayes et al [2005] suggests that the primary function of the audit is to add credibility to the financial statements. This theory led to the trust that stakeholders, shareholders and general public have in using audited financial statements as to judge the business performance and to make future business decisions.

2.1.16 WAYS TO IMPROVE AUDIT QUALITY AND TRANSPARENCY
• Publication of the audit engagement letters
• Publication of the auditor resignation statements
• Shareholders rights to question auditors
• Lead audit partners signature on audit reports
• Active audit committee participation in evaluating the scope and results of the integrated audit of both ICFR and financial statements
• Mandatory rotation of the audit firm every seven to twelve years in the context of the audit efficacy
• Mandatory shareholders vote on the ratification of the independent auditor each year
2.2 EMPIRICAL STUDIES


The study examined the existence of expectations gap between the auditors and users of financial statements in Nigeria. The study adopted a survey research design of questionnaire that was administered on auditors, bankers and investors in Ibadan and Osogbo, Nigeria. Data collected were analyzed using cross sectional Friedman Test analysis and Analysis of Variance (ANOVA). The study revealed that an audit expectation gap exists in Nigeria. The study recommended that the auditors roles and responsibility in the areas of fraud and illegal acts should be broadened and it also necessary to educate the financial statements users about the auditing profession, its roles and objectives in the community.

2.2.2 Kelvin Rugonye [2013] carried out a study entitled An examination of the different perceptions of the audit function by external auditors and users of general purpose financial statements

The study was based on companies in Harare- Zimbabwe that are listed on the Zimbabwe Stock Exchange and external auditors from the ‘Big Four’ audit firms, namely Deloitte, Ernst & Young, KPMG and Price Waterhouse Coopers. The research used questionnaires to collect primary data from selected study subjects and the results showed that there is an audit expectation gap that exists between the external auditors and users of financial statements with regards to the audits. The study recommended that external auditors need to adjust their audit techniques to keep abreast of technological and general changes in the business world and external audits need to become more objective driven than subjective.

2.2.3 An investigation into the extent to which external auditing services meet the expectations of clients; a case of Mutare by Gareth Kaungwa [2013]

The study evaluated to which extent external auditors are meeting the expectations of their clients with a view of improving their service delivery. The researcher conducted a survey of companies listed on the Zimbabwe Stock Exchange and auditing firms based in Mutare. The primary data was collected by the use of questionnaires that were given to employees of companies being studied and secondary data was collected through abstraction of data from the standard engagement letter and audit reports of the audited firms and the Members
Handbook prepared by Institute of Chartered Accountants in Zimbabwe [IASZ]. The results showed that the audited clients are mostly satisfied with the auditors’ audit reports although they differ on fraud detection and assurance of audited financial statements. The study recommended that as to reduce this audit expectation gap, external auditors must conduct audit education to their clients and to review the audit methods as to meet the audited clients’ expectations.

The purpose of the study was to establish the underlying factors that cause companies to change auditor personal or switch from one Audit Company to another in Zimbabwe. The study employed descriptive research design as methodology because it allowed for the establishment of relationships and it was also used to obtain information concerning the current status phenomena that describes ‘what exists’ with respect to variables or conditions in a situation. Questionnaires and several publications were used for primary and secondary data collection respectively. The results obtained showed factors why companies change auditors which include change of management, company size, company prospectus, audit fees, non-audit services, audit quality, audit opinion and the major factor was the client’s expectations on the auditors audit report.

2.2.5 Mohd Ariff Kasim, Siti Rosmaini Mohd Hanafi carried a research entitled, The existence of audit expectation gap in Malaysia in 2008
The study purpose was to identify the existence of audit expectation gap in Malaysia particularly in the academic setting. The researcher distributed an instrument of audit expectation gap to auditors, accountants and accounting educators in Malaysia to ascertain whether there was audit expectation gap between these groups of respondents. The results indicated the existence of an audit expectation gap between auditors, accountants and accounting educators and Malaysia revised its Company Act 1965 particularly section 174, in which it is now compulsory for auditors to report any fraud found in their client company to the registrar of companies. The measures by Malaysia may bridge the expectation gap as proposed by Sikka etal, [2003]. The researcher also recommended the use of audit education as to reduce the audit expectation gap on the role and responsibilities of auditors.
2.2.6 Evaluation of the Extent to which the users of financial information rely on Published financial reports; A case study of Barclays Zimbabwe (pvt) limited By Tafadzwa Mukuku [2013]

The harsh economic environment has increased the challenge in maintaining reliability of audited and not audited financial reports thus widening the expectation gap between the users of financial information and those with the responsibility of giving assurance on and producing the financial reports. It was against this background that the study was carried out as to evaluate the extent to which the users of financial information rely on published financial reports both audited and unaudited. The researcher obtained primary data through questionnaires that were given to the users of published financial reports. The results showed that users of financial information can no longer rely on the published financial reports and the study recommended that an extensive action is required both at national and international level to facilitate the restoration assurance and reliability of published financial reports.

2.2.7 Audit expectation gap in Ghana (case study of senior high schools in Kumasi metropolitan assembly, Ashanti region) by Ahmed Iddrisu [2015]

The study investigated audit expectation gap in public senior high schools in the Ashanti Region of Ghana thus the audited client expectation of the auditors’ roles and what the auditors actually do. The researcher used a sample of 120 participants from 22 public senior high schools within the Kumasi Metropolitan and Cross Tabulation and it was discovered that there is a difference between the opinion of auditors and users of audited financial statements, general public with respect to the statutory role of external auditors, responsibilities and duties of auditors, reliability on audit reports for decision making and independent factors. The study recommended that the public should be educated on the responsibilities of auditors, the extent to which they can rely on auditor’s report and nature of audit services.

2.2.8 The audit expectation gap: existence, causes, and the impact of changes by Klaus Ruhnke and Martin Schmidt [2008]

The study analysed the causes of the audit expectation gap as well as the impact of proposed changes to the current statutory audit regime using an approach that differs from those used in prior literature. The study was based on a questionnaire survey conducted in Germany, it was discovered that the public exaggerated the audit expectations of auditors' responsibilities under current standards. The study results showed that auditors are not fully aware of their responsibilities and that the public have difficulty in assessing the performance of auditors.
The study recommended that the audit expectation gap is narrowed by increasing the information content of the audit opinion and also by mandatory rotation and a ban on non-audit services. It was shown that the audit expectation gap is by its nature a persistent phenomenon comprising complex social aspects and interactions with changing accounting requirements, such as increased uncertainties in accounting estimates.

2.2.9 Evaluating auditing as a tool to detect and prevent fraud. A survey of Eco bank Zimbabwe (2012-2015) by Rwenhamo Tariro

The research was to explore and understand the role of the audit function in detection and prevention of fraud due to the increasing cases of fraud in the financial services sector. The problem was whose duty is it to prevent and detect fraud cases. The study was aimed at evaluating the effectiveness of internal audit function in combating fraud. The study was a survey of Eco bank Zimbabwe and a descriptive survey design was used. Questionnaires and interviews were used to collect primary data. Random stratified sampling techniques were used to obtain a sample size of 30 from the total population of 55. Tables, graphs and pie charts were used in the data presentation. The findings of the research revealed that the internal audit function is effective in fraud detection and prevention. Recommendations of the research were that auditors should be responsible for fraud detection and prevention and there should be a resident internal audit function in an organisation.

2.2.10 Audit expectation gap in Ghana (case study of senior high schools in Kumasi metropolitan assembly, Ashanti region) By Ahmed Iddrisu, BBA (Hons.) 2015

The study investigated the audit expectation gap in public senior high schools in the Ashanti Region of Ghana and a sample of 120 participants from 22 public senior high schools was used with a population size of 2643. The findings for the research were that there is a difference between the opinion of auditors and general public with respect to the statutory role of external auditors, duty of auditors, reliability on audit reports for decision making, and independent factors. Other finding of the research was that the audit expectation gap is caused by many factors but the main factor is the misunderstanding of the external auditor’s responsibilities by the users of audited financial statements. The research recommended that the public should be educated on the responsibilities of auditors, the extent to which they can rely on auditors report and nature of audit services.
2.3 GAP ANALYSIS
The published researches on the subject were mainly centered on the industry therefore it will be too rigid as to be convinced that this also applies to the educational sector. This study will attempt to unveil the auditors’ roles and elimination of the audit expectation gap in the educational sector under a case of three secondary schools in Mazowe west district.

2.4 SUMMARY
Theorist and researchers consented that the audit expectation gap cannot be eliminated but can be reduced through reviewing the standards of education setting. Theoretical and empirical literature review has proved that there is an audit expectation gap that exists in the industry and its caused by the different perceptions of the stakeholders, investors, creditors, shareholders, the general public and the users of audited financial statements therefore there is need to educate the users of financial statements on the auditors roles.
CHAPTER 111

RESEARCH DESIGN AND METHODOLOGY

3.0 INTRODUCTION
This chapter will deal on the methodology that was used to collect the primary and secondary data for the research. The primary data was collected using the questionnaire and interviews methods both face-to-face and telephone. The aspects of research methodology will be discussed in this chapter such as research design, subjects of research, research instruments including the merits and demerits. The main objective of this study was to evaluate the auditor’s role and elimination of the audit expectation gap. Aspects such as validity and reliability, data collection procedures, presentation and analysis shall also be discussed in this chapter.

3.1 RESEARCH DESIGN
Easterby-Smith [2005], states that the research design is more than just the methods by which data is collected and analyzed but an overall configuration of a piece of research, what kind of evidence is gathered and from where, and how such evidence is analyzed and interpreted in order to give good answers to the search question. According to Wiersma [1995], research design is a plan for addressing the research objectives. The researcher used questionnaires [closed and open questions] and interviews to collect primary data information from the field.

Case study
This study was a case study of three secondary schools in Mazowe West District, Mashonaland Central Province as to be able to evaluate the auditor’s roles and elimination of the audit expectation gap in the educational sector.

Merits of a case study
Analyzing results for a case study tends to be more opinion based than statistical methods.
The case study method is simple and straightforward approach to the study of attitudes, values, culture, beliefs and motives.
It provides explains the relationships between a wide range of people characteristics. In terms of data presentation, a case study has more interesting topics than the purely statistical surveys. The researcher used closed and open questionnaires as sources in the data gathering process. It is a study of three secondary schools; therefore it provides privacy confidentiality of the information of the respondents. The data gathered from a case study can easily be analyzed and quantitative results can also be produced. A case study provides a realistic response as compared to statistical survey and it is flexible.

Disadvantages
The results of the research are limited to Mazowe west district schools only and not to other schools. The observations that were carried out and the analysis were based on the researcher’s opinion. The researcher became part of the research due to being a member of a school finance committee of one of the schools that were selected from the population thereby knowing the expected results. The case study research dependence is on the researcher’s knowledge, opinions, views, experience and honesty of respondents. Some respondents may not be comfortable to disclose information needed for the study as it may be regarded as confidential by the school therefore the information may be biased as to protect the school image. The case study results cannot be extrapolated to fit an entire population because it is to a particular case. The analyzation of the case study results is more of the opinion of the researcher than of statistical methods.
3.2 TARGET POPULATION

Saunders [2005], stated that target population is a population which the researcher intends to draw his sample from. The population was confined to 15 school administrators, 15 School Development Committee members, 47 Teachers and 3 bursars of the three selected secondary schools in Mazowe West District. A sample of 30% of the total population of 80 was used to gather primary and secondary data and was a sufficiently adequate sample, according to Best and Khan [1993] who advocated for only at least 10% of population to be selected as a sample. The use of a sample for data collection was also supported by Saunders [2005] who stated that not every member of the population is measurable for reasons of cost, time limit and the possibility that there is need to choose a sample which is representative of the target population.

3.3 SAMPLING DESIGN AND PROCEDURES

Saunders [2005], defines a sample size as a portion or subset of a population used to carry out research. Each secondary school was represented by two school administrators, two School Development Committee members, three Teaching staff and one bursar to make a sample size of 24 participates. According to Dooley [2004], a sample refers to part of the population that is considered for investigation. Judgmental sampling was used to select the school administration participates as to obtain depth and detailed information on their audit expectations.

3.3.1 Sampling limitations

According to Perreault and Mc Cathy [2005], sampling has its limitations. The sampling method does not reflect the population true characteristics as it may differ if it was the whole population been studied. The researcher study was affected by incorrect responses from the respondents and the respondents were not willing to participate and the researcher had to implement strategic methods as to obtain a high response rate.

3.4 SOURCES OF INFORMATION

According to Saunders [2005], the two main sources of information are primary and secondary data. The researcher collected primary data from questionnaires, interviews and observation, whilst secondary data was collected from documentary [audited and non-audited
financial statements of Kundayi High school]. The researcher also obtained additional information from the Internet, journal publications of accounting and auditing.

3.4.1 Primary Data Analysis
The researcher used substantial time and resources to gather primary data as compared to secondary data; however primary data has many advantages such as immediate data collection, high response rate and the questionnaire allowed probing from the respondents as to seek more information on areas where the researcher had less knowledge.

3.4.2 Secondary Data Analysis
Secondary data is information already gathered for some purposes in mind and is available from both external and internal sources. This method was used because the information already exists in the audited schools financial statements of the three secondary schools. The researcher also used non-financial statements as to obtained detailed information. The process of secondary data gathering was inexpensive and it was done in a very short period of time as compared to the primary data collection.

DATA COLLECTION INSTRUMENTS AND ANALYSIS
The data collection instruments used by the researcher to collect primary data are the questionnaires, interviews, observations. The researcher conducted interviews as to get further clarifications on areas that were not very specific in the questionnaires and to gather any information that can be necessary for the study. The data collected was presented on pie charts, graphs and tables. The participant observation method was used to obtain additional information for primary data.

3.5 RESEARCH INSTRUMENTS
3.5.1 QUESTIONNAIRES
Gall and Bard [1996] defines a questionnaire as a document that asks the same questions to all the participants in the population. The researcher designed a standard questionnaire for all the targeted respondents so that the results are comparable. The researcher delivered the questionnaires in person as to make sure that the questionnaires are handed over to the intended respondents. The questionnaires were collected after seven days from the respondents by the researcher in person also at an agreed date, time and place as to lessen the burden of getting hold of a completed questionnaire. The targeted respondents of the questionnaires, interviews and observations were the school administrators, teaching staff,
bursars, SDC members from the selected three secondary schools in Mazowe West District. The questionnaire contained both closed and open questions and a space was also included were ever necessary as to avoid to limit the respondents to the suggested answers. The questionnaires, advantages and disadvantages are detailed below and suggested solutions to the demerits are also highlighted.

**Advantages**

The researcher obtained specific answers to the research problem through the use of questionnaire. The respondents were able to complete the questionnaire at their own pace in the comfort of their homes or work environment since the delivering time and collection period was seven days for responding as compared to other methods. The information that was obtained from the questionnaire can be presented quantitatively and it had open questions where the respondents can even state their opinions. The respondents filled in the questionnaire without even the influence of the researcher. The questionnaire contained closed questions that were easy and straight forward to be answered by the respondents. The questionnaires method of gathering primary data is less intrusive than face-to-face interviews or telephone. The closed questions in the questionnaire had suggested answers provided to the respondents as to enable systematic analysis of the data. Data obtained from the questionnaire was easy to analyze and tabulate given that the researcher is employed and has work commitments which can be a hindrance to the study.

**Disadvantages**

Respondents were not willing to give detailed information about Kundayi High School due to information security, suspecting that the information may be divulged to unauthorized personal. Other respondents did not finish completing the questionnaire due stress and pressure of work therefore respondent’s rate was low. There is a risk that respondents may fail to interpret some questions due to the questions wording; ambiguity and they cannot clarify the question with the researcher. The researcher cannot make additional questions to the questionnaire once the questionnaire has been delivered to the respondents.
The questionnaire method has the inability to probe the respondents as to search for more information response since a questionnaire is structured instrument.

The method was characterized by lack of instant feedback.

It was not suitable for illiterate respondents; the assumption was that every respondent is literate.

The absence of respondent’s gestures and other visual clues affected the study analysis.

**Solutions to the disadvantages**

To overcome most of the difficulties of the questionnaire research method, the researcher designed short, clear and precise questions so that the respondents faced less difficulty as to answer the questionnaire. The researcher also designed open ended questions such that the respondents were free to air their comments or opinions wherever it was necessary. A covering letter was issued to respondents as to ensure that the respondent’s information was treated as confidential. The response rate of respondents was increased by follow-ups and reminders by the researcher and this overstrained the study budget. The researcher conducted a pilot study as to assess the questionnaire effectiveness and efficiency before it’s administered.

**Pilot Study**

A pilot test was conducted as to check the clarity, validity, and reliability of the questionnaire to one of the schools in Mazowe West District that was not selected for the study. The researcher discovered that the questionnaire had some loopholes and these were rectified as to increase the questionnaire efficiency and effectiveness in use. The pilot study revealed the misconceptions of the respondents and the researcher had to rephrase or reword some of the questions for more clarity and relevance.

**3.5.2 INTERVIEWS**

The researcher used interviews as to gather any left out information that could be of necessity to the study and to compliment questionnaire data. The interviews were useful as they provided clarity on ambiguity questions and certain unclear questions. Follow-up calls were done to remind the respondents about the date, venue and time of the interviews by the researcher through the telephone and to ascertain whether there was need to make. The
researcher conducted face-to-face interviews and to counteract its demerits, the telephone interview was used.

**Advantages of interviews**

The researcher obtained detailed information on ambiguity and unclear questions that were in the questionnaires.

The researcher was able to detect the respondent’s emotions, gestures and feelings by using Face to face interviews.

Interviews provided instant feedback.

The respondents are able to ask for clarity on certain unclear questions.

The information communicated between the respondent and the researcher was treated as confidential.

The researcher was able to further probe the respondents as to seek detailed information.

**Disadvantages of interviews**

Face-to-face interviewers influenced the respondent’s answers. As to provide a solution to this problem the researcher created a conducive environment whereby the researcher maintained some professionalism by not leading the interviewee.

The interview method was intensive and costly for example having to schedule the interviews of the respondents.

**3.6. DOCUMENTARY ANALYSIS**

The researcher analyzed the audited and an unaudited financial statements of the three secondary school in Mazowe West district that are being sampled and was able to gather information about what is been audited and not audited by the internal and external Auditors.

The documentary analysis was used to collect the secondary data for the study.

**Advantages**

The documented data was checked for reliability and validity as to obtain information that can be reliable for present and future use.

**Disadvantages**

The documentary analysis, research instrument has the disadvantage that some of the audited financial statements had been destroyed therefore just a few were recovered. This problem
affected the reliability of the analysis and the researcher had to back up this information with
the primary data collection methods. The method was also affected by non-interactive and
non-reactive; hence some documents were not checked for accuracy.

3.7 VALIDITY AND RELIABILITY OF RESEARCH INSTRUMENTS

3.7.1 Data Validation
The researcher conducted a pilot study as to check on the validity and accuracy of the data
primary and secondary data collected before analyzing it. According to Saunders [2005],
validity attests to whether an instrument measures what it is supposed to and is justified by
evidence. The researcher designed the questionnaire in a way that the data collected is able to
answer the research questions, as to ensure the study validity.

3.7.2 Reliability
According to Saunders [2005], reliability as a matter of whether the particular technique
applied repeatedly to the same object would yield the same results each time. Therefore the
measurement procedure and instruments must be stable and consistent so that the data
collected using the instruments is reliable and can also be used for comparability purpose. A
pilot test was conducted by the researcher before the questionnaire administration as to
ensure validity and reliability.

3.8 DATA PRESENTATION AND ANALYSIS
The questionnaires received from the respondents by the researcher were checked if all the
questionnaires questions were properly answered and to see for any discrepancies which may
affect the data presentation or any questions not answered. Data shall be presented in the
form of tables, diagrams, graphs, and figures as to enhance its conceptualization.

3.9 ETHICAL CONSIDERATIONS
According to Kothari [2004], ethics refer to codes of conduct, rules or laws that regulate
behavior, therefore Ethics are the principles that relate to right and wrong conduct, morality,
they are the expected standards that govern the conducts or behavior of human beings. The
researcher attached a cover letter to the questionnaire ensuring the respondents that their
participation to the study is confidentiality and also to seek the consent from them.
3.10 PROBLEMS ENCOUNTERED IN DATA GATHERING
A number of challenges were met in gathering data for this research. The respondents did not stick to the agreed date, time and place for the questionnaire delivery or collection and the researcher was forced to make continues follow ups which resulted in having to reschedule the appointments, this constrained the study budget. Most of the respondents cited busy work schedules as the contributory factor to the delay for completing the questionnaire. Some respondents did not complete filling in the questionnaire and their reason was that they failed to understand the question and in short this affected the researcher’s findings. The researcher is employed by the ministry of primary and secondary education therefore work commitment restricted the research time.

3.11 SUMMARY
This chapter focused on the strategies used to answer the research questions for the study. The research questions were answered through a case study of three schools in Mazowe west district and it involved the use of questionnaires, interviews, observations for primary data collection and documentary analysis for secondary data collection.
CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 INTRODUCTION

This chapter focuses on the presentation, analysis and discussion of data gathered from the field research. The questionnaires from respondents and interview results from interviewee were used as source of data for the analysis. The researcher interviewed different teaching and non-teaching staff as to evaluate the auditor’s roles and elimination of the audit expectation gap in the educational sector. Summaries of the researcher’s findings have been presented below.

4.1 QUESTIONNAIRE ANALYSIS

4.1.1 Response rate

The researcher delivered twenty four questionnaires in person to the participants of the selected three secondary schools in Mazowe West District from the total population of 80 members. Only fifteen questionnaires were collected from the respondents, as tabled below giving a shortfall of four and the respondents failed to give clear reasons for not been able to return them to the researcher.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Questionnaires Administered</th>
<th>Questionnaires Returned</th>
<th>Response Rate as Percentage [%]</th>
<th>Questionnaires not Returned as [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>School administration</td>
<td>6</td>
<td>5</td>
<td>83,3%</td>
<td>17,7%</td>
</tr>
<tr>
<td>SDC members</td>
<td>6</td>
<td>6</td>
<td>100%</td>
<td>------</td>
</tr>
<tr>
<td>Teaching staff</td>
<td>9</td>
<td>6</td>
<td>66,7%</td>
<td>11,1%</td>
</tr>
<tr>
<td>School bursar</td>
<td>3</td>
<td>3</td>
<td>100%</td>
<td>------</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>24</strong></td>
<td><strong>20</strong></td>
<td><strong>83.3%</strong></td>
<td><strong>17,7%</strong></td>
</tr>
</tbody>
</table>

Response rate 83,3%  N=20

The results in table 4.0 shows that the response rate was 83,3% which is well above average therefore whatever the respondents stated in the questionnaires can be used in the study. The high response rate was attributable to the follow ups that were continuously made by the researcher as to deliver and collect the questionnaires to and from the respondents.
4.1.2.1 DEMOGRAPHIC INFORMATION OF THE RESPONDENTS

Demographic information represents information of the respondents’ in respect of gender, educational qualifications and length of service in that position.

4.2.1 Gender of the respondent

![Gender Pie Chart](image)

**Figure 1**

The figure 1 shows that in terms of gender the majority of the respondents are females, constituting 55% as compared to males, 45% of the entire population although it’s a narrow margin of just 10% difference. It was concluded that females in Mazowe West District occupy positions of authority that were once perceived by the community as a men’s positions. The increase of females in these positions can credited to the policy of the quarter system in all influencail positions in Zimbabwe.
Figure 2 shows that the majority of the respondents [45%], their highest qualification is a diploma and these are mainly teachers who have attained a diploma as a teaching qualification at respective teachers colleges. All the SDC members and two bursars have the attained an ordinary level certificate as their highest qualification yet they are expected by the Ministry Of Primary and Secondary Education to be the financial managers of the school funds although they are not even trained in an accounting or auditing field. One bursar has a diploma in accounting and the minority of the respondents [5%] are post graduates and it was concluded that the contribution of the respondents can be relied upon in the study.
4.1.2.3 Length of service in that position /Work experience in a similar position

![Bar chart showing length of service/work experience](image)

**Figure 3**
The majority of the respondents [60%] have at least 5 to 10 years work experience in a similar position therefore the researcher can rely on the information which the respondents gave on the questionnaire and during the interviews session since the respondents have experience in the work which they are doing and this provides a higher degree of validity and reliability. The respondents who have less than 5 years’ work experience were some of the teaching staff and this did not undermine the study results as the percentage was minority.

4.3 FINANCIAL STATEMENTS PREPARATION IS THE RESPONSIBILITY

**Table 2**

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Bursar</th>
<th>Finance committee</th>
<th>School administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>30%</td>
<td>50%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Table 4.1 shows that the majority of the respondents, 50% stated that the financial statements preparation is the responsibility of the Finance committee as the committee constitutes four members who are the school head, deputy head, SDC chairperson, SDC vice chairperson and the bursar as a committee member therefore it has skilled personals who can help each other.
4.1.4 AUDITED FINANCIAL STATEMENTS ARE USED TO MONITOR A SCHOOL FINANCIAL PERFORMANCE

Table 3  Audited financial statements

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Total respondents</th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>School admin</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>SDC</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Teaching staff</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>School bursar</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20</strong></td>
<td><strong>15</strong></td>
<td><strong>4</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

According to Table 4.2, the majority of the respondents thus 15 out of 20, believe that the audited financial statements are useful in monitoring the school financial performance whilst only 5 out of 20 have a different perception. The perception of these respondents can be safely be regarded as true for the entire population of the three schools and it was concluded that, schools that have not been audited are performing badly in terms of its finances. Audited financial statements provide assurance to the public that the school is financially stable and the public are also eager to support the school projects.
4.1.5 Analysis of respondents’ knowledge and perceptions on Auditors

Table 4

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>Strongly Agree [%]</th>
<th>Agree [%]</th>
<th>Disagree [%]</th>
<th>Strongly Disagree [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Audit sampling provides enough evidence to be used to judge the financial statements</td>
<td>60</td>
<td>25</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>2 Auditors are accountable for organizational failure</td>
<td>10</td>
<td>40</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 4 shows the findings of respondent’s perception on Auditors

STATEMENT 1

4.1.5.1 AUDIT SAMPLING IS USED BY AUDITORS TO GATHER AUDIT EVIDENCE

Figure 4

Figure 6 shows that 10% of the respondents strongly disagreed to the use of audit sampling by auditors to gather audit evidence because the method does not provide enough evidence the Auditors can use as to conduct an audit and to be able to make an audit opinion of a school financial position basing on the audited sample. The method will not give the true picture of the school financial statements although the method is cost effective and random sampling is advisable. The majority of the respondents [60%] strongly agreed to the use of
audit sampling as to gather audit evidence for the reason of time constraints auditors have as to be able to meet deadlines requirements and the audit fees paid by clients.

STATEMENT 2
4.1.5.2 AUDITORS ARE ACCOUNTABLE FOR ORGANIZATIONAL FAILURE

Figure 5
Figure 5 shows that the majority of the respondents, 40% agree that Auditors are accountable for organizational failure as they have a role as to audit the financial statements of school and to give an audit opinion. The percentage that disagreed that auditors are accountable for organizational failure were mainly the respondents who are the school administrators and some of the teaching staff who have at least attained an accounting or an auditing profession. Mazowe District usually conducts accounting and auditing workshops which are mainly attended by the school administrators as to enlighten the members about the accounting and auditing standards.
4.1.6 PRESENT AUDITING STANDARDS AND PRACTICE IN ZIMBABWE ARE LOW

Figure 6

Figure 5 above showed that 70% of the respondents agreed that the current standards of audit practice in Zimbabwe are low and they should be reviewed as to meet the current users expectations since generations have changed and changed but the standards have remained the same over a period of time. Only 5% of the respondents are not sure whether the auditing standards in Zimbabwe are low and been minority the percentage cannot be used to determine the entire population. The respondents also suggested that a policy can be crafted which may force the ISA to revise its standards and this results in the elimination or reduction of the audit expectation gap in the educational sector.
4.1.7 THERE IS A SIMILARITY BETWEEN INTERNAL AND EXTERNAL AUDITORS

Table 5

<table>
<thead>
<tr>
<th></th>
<th>Agree [%]</th>
<th>Disagree [%]</th>
<th>Not Sure [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>25</td>
<td>60</td>
<td>15</td>
</tr>
</tbody>
</table>

The majority of the respondents, 60% disagreed that there is a similarity between internal and external auditors as respondents fail to know the similarities and differences between the two classes of auditors. 15% respondents are not sure of the similarity whilst 25% agreed that there is relationship and most of the respondents who agreed were the members of School administrators therefore this shows that the financial management workshops that are been conducted by Mazowe District Education Office are effective.

4.1.8 CAUSES OF AUDIT EXPECTATION GAP IN THE EDUCATIONAL SECTOR

60% stated that audit expectation gap in the educational sector is caused by the employment of personal into financial positions who lack accounting or auditing qualification hence they are not aware of the auditors roles and responsibilities and also the auditors limitations and they view auditors has fraud hunter. The minority of the respondents, 25% stated that audit expectation gap is caused by the auditors themselves as they are not aware of their duties and roles when auditing a client whilst 15% stated that it is caused by lack of audit education to both the auditor and the client.
4.1.9 ELIMINATION OF THE AUDIT EXPECTATION GAP IN THE EDUCATIONAL SECTOR

Figure 7 shows that the majority of the respondents, 60% suggested that the employment of personal that have accounting and auditing qualifications only reduces the audit expectation gap in the educational sector but the gap cannot be eliminated total as it is also caused by other factors whilst 25% suggested that there should be induction and continues financial management workshops that should be done by the Ministry of Primary and Secondary Education for personal who have been employed in the financial positions of schools. 15% of the respondents stated the introduction of audit education to the users of financial statements will result in a decrease in the audit expectation gap.
4.2 INTERVIEW ANALYSIS

4.2.1 INTERVIEW RESPONSE RATE

The researcher planned 10 meetings with Kundayi High School members who had been selected and the meetings outcomes are detailed below.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Meeting planned</th>
<th>Meetings held</th>
<th>Success meetings %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching staff and school administrators</td>
<td>4</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>SDC</td>
<td>4</td>
<td>3</td>
<td>75%</td>
</tr>
<tr>
<td>bursar</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>7</strong></td>
<td><strong>75%</strong></td>
</tr>
</tbody>
</table>

N=7

Teaching staff and the school administrators work schedules were very tight due to the implementation of the recently introduced new educational curriculum and this resulted in less meetings held which is two from the anticipated meetings of four as shown on table 4.5. The researcher planned four meetings with the SDC members and three meetings were held and the outcome was regarded as favourable. Only two meetings were conducted with the school bursars from the planned two meetings and this was excellent. Conclusive the average response rate was 75% and this meant that the results from the sample showed a fairly true picture of the whole population.

4.2.2 AUDITORS REPORTED ANY FRAUDULENT ACTIVITIES AT YOUR SCHOOL

20% of the interviewed respondents stated that their school has been audited before and Auditors did not report fraudulent activities or other irregularities at their school since its commencement although they believe that some fraudulent and other irregularities were taking place whilst 80% stated that their schools have not been audited although DeZoort and Harrison [2008]) in their study indicated that auditors have a responsibility to uncover fraud. Therefore it can be concluded that auditors are not able to detect and report fraudulent activities that take place at the schools as to protect the stakeholders’ funds or public funds.
4.2.3 EXTERNAL AUDITORS ROLES AND EXPECTATIONS

Figure 7 indicates that the interviewed respondents have different perception of the roles, duties and responsibility of the auditors, 15% of the respondents believe that auditors main role is to prevent, detect and to reveal any irregularities, 35% of the respondents believe that the role of the auditors is to identify and report on system weakness and loopholes. 20% of the respondents who are mainly the school administrators stated that auditor’s role was to express an audit opinion based on the audited financial statements whist 35% stated that, auditors must identify fraud activities that are done and report them to the respective authorities as the auditors main role. It was concluded that there is an audit expectation in the educational sector from the results shown on figure 7.

4.2.4 MERITS AND DEMERITS OF OUTSOURCING THE AUDIT FUNCTION

60% of the interviewees supported the insourcing approach of the internal auditors and they highlighted the following merits less expensive, internal auditors are well knowledgeable about school systems and therefore they give solutions that are much more relevant to the schools, improves the internal auditors’ motivation and internal control effectiveness. However 40% of the interviewed respondents were in favour of the outsourcing approach as it has the following merits high level of objectivity which makes the external auditors to give an independent opinion, high level of expertise and brings in new insights and so the opinion
that they give is reliable and authentic, although the demerits of outsourcing are high costs, inefficiencies and high level of unfamiliarity with the school systems.

4.2.5 DO EXTERNAL AUDITORS CONDUCT ANNUAL AUDITS AT YOUR SCHOOL
All the interviewed respondents’ form the three schools stated that external auditors do not conduct annual audits at their respective schools and the reason being that the schools are audited by government auditors and the government is facing financial constraints

4.2.6 THE COMPLEX NATURE OF FRAUD
The majority of the interview respondents stated that the major challenge of fraud is the complex nature of fraud whereby it can be concealed without any trace. Fraudsters take advantage of technological advances and they use sophisticated ways of committing fraud and this makes it difficult for Auditors with basic accounting or auditing knowledge to detect and prevent the fraud. As a solution to complex fraud, auditors should seek fraud training to enhance fraud detection and prevention and such training is obtainable from the local chapter of the Association of Certified Fraud examiners.

4.2.7 EFFORTS DONE BY SCHOOLS ADMINISTRATION TO PREVENT FRAUD ACTIVITIES
Adoption of schools code of conduct which is against the act of fraud by employees, effective communication and reference checks on new employees. Some of the respondents reviewed that reference checks with new non-teaching staff employees and the SDC members is done so as to trace for any criminal record of the person joining the school. The process involves taking finger prints of the person and proceeding with them to the police for clearance. Schools also use sequential carbonated receipts that are used by the bursar as way of preventing fraud. Other interviewees suggested the use of Computer Assisted Audit Techniques (CAAT).

Schools have set up procurement committees that are chaired by the deputy head and it constitutes six Head of Departments [HODs] members plus the SDC vice chairperson, it’s responsible for awarding tenders and at least three quotations are presented before any authorised purchase as to deter fraud. The quotations are used to produce a comparative schedule which is a ministerial requirement as to authenticate any purchase.
4.3 DISCUSSION
The roles of the auditor are not known by many school bursars, school administrators, and the SDC members, this lack of knowledge has resulted in the existence of the audit expectation gap in the educational sector where the auditor is perceived as a fraud hunter. According to Bollen and etal [2009], the audit profession minimises its role in fraud detection and expresses that, it is the responsibility of management.

4.4 CONCLUSION
The study was an evaluation of the auditors’ role as to check if these roles are known by the auditors themselves and the personal in the educational sector. The existence of the audit expectation gap in the educational sector has been caused by the failure to understand the auditors’ roles as the expectation is high. The respondents in the educational sector systematically expect more from the auditor than auditors believe they provide. The accounting profession argues that one cause of the expectation gap is the public’s failure to appreciate the nature and limitations of an audit [Epstein and Geiger, 1994]. Auditors need to ensure financial statements comply with Generally Accepted Accounting Principles [GAAP] ensure financial statements are consistent with conventional accounting principles and to express an opinion on whether the financial statements are fairly presented in a true and fair view in all material respects.
CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION
The purpose of this research was to evaluate the auditor’s roles and to establish approaches that may lead to the elimination of the audit expectation gap in the educational sector. This chapter meets the final objective of the study as to draw a summary, conclusion and recommendations from findings of the questionnaires, interviews responses and observations. Contribution and suggested solutions are highlighted in the recommendations section in the hope that the recommendations will be used to reveal the auditors roles and to reduce the audit expectation gap in the educational sector.

5.1 SUMMARY
This research study sought to evaluate auditor’s roles and elimination of the audit expectation gap in the educational sector using a sample of three secondary schools in Mazowe West District under Mashonaland Central Province. Theoretical and empirical literature was used as to be able to obtain a strong analysis base. Questionnaires and interviews were used to collect primary data whilst secondary data was collected using documentary analysis. The study was premised on the following objectives:

- To evaluate the roles, duties and responsibilities of the internal and external auditors
- To explore the similarities between internal and external auditors
- To examine the causes of the audit expectation gap in the educational sector
- To establish approaches of reducing the audit expectation gap in the educational sector

The research established that:
The roles, duties and responsibilities of the internal and external auditors are governed by standards and legislations of auditing such as International Auditing and Assurance Standards Board [IAASB], International Standards on Auditing [ISA], Generally Accepted Auditing Standards [GAAS] and Institute of Internal Auditors just to name a few. The research also highlighted the similarities and the relationship between internal and external auditors. The research established that one of the causes of the audit expectation gap is the
different perception of the public about the auditor’s roles and limitations and what the audit profession expects.

The majority of the respondents 70% believe that audited financial statements can be used to monitor a school financial performance whilst there are other contributing factors such as that auditors give their audit opinion only based on historical evidence. On the use of audit sampling to gather audit evidence there is no high audit expectation gap as 60% of the respondents indicated that audit sampling is cost effective and random sampling is advisable. There is an audit expectation gap as the public believe that auditors are accountable for organizational failure but auditors only audit financial statements and the failure can be caused by non-financial statements.

The majority of the respondents agreed that the current standards of audit practice in Zimbabwe are low and this also has caused the audit expectation gap in the educational sector hence they should be reviewed as to meet the current users expectations since generations have changed and changed but the standards have remained the same over a period of time. As a contributing factor the employment of personal into financial positions such as a bursar who lack accounting or auditing qualification as also caused the audit expectation gap in the educational sector as the bursar is required by ministry to prepare the school Financial Statements.

Auditors have not reported any fraudulent activities at any of the three schools and the public expected them to report these activities as part of their job since one of the schools was audited and the public believe that there were irregularities taking place but the auditors failed to reveal the fraudulent activities as per the public expectations hence this undermines the auditors credibility.

60% of the majority stated that audit expectation gap in the educational sector is caused by the employment of personal into financial positions who lack accounting or auditing profession and 25% believe that auditors and users of financial statements are not sanitized about their roles and duties. The majority of the respondents suggested that the audit expectation gap is reduced by improving the knowledge base and understanding of the auditors’ duties through the provision of auditing education to the public whilst other respondents suggested that the educational sector should establish Districts Audit committees in all the provinces of Zimbabwe.
5.2 CONCLUSION
Findings from the research show that the audit expectation gap between the auditor’s roles, as perceived by the auditor, and the expectations of the users of financial statements, may be subdivided into communications gap and performance gap. The communications gap is caused by public expectations being unreasonable as the respondents expect all fraud to be discovered by a statutory audit and performance gap occurs when public expectations are reasonable but the auditor’s performance does not fulfill them therefore these two gaps contributed towards the audit expectation gap in the educational sector of Mazowe West District secondary schools. The research findings were also that the audit expectation gap cannot be eliminated but can only be reduced in the educational sector. The research also singled out the failure of external audit in combating fraud and auditor rotation which impacted on the independence of the external auditors. The three schools since their commencement only one has been audited by government auditors and there are no annual audits in secondary schools.

The research also established that the audit expectations gap also exists due to the changes in the auditing environment and the underlying reasons existence lies on its main players, the auditors and the users. On one hand, it is a direct result of the audit profession failing to respond appropriately to new issues arising from changes in the audit environment. For example, the refusal of auditors to assume responsibility of fraud detection and reporting exercise, and their involvement with non-audit services practices.

5.3 RECOMMENDATIONS
The public both users and non-users of financial information should be sensitized on the roles, duties and responsibilities of auditors, the auditing education and to increase public awareness of the nature and limitations of an audit, to users as the solution to reduce the audit expectation gap as it is believed that knowledge of the users influences the size of the expectation gap. The research also recommended that the educational sector should adopt a policy that at least two of the SDC members and at least two of the school administration members should have attained basic accounting or auditing professional qualifications as to reduce audit expectation gap in the educational sector as there are the custodian of the school funds. The research also recommended that the members who are in the financial position of the school should have electronic or hard copy of the accounting or audit policy as this can help them to acquire audit or accounting education.
Other recommendation was that the audit profession should take action in increasing the responsibilities of auditors so as to successfully address the audit expectation gap and audit firms should be discouraged from rendering both audit and non-audit services to the same client. This will increase the independence of the auditor when carrying out audit assignments. The auditing workshops and refresher courses that are conducted by the ministry of primary and secondary education should be attended by every member in the educational sector.

5.4 FUTURE RESEARCH
Lastly the researcher recommends for continues researches about the existence of audit expectation gap and its reduction in the educational sector at a larger scale. The researcher also recommended that more different respondents such as parents or guardians of children learning at various schools and even the auditors themselves both internal and external should be used as to obtain a wider view of respondents than having to relay with just three schools.
REFERENCES


APPENDIX A: COVER LETTER

Ref: Request for Research Project Assistance

Dear Respondent

My name is Benjamin Mapingire [Reg B1439054] a final year Bachelor of Accounting student at the Bindura University of Science and Education. In partial fulfillment of the requirements of my degree I am required to undertake a research project of my choice and my chosen topic is:

An evaluation of the Auditor’s role and elimination of the audit expectation gap [case study of secondary schools in Mazowe west district]

I have chosen your school as part of my sample in gathering data for the purposes of my research. I therefore kindly ask you to assist me by completing the attached questionnaire and I will collect it in person from you at your soonest convenience.

Please be assured that any information or data received will be strictly for general deductive purposes and will be utilized solely for this project. Your school’s confidentiality will not, in any way, be compromised.

Thank you in advance for your co-operation.

Yours faithfully
Benjamin Mapingire
APPENDIX B: QUESTIONNIERE

Instructions:
Tick in the box, which matches your answer from those given. Should you have different answer from those provided, you may use the ‘other’ space to give a brief description. Where you feel more than one of the suggested answers is correct, you may tick accordingly.

Section A: Personal information
1 Gender
Male ☐ Female ☐

2 What is your highest education qualification?
   Ordinary Level ☐ Diploma ☐ Undergraduate ☐ Post Graduate ☐
   Other (specify)…………………………………………………………………

3 Position held at the school
   Teaching Staff ☐ School administration ☐
   Bursar ☐ School Development Committee ☐

4 How long have you been in that position?
   < 5 years ☐ 5 to 10 years ☐ 15 to 20 years ☐ 20 years < ☐
   Other (specify)…………………………………………………………………

SECTION B: auditor’s roles and elimination of the audit expectation gap
5 The preparation of the financial statements is the responsibility of the:
   ➢ bursar ☐
   ➢ Finance committee ☐
   ➢ School administration ☐

6 Audited financial statements are used to monitor a school financial performance
   a) Yes ☐ b) No ☐ c) Not sure ☐
7 Analysis of respondents’ knowledge and perceptions on Auditors

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Audit sampling provides enough evidence to be used to judge the financial statements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Auditors are accountable for organizational failure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please respond by ticking in the appropriate box

8 The present auditing standards and practice in Zimbabwe are low
   a) Low [ ]  b) high [ ]  c) Not sure [ ]

9 There is a similarity between internal and external auditors
   a) Agree [ ]  b) Disagree [ ]  c) Not sure [ ]

10 What maybe the causes of an audit expectation gap in the educational sector, in your own opinion
    ...........................................................................................................................................................................
    ...........................................................................................................................................................................
    ...........................................................................................................................................................................

11 Suggest ways of reducing the audit expectation gap in the educational sector
    ...........................................................................................................................................................................
    ...........................................................................................................................................................................
    ...........................................................................................................................................................................
    ...........................................................................................................................................................................

Thank you very much for completing my questionnaire.
APPENDIX C: INTERVIEW GUIDE

My name is Benjamin Mapingire [Reg No. B1439054]. I am a Bindura University student studying a Bachelor Accountancy Degree [honours]. I would appreciate your assistance in answering the following questions that seek to evaluate the auditor’s roles and elimination of the audit expectation gap in the educational sector.

1) Have auditors reported any fraudulent or other irregularity activities at your school?
2) Can you explain the external auditor’s roles and what are your expectations?
3) What are the merits and demerits of outsourcing the audit function?
4) Do external auditors conduct annual audits at your school?
5) How can your school combat the complex nature of fraud?
6) What efforts have been done by the school administration to prevent fraud activities?

Thank you for participating in this interview.