



Auditing Research: A Reflection on Activities and Techniques

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ABSTRACT

This study attempts to view auditing research through auditing activities carried out by audit firms and auditors, including the audit techniques applied in carrying out the assignment. In doing this, we choose to study literature that has been advanced by various scholars. We studied the auditing activities carried out by auditors and their firms and laid more emphasis on the techniques applied by them. We also studied existing scholarly theories in auditing and how they impact the work and judgement of auditors. The ultimate aim of this work is to look at auditing research from the premise of the various activities involved in carrying out an audit, the various tools, measurements, and techniques that are applied by practitioners in doing their work, and how these activities, practises, and techniques have succeeded in shaping contemporary audit. In addition to fulfilling the purpose mentioned above, this study identifies the various criticisms of these audit theories, practises, and techniques, thus creating an avenue for further research work on the subject matter by researchers and students.

Keywords: Auditing Research, Auditing Activities, Auditing Techniques, Auditing Techniques, Literatures.

INTRODUCTION

There is a lack of real-world examples and context for auditing ideas and concepts. The requirement for credible specialists who are superbly competent to certify or voice expert opinion on goods and services that have financial ramifications with societal or individual importance is an issue for businesses, people, organisations, and society at large. These experts have gained the respect of the businesses, people, and community at large because of the quality of service they have consistently provided. These specialists have gained their clients' confidence not simply due to the breadth and depth of their collective experience, but also because they are widely regarded as competent, trustworthy teams. Auditors are charged with verifying the accuracy and reliability of financial accounts, which detail the assets, liabilities, income, and expenses of businesses and other organisations, both public and private. By law, auditors must conduct an objective review of an entity's management and provide a report tailored to the requirements of its users. This law was enacted to shield non-experts who lacked access to entity transaction data from potential harm. If the financial statements offer a "true and fair view" of the transactions as reported by management, the auditor is required to provide a report. This demonstrates that reporting is beneficial to consumers since it is elevated beyond just reporting on whether or not accounting rules have been followed. The research also hopes to stimulate thought about what we now know and what we still need to learn in the field of auditing.

Objectives of the study

The goal of this article is to suggest future research possibilities that might help us learn more about auditing and how it's done. The major objective of this study is to evaluate the likely degree of change in future auditing methods and procedures. It's also important to keep in mind the possibility of situations requiring further explanation and answers from academics, such as the discovery of inconsistencies or anomalies during auditing.

A closer look at the specifics reveals that the auditor is expected to use professional judgement in determining whether or not the financial statements provide a "true and fair view" of the entity's financial activity. This conclusion, expressed as an opinion in the audit report, is reached even though the financial statements were prepared in accordance with all applicable standards. Zeff (2007) posits that there exists an increasing inclination to prioritise alternative values over the aforementioned one. As Garvey (2012) demonstrates, there is a widespread belief that 'true and fair image' or accurate portrayal can be achieved by just playing by the book. There has also been little research on the elements that lead to this way of thinking among specialists. Unfortunately, many auditors believe their work is done after they have complied with a set of rules and regulations. By offering adequate assistance on how to carry out hundreds of checks, they expect that adhering to such rules and procedures will let them exercise professional judgement without needing too much mental exertion or scepticism. Auditors will frequently talk to the management that hired them if the audit opinion that will be supplied is not beneficial. It is possible to find a middle ground by drawing attention to the most pressing problems while yet allowing the audit process to proceed in the future. DeFond, Lennox, and Zhang (2018) cited instances when the audit profession's credibility was harmed because it prioritised rigorous adherence to standards ahead of the "true and fair view" or honest portrayal. We used case studies based on real decisions made by administrative agencies and courts.

Since auditing was formerly a wholly private activity that took great satisfaction in its self-regulatory powers half a century ago, the participation of government authorities is something to explore. Due to the failure of the professional procedures of objectivity inside several countries in recent years, the auditing profession has been replaced and public scepticism has been created. Government and market authorities started strictly controlling and monitoring auditor activity after the Andersen business collapsed following the Enron disaster. It was unheard of in the past for the government and market regulators to play such a pivotal role. Due to the increased scrutiny and requirements placed on organisations serving the public interest, public sector organisations are subject to different auditing standards. There has to be investigation into whether or not this division has produced two auditing groups. Auditors may be categorised according to their level of experience and skill. Since this may discourage newcomers, it might be detrimental to the auditing industry as a whole. This division would be disastrous because it would categorise audit firms into subsets based on the kind of clients they serve and the services they provide.

Finally, the fact that a few number of large firms (Big 4) account for the great majority of audit revenue in developed countries is indicative of the industry's high degree of concentration. Since their major priority is being employed by consumers of all shapes and sizes, their strength and structure come at the expense of price and quality competition. There seems to be no quick fix for this glaring oligopoly, which threatens the viability and standing of the auditing industry. Numerous empirical studies, such those conducted by DeAngelo (1981) and Defond and Zhang (2014), support the premise that the Big 4, regardless of size, may and does achieve a higher quality.

Fourth, auditing professionals are cautious to take on the responsibility of being fully independent of the firms they are auditing, outside of the domain of regulatory compliance. Professionals in the fields of law and market regulation must be capable of independent thinking and action. This means the auditor has to be viewed as objective as well as being objective. Entity management, on the other hand, often promotes audit firms of varying sizes to aid entrepreneurs and administrators in carrying out their supervisory and organisational tasks. There seems to be less of a focus on information flow and more on the auditor's traditional strength, which is maintaining objectivity under duress.

Sixthly, we see that certain auditing firms have evolved into true companies whose principal objective appears to be profit maximisation and growth. Over the course of only a few decades, emphasis have evolved away from quality assurance and towards serving the public interest. The necessity to optimise growth and earnings, as well as the cyclical nature of audit work, have led auditors to expand their services beyond the traditional audit. They build trust with these companies, which ultimately leads to more sales. So, auditing firms are run like corporations, and their executives think like consultants in terms of making a profit (Zeff 2003:280). Some auditors, backed by their organisations and regulatory bodies, claim to always prioritise the public good in their work. U.K. regulators are concerned about audit quality and transparency, prompting the Big 4 to consider separating its audit and consultancy services (The Guardian, 2018). Recent attempts have been made to try to systematically design auditing research concerns. Between 1926 and 2005, the top 25 English-language accounting journals produced thousands of publications that Lesage and Wechtler (2012) analysed and classed. After spending the 1940s and 1950s investigating the characteristics of the average auditor, the focus switched to how the profession might better educate and train its members. In the 1980s and 1990s, it was typical to conduct in-depth analyses of technical topics such the creation of an opinion, audit procedures, the application of contractual theory to auditing, and contacts with clients. Around the turn of the century, issues of international law, corporate governance, the company's viability as a going concern, and the potential for fraud and its non-detection became more pressing. The book's heavy-handed indictment of commercialism was criticised by several reviewers. The authors make it clear that they are criticising both the profession as a whole and some of the social groupings that have formed to offer this service. For some, this might be a "auditor" or "audit firm." The role of the audit committee, the use of IT in gathering audit evidence, the significance of internal controls, and the impact of inspectors and supervisors' inspections are all modern additions to the list of factors that might affect an auditor's work.

Research approaches

We examined three current recommendations that are complementary in an attempt to standardise the diverse approaches. The first two concepts are based on calls for papers from academic journals, and they show two quite distinct ways of doing academic research. The first two examples both come from the "New Directions in Auditing Research" Special Issue of the *European Accounting Review*. The journal *Critical Perspectives on Accounting* responds with its own argument. There are more specific aims associated with this call for submissions than is typical (Special Issue on "Critical Auditing Studies: Adopting a Critical Lens towards Contemporary Audit Discourse, Practise, and Regulation"), which is encouraging.

Many academics in the social sciences feel that scientific inquiry would cease to exist if critical thinking were not emphasised. The purpose of the many critical perspectives on accounting that have emerged is to raise serious questions about the current state of the discipline. The newspaper fostered a nonconformist voice that, although less radical than it formerly was, retained its characteristic sharpness. Back in 1990, when it was initially conceived, its backers didn't place much confidence in the concept of running a major editorial and putting it through scientific rigour. In an environment where political interests play a large role in shaping the conclusion and development of the reality that has been addressed, critical research is tied to the personal, political, and social intricacies that play a part in auditing businesses. Since this strategy is grounded on scientific philosophy, we'll name it the institutional approach. You may find examples of articles using this strategy in the *Journal of Accounting and Public Policy* and in *Accounting, Organisations, and Society*.

Third, we'll look at taxonomic approaches, which don't derive from any particular philosophy but instead provide a descriptive framework for organising audit research. There is a thorough taxonomy of audit studies available on the website of the American Accounting Association (AAA). This study will explore and remark on taxonomy because of its significance to audit research, even though other researchers may have devised different classification methods. This note will conclude with a discussion of the increasing acceptance of auditing best practises throughout the professional services industry. Management and sociology scholars have investigated auditing's practises and norms. These methods are not intended to be

a taxonomy, nor do they claim to be exhaustive of the conceivable responses to the issues raised in the introduction. They serve as the gold standard for studies of this kind.. This study's compilation methodologies are provided as examples that might help guide future researchers. Most of the papers utilised to provide the groundwork for this study have an upbeat perspective of continuous discovery, based on the authors' examination of audit performance data. They may then extrapolate about what kind of reactions this auditing activity could provoke in other contexts.

This strategy involves coming up with hypotheses, which are then tested using different types of statistical models. Whether or not the hypothesis is accepted might depend on whether or not the observed associations are statistically significant. The authors find statistical relationships and then propose a theory to account for them. When analysing a study problem, positive research techniques often need more time analysing data and less time familiarising oneself with sophisticated economic, sociological, or psychological theories. To get their research off the ground, their publications published and cited, and their work into peer-reviewed journals, many young researchers find that this is the ideal approach. This is due to the fact that the named products are industry standards, potentially adding to the body of knowledge with just modest modifications to preexisting models or data.

The major emphasis is on two-way communication between auditors and the companies being audited. It is hoped that the contents of this document, which include the audit practise framework, the public's perception of the auditors' activities, and the document's intended use, would assist professionals in formulating strategic plans for their work. What is meant by "independence" and how to go about achieving it are additional topics of interest in this area of study. For certain companies, the auditor is more important than any other accounting or finance expert. This opens the door for him to convert more people to his way of thinking and expand his support network. Some companies see the auditor as a danger to their established hierarchy and authority. This results in a generally binary reception of his character and his work. The establishment and proliferation of audit committees inside audited companies have significantly affected the auditor's interaction with the structure of the firm. Due to these modifications, this area is still mostly unexplored. Additional research into this area is warranted since it has the potential to illuminate the nature and results of the Audit Committee's changes. To be clear, there is a severe lack of data on auditor-auditee interactions; yet, Lesage and Wechtler (2012) found that 52 percent of the studies they assessed focused on studying some aspect of these relationships.

Regulations imposed on the auditing industry as a whole as a result of the Enron scandal are also discussed. When the Sarbanes-Oxley Act was passed in 2002, the auditing sector, which had previously taken great pride in self-regulating itself, witnessed the development of independent regulators. The impact of this law on publicly listed companies has been extensively chronicled, but the effect on the internal structures of auditing firms has been given less attention. Companies that conduct audits will need to make changes to their organisational structure and working conditions in light of these new realities in order to keep up with rising standards for quality assurance, inspections, and inquiries. Little is known about how these controls have been really implemented or how they have affected the management ethos or auditing practises of businesses. The substantial difficulties anticipated by DeFond and Francis (2005) in their study need further exploration.

A third consideration is auditors' promotion of and engagement with big data applications in business analytics. According to the literature, big data methods have not been widely used in auditing, in contrast to their ubiquitous usage in sectors like engineering, healthcare, and advertising. The process of analysing large datasets, sometimes known as "big data," includes the procedures of inspecting, cleaning, converting, and modelling the data. After large data has been cleaned, analysed, and made usable, the next step is to help with decision-making by revealing and communicating relevant facts, patterns, and proposed conclusions (Cao, Chychyla, & Stewart, 2015). To handle these mammoth data sets, experts have programmed specialised statistical and logical tools. This allows for further exploration, modelling, and the use of heuristics. When paired with traditional auditing methods and the expertise of auditors, big data analysis may provide more convincing proof of transactions and measurements. Financial distress modelling, fraud modelling, and stock market forecasting are all areas where big data analysis has been

put to excellent use (Gepp, Kinnenluecke, O'Neill, & Smith, 2018). New methods of satisfying needs previously supplied by audit sampling are, nevertheless, very much appreciated. Increasing the size of the sample for certain algorithms incurs no extra cost, and in other circumstances it may even be viable to test with the full population, Krahel and Tiera (2015) write in an interesting special issue of *Accounting Horizons* dedicated solely to data analytics. Though it may be created in tandem with the continuous accounting process, the technology supporting the continuous audit is not discussed in the analytical techniques section. This collection of checking procedures runs in tandem with the creation of the accounting data, allowing for judgements to be made and proof to be gathered as soon as the information is ready. Amazingly, it can also foresee the unexpected consequences of any evolving process or system (Kogan, Sudit, & Vasarhelyi, 2018).

The expanding offerings of audit firms represent a fourth frontier in need of study. Many companies, despite the auditing industry's severe restrictions, are nonetheless actively seeking growth opportunities by offering consulting services (tax, systems, human resources, mergers and acquisitions, etc.). Even if the auditors already have a presence in the countries where the new operations will be formed, any firm that wishes to extend its commercial activities overseas will nonetheless meet with its auditors. The auditor connects the firm with a reliable group of natives in the country where they are being urged to establish operations. Therefore, auditors are crucial to the development of global capitalism. The price of an audit is calculated in relation to the price of the services it entails, as shown by the research of Whisenant, Sankara Guruswamy, and Raghunandan (2003). The impact of new exclusion rules on firms, both large and small, is little understood. Despite this, we are cognizant of the fact that the firm's metrics, particularly those pertaining to the non-audit services offered, are expanding at a rapid pace.

A fifth area that needs further research is the professional community's efforts to foster and protect talent. Workplace diversity and inclusion for underrepresented groups such as the disabled, newly arriving immigrants, the LGBT community, and women are discussed. However, it is well documented that this latter minority has a positive effect on audit work quality (Ittonen, Vähämaa, & Vähämaa, 2013). However, there are a number of reasons why looking into the recruiting procedures of audit firms is crucial. For instance, there is less study of the criteria that really matter to businesses when determining someone to promote. Despite having one of the highest rates of employee turnover in the economy, surprisingly little is known about the causes of people leaving this particular business. However, in order to maintain the audit contract and other services, it is common practise for the organisation to place former employees inside the client corporation. But it's clear that companies mould employees in ways that benefit the firm (Covaleski, Dirsmith, Heian, & Samuel, 1998). The office culture and work ethic of audit employees have been the subject of research. It seems that each auditing firm has its own approach of determining what constitutes acceptable behaviour on the part of employees. As a result, they are more amenable to being persuaded to change their minds, putting in extra effort beyond what was expected, and putting up with some degree of pressure (Espinosa-Pike & Barrainkua, 2016). These traits may run counter to becoming a well-rounded individual and doing good in the world. The study of people management in audit enterprises is gaining popularity with the expanding body of literature on human relations in the workplace. The huge cultural differences between public and private auditors (see Spence, Carter, Husillos, & Archel, 2017) may necessitate the utilisation of research by Spence and Carter (2014). The sixth and final topic is the special attention given to small audit firms by both the regulatory bodies and the standard-setters. Researching the structure and operation of small business networks, the people they hire and how they educate them, the work they do and how they report on it, their reactions to market forces, the composition of their revenue, the design of their internal controls, and other behavioural concerns is fruitful. Investing in studies that compare minor businesses to the Big 4 in the aforementioned sectors is essential in preventing an oligopolistic market from becoming a monopoly.

The institutional approach

Economics and business administration have rich academic histories from which the institutional approach draws. In spite of this, it is not hard to see why the growing corpus of auditing research has not shown this to be the prevailing pattern. Humphrey (2008:192) used the term "alternative auditing

research" to call attention to the fact that audit firms and auditing organisations have no financial or institutional motivation to engage in or benefit from this development. An earnest effort to conceptualise the audit phenomena, it is based on evidence from the real world and theoretical frameworks from the fields of economics, sociology, and politics that adopt a neutral approach. As a consequence, this method's findings might be utilised to guide government action. For instance, many academics are unable to critically examine auditing practises, according to Humphrey's thesis, because of the prevalence of the quantitative technique in most auditing research. The focus of audit professional education and training has switched from helping students understand the gravity of their work to familiarising them with ever-evolving standards and methodologies.

The editors of the CPA special edition begin with the repercussions of the increase of "commercialism" in audit firms. The expansion of other companies has come at the cost of auditing itself since auditing is less profitable than other consulting services. Auditing is typically undervalued by companies since it accounts for such a tiny share of the overall services invoiced to clients. This results in the firm's lack of objectivity when it creates the audit report since the audit partner is also responsible for marketing the firm's other services to the audited company. Exciting research has been done on the widespread practise of organisations combining to better handle the problems of a competitive market, which can be observed in industries including industry, banking, and commerce.

The topic of audit fees in Nigeria, which are much lower than in other developing countries, merits investigation, as does the rationale for the evolution of these rates in light of projections of income from other services that could be delivered during the audit period. It's amazing to see the ways in which audited corporations' upper management aids in the growth of business. Many of these executives have backgrounds in auditing firms. In a nutshell, the organisations that these C-suite executives look up to and contact when they need help with management obligations have also provided them with training.

The second piece of advice for this CPA journal special issue is to investigate how new regulations are applied to rectify what people regard as incorrect. The editors declare that they want to move the focus from the content of rules to their implementation and the effects of this shift. The ultimate objective of the ongoing global growth of regulatory frameworks would be strengthened by using this approach.

Finally, we'll discuss the desire of auditing companies to provide advisory services to their clients, using the auditor's experience in both auditing and non-auditing industries as justification for keeping him on the payroll for both businesses. Due to their wide range of abilities and familiarity with the inner workings of a company, auditors play a vital role in finding solutions to problems. Auditors enjoy the respect of management because those in authority see them as reliable experts. True, auditors have become more certain over time. But others have questioned if this confidence comes at the expense of the independence required of them. Auditors frequently feel that they have a better grasp on their customers' company because to the consulting services they provide. They insist that providing information and solutions does not negate their right to act independently. According to empirical research (Guiral, Ruiz Barbadillo, & Choi, 2014), however, consumers place a higher value on information given by the independent auditor than information provided by other sources. Scholarly research is acquainted with the idea that one's degree of knowledge may reduce the strains of accomplishing things on one's own. Understanding the habits of auditors at large and medium-sized firms is crucial, making this an exciting area for research. The research conducted by Jamal and S. is illustrative. According to Sunder (2011), in the American market for purchasing and selling baseball cards displaying photographs of baseball players, cross-sellers' judgements were more trusted by collectors than those of independent certifiers. In truth, the assumption that market discipline may substitute for independence stems from the conviction that neither auditor rotation nor co-audits nor the ban of supplying non-audit services throughout the period of the audit engagement are essential if the market is adequately disciplined. This school of thought, which relies only on the market to address social issues, overlooks the reality that ideal markets do not really exist. Any market might be taken over by the market operators. Experts that are driven to address holes in the market are always testing new standards, practises, and procedures that are essential to their usefulness. Unexpectedly, drawing attention to this kind of research is crucial since it has

committed followers and contributes to industry trust. One school of thought that questions the usefulness of rules meant to prevent a lack of independence is that of Arunada (1999, 2000), who proposes instead relying on client demand to sort out the best and worst auditors. Those who study the market from a religious perspective think it has the potential to solve every problem mankind encounter.

The CPA's fourth suggested topic for papers is the public interest of the auditing engagement. In some developing countries, like Nigeria, the public interest has not been pushed to the forefront of talks; yet, this issue is relevant in support of the engagement of the supervisory authority and the extension and conservation of the required audit for enterprises and other entities. An audit's worth to society may be shown by tallying up the ways in which it improves people's lives, the economy, foreign aid, and other aspects of daily life. Even when subject to scrutiny and regulation, experts remain doubtful that private audit firms can sufficiently serve the public interest. They claim that they are unable to do so owing to conflicts of interest arising from being elected or paid by the companies they audit, but that they are able to offer other services on their own or via linked entities. In order to safeguard the credibility and societal value of auditors' work, academics have the duty to propose and assess alternative models for auditor appointment, fees, and compensation.

This discussion leads up to the CPA's fifth and last point in this audit-themed problem. This issue tests the auditor's ability to adapt to the changing nature of their profession. There is little question that audit firms and auditors' professional credibility has been harmed by the scandals in which they have been involved. Instead of doubting their talents, it is more necessary to clarify their role in society. In a word, it's about being optimistic about the future of auditing and the people who will be evaluating auditors in the future. This is a really exciting research topic since auditors are now under pressure from being continuously questioned as if they were performing their mission dishonestly. There is an expectation gap in public practise auditing that necessitates learning new abilities and rebuilding a damaged reputation. Accounting and auditing experts in the developed world would regain some of their lost respect if this happened. Big 4 auditors, for instance, are not aware of their vulnerable social status as professionals, as discovered by Gendron and Spira (2010), and therefore they did not understand the fundamental causes of Andersen's downfall. O'Dwyer (2011), however, argues that environmental insurance reports may help businesses win over customers and the market. However, the profession's unwillingness to see its own plight does nothing to tackle the real problem or speed up the process of fixing it. Without a compelling incentive, the auditing sector is unlikely to strive to reinvent itself in a manner that restores public faith. Enron's executives were in a similar predicament; they had been told for years to make a change in preparation for the company's downfall, but they had little incentive to do so as long as the markets remained favourable to Enron. Research designed to bring about the extinction of experts via slander may be essential as a result.

The CPA editors' last topic is the monitoring and regulation of accounting firms. The Securities and Exchange Commission (SEC) of Nigeria has intensified its inspections of listed corporations, auditors in Nigeria's listed enterprises, and broker-dealers in an effort to protect investors, heightening the topic's importance. Due to a lack of adequate professional controls, businesses are increasingly subject to audits and investigations to ensure they are meeting quality standards or face fines.

Similarly, nothing is known about how audit firms have reorganised themselves in light of new regulations like the IFAC's International Standard on Quality Control No. 1 (ISQC 1), which was published in 2009. This research might be useful for both large corporations like Big 4 and SMEs, who may have less resources and less experience with quality control. However, there have been no comprehensive studies on the effect of inspections on businesses in countries where these policies have been adopted. Due to the relative newness of these sanctions, there have been no evaluations of their effect (if any) on audit firms. Important study was undertaken by Fuentes, Illueca, and Pucheta-Martnez (2015), who looked at the effects of the fines handed out by the Spanish Institute of Accounting and Auditing (ICAC) during the beginning of the 1990s. According to the results of this study, auditors were more careful in the years following the punishment. The authors came to the conclusion that they needed to improve the quality of their work. Graph 1 was custom-made for this function, and it was inspired by a

free example provided by the American Accounting Association (AAA). The graph displays data from before the audit, throughout the audit, and after the audit has been completed. Everything that arises before the real auditing process starts, such as the professional credentials and auditing, the cost and conditions of the assignment, and so on, belongs in the pre-audit section. Topics that get the most attention in the audit work section are those that have the most bearing on the audited activity. Concerns concerning activity regulation and standards are mentioned, in addition to market and audited company relationships. Despite their pervasiveness, worries about autonomy have received particular focus in this field of study. After the audit is finished, the professional auditor has a responsibility to support the audit's findings and their repercussions are addressed. For each of the investigated domains (15 in the initial group, subdivided afterwards to reach 130 domains), the titles may be reviewed to get insight into the nature of the issue being addressed, the rationale behind the approach used, and the final conclusions. One of the most intriguing features of the categorization is this. There has been research done on this before, and anyone interested in the subject would benefit from familiarising themselves with the study's methods. There were 764 abstracts of auditing articles from AAA-edited journals and other reputable U.S. periodicals in the database as of early January 2018.

Users can synchronise database updates with their social media accounts, and topics that can be discussed include: standard-setting; client acceptance and continuation; auditor selection and auditor changes; independence and ethics; audit team composition; risk and risk management (including fraud risk); internal control; auditing procedures; nature, timing, and extent; engagement management; audit quality and quality control; auditor reports and reporting; governance; corporate matters; international matters. Resolving some of these concerns might help advance research in the other disciplines. Last but not least, we'll cover the difference in expectations about the inclusion of going concern qualifications in the audit report, as well as the Code of Professional Ethics. It's a common misconception that "ethics" in the context of auditor education and practise means "doing the right thing." Keep in mind that this assumption is unhelpful since auditing ethics cannot be determined just by reference to standards or study of standards compliance. Many of the approaches, however, prioritise ethical considerations. Journal of Business Ethics authors have highlighted the broader issue of the interaction between technological advancements and ethical considerations about accountants' competence and discretion. In view of the proposal to reassert business ethics as a discipline, it is important to carefully consider the whole influence of technology on all aspects of accounting. Despite the fact that independence is simply one component of ethical conduct among several that must be respected (see IFAC, 2005), the terms "ethics" and "independence" are commonly used interchangeably in auditing. Integrity, impartiality, professional competence, continuing professional growth, professionalism, and secrecy are some of the additional factors to consider. To offset the focus on technique in IFAC standards, West (2017) offers an intriguing observation from an Aristotelian perspective. Research indicates that ethical behaviour should serve the greater good of society and should be comprehensive and precise in meeting legal requirements. This means that the auditor's dedication to ethics should be extended to the issue of whether or not the auditor's worldview is helpful in furthering the public good.

Observations in the study of ethics provide a number of apparent difficulties, such as the potential for response biases in survey data and the inadequate reproduction of real-world situations in the laboratory (Jones, Massey, & Thorne, 2003:91). Recent studies have focused on the subject of whistleblowing to auditors from both within and outside of firms. Integrity demands that auditors report any instances of unethical behaviour, whether they occur inside the company or with external regulators. Since pointing fingers is more socially acceptable in certain cultures than others, it is important to analyse professional behaviour in unethical situations on a national and cultural level (Patel, 2003). The results might be utilised by authorities to develop policies that encourage better behaviour at work (Latan, Ringle, & Jabbour, 2016). Despite the differences in methodology that have been discussed, survey research continues to play a crucial role in this field.

Another ethical conundrum about impartiality is raised by the topic of audit rotation. Existing empirical evidence is highly debatable. As an example, we'll utilise two papers that seem to contradict each other.

Firstly, Ruiz-Barbadillo, Gómez-Aguilar, and Biedma (2005) used objective data on the amount of qualification paragraphs in audit reports to arrive at the surprise result that the longer a business was audited by the same firm, the more likely the audit report was to be qualified. This lent credence to the argument that switching around the auditors doesn't always lead to a more in-depth review. Using more sophisticated statistical methods on the same data, Garca Blandón and Argilés (2013) found no connection between audit contract duration and audit success rate. Professional auditors and their associations may counter studies that cast doubt on the usefulness of auditor independence as a quality measure by arguing that the studies are biased. Researchers should overlook simply counterintuitive statistical relationships and instead focus on models of behaviour based on strong scientific principles, rather than relying only on data sets from which cause-and-effect links are constructed. More widespread information about auditors' rotation has the potential to restore the fallen consensus.

Another issue that has been important in the past and still bothers academics is the expectation gap in auditing. Because auditors are shielded by regulations controlling the performance of necessary audits, this topic is not raising a stir in the auditing community. It's amusing that consumers of the audit report don't account for or aren't aware that the statutory requirements from the auditor are probably different from their own expectations, leading to a misalignment between the two. Members in the audience are anticipating a greater contrast between these two factors. These issues are associated with the prevention of fraud and the upkeep of the audited companies. One essential component of this is investigating whether the new audit report format required by International Auditing Standard 700 (IFAC, 2015) helps to reduce the expectation gap over time. More pertinent information for users to satisfy their needs depends on the new position, the writing of the qualifications and uncertainty viewpoints, and the identification of hazards for the audited organisation through the key auditing problems (KAM). Positive findings from trials aimed at measuring users' attention on the KAM have been found so far. Because they follow the auditor's view and supporting arguments (Sirois, Bédard, & Bera, 2017), they are given more weight. Additional data on the potential influence they may have on user decisions and even on the auditors' reaction to just performing their function is required, as stated by Kachelmeier, Schmidt, and Valentine (2017). The new report's structure was not determined by the input of academics, as is customary, but rather by the unproven ideas of the regulatory authorities. It would be more useful for the future if academics proposed alternative ideas rather of merely validating the audit regulators' conclusions. Common survey or experimental techniques might be used to make these recommendations.

The second topic to investigate is the link between the expectation gap and the going concern qualification. The existing corpus of research proves without a reasonable doubt that formal (mathematical) decision-making models are much more accurate than auditors in determining whether a company's "going-concern" status has been jeopardised. This conclusion shouldn't be shocking given that models have no loyalty to their clients and aren't disturbed by the paradox of self-fulfilment. This prophesy helps everyone involved understand the significance of signing off on the qualified audit report (Guiral, Ruiz, & Rodgers, 2011). For larger entities, researchers Ruiz-Barbadillo, Gómez-Aguilar, de Fuentes-Barberá, and Garca-Benau (2004) found that issuing a continuity qualification was more challenging, while for larger audit firms, it was easier due to the audit firm's reputational consideration. Expert opinion, the accuracy of predictions, and the significance of such reports are all areas that Carson et al. (2013) advise further investigation. Credit analysts only consider a qualified judgement on a going concern if it defies past expectations, which is disheartening for those who value the audit report, as discovered by Guiral-Contreras, Gonzalo-Angulo, and Rodgers (2007).

CONCLUSIONS

While the inspection of financial records is a fundamental part of the auditing profession, this is not the only reason for the field's substantial academic attention. The significance of audit research stems from the fact that it has established and is perfecting a framework for examining the dynamics between money and society. This line of thought on the consequences of individual and society attitudes has been debated at length in a variety of academic and expert forums. According to Power's (1997) "Audit Society," the

accountability for the quality of life's necessities is inextricably related to the practise of auditing. An issue of trust between a principal and an agent; a third party who gathers evidence that the agent carried out the principal's instructions; a procedure for gathering that evidence; and a conclusion or assertion based on that evidence, typically presented in ad hoc form in a report. The auditor is obligated to offer a general opinion in the financial audit report, although the auditor is not required to do so in other kinds of compliance audits.

Although audits serve different ends, they often use the same techniques to root out violations of policy, legislation, and standards. This information may also contain the results of the evaluation and any recommendations for further work. Consistent trust in the specialists and their procedures (termed "quality control") has also been ensured by the regulations governing the examination process. However, it is crucial to avoid aggressively promoting their rejection since those who have performed the tasks are not likely to cheerfully submit to a review. On the side of ethics, the previous accounting standards have been replaced with more standard practises. One way or another, they all represent the accepted or conventional practise in a given domain.

The verification criteria, on the other hand, already guide the auditor and convey to the principal whether or not they can trust the person carrying out the processes. Thanks to these standards, all parties may rest certain that the checks have been performed completely, and the professional auditors are protected from legal action if they make a mistake in their evaluation or judgement. J. Power (2003) argues that auditing naturally leads to credibility. Since it was most effective to rely on a proven and reliable model while performing so many checks, the characteristics of the financial audit were repeated everywhere, in a broad range of economic and social relations. In order to ensure future compliance with the standards, auditing companies began transitioning into multiple-verification firms and offering services to repair non-compliant systems. The broad acceptance of the auditing industry's model and standard operating procedures has led to the expansion of internal audit departments in firms and other organisations. Government auditors now follow the same standards set by their business sector counterparts decades ago. Present day information and goal verification processes in educational and healthcare management are rather involved. This operates similarly to an audit of financial records and delivers data to government entities. The public and private sectors alike often use a shared lexicon of terms and concepts from the field of financial auditing. Phrases like "Audit planning, evidence, sampling, internal control, reports, qualifications, observations," and "This study has reviewed research in auditing, which stimulates increasing interest among professionals and academics," are examples of this kind of language. Article and paper production is increasing (see Fig. 1 in Lesage and Wechtler, 2012) as a result of this trend. The probe includes a review of the auditor's procedure and approach. Methods used by an auditor to collect data about an organization's operations, the steps he takes to compile that data into an audit report, and his efforts to ensure the work is of sufficient quality and achieves its intended purpose are all aspects of an audit. Auditor education and certification criteria; auditing career paths; selecting and hiring an auditor; auditing fees; handling independence concerns; The results may direct or correct the auditor's work, and the research can assist supervisors and regulators make better regulations. Accounting, individual and social psychology, IT, and theories of communication and human decision-making are all relevant disciplines that may help shed light on this topic. It has been compared to medical research (Hay, 2017), although its goals and scope have been challenged (for example, see Gendron & Bédard, 2001).

Several studies have been conducted on the significance of auditing within the social framework it underpins. The audit's historical and societal implications are dissected and called into doubt. It examines the links between the auditing profession and governmental and social organisations while taking into consideration the audit market and the growing professional social prototypes. Naturally, while utilising this approach, we consider the future and how crucial it will be to continue using this way to prevent and settle societal conflicts. Ratzinger-Sakel and Grey (2015) offer a method to connect research, education, and practises, building on the recommendations of the Pathways Commission (2012). An institutional reaction has a chance of success, although in this case a more upbeat approach might be best. All research methods agree that an auditor has special social status since he or she is the sole employee whose job it is

to ensure the financial records of a firm are accurate. The auditor must earn and warrant the confidence that has been put in him by hard work and by safeguarding the image that reflects the greater benefit of society. J. A. Gonzalo-Angulo (1995) made this discovery over twenty years ago, and it seems to still be true today.

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