“Audit expectation gap: Evidence from Morocco”

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AUDIT EXPECTATION GAP: EVIDENCE FROM MOROCCO

Abstract

Global scandals and the collapse of major entities without any prior warning have undermined stakeholder confidence in the auditing profession and have shown that users of financial statements may have different opinions on the auditors' responsibilities, highlighting the audit expectation gap. The present study aims to identify the existence of an audit expectation gap and its components in an emerging country, namely Morocco. For this purpose, a structured questionnaire based on a five-point Likert scale was randomly administered to 152 respondents, including auditors, investors, managers, bankers, and academics. The study explores the audit expectation gap under several components, such as the auditor's general responsibilities, auditor's independence, his/her responsibility to prevent and detect fraud, his/her responsibility in assessing internal control, his/her responsibility in assessing the going concern assumption and audit report. The results of this paper show evidence of the audit expectation gap in Morocco in the studied components, except the audit report. The results of the study encourage public decision-makers and professional audit bodies in Morocco to adopt an expanded audit report containing more information on the audit mission and auditors' and management's responsibilities. On the other hand, training and education sessions on the nature and functions of auditing should be provided on an ongoing basis to the various users of audit reports.

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INTRODUCTION

As a trusted professional, the auditor plays an indispensable role in certifying the financial statements drawn up by management and sent to beneficiaries. This function stems primarily from the agency problems that may exist between management and various stakeholders (Watts & Zimmerman, 1983). Consequently, in response to financial scandals that have called into question the relevance of the audit mission and the credibility of auditors (Aswar et al., 2021), several reforms came into force whose aim was to restore confidence through financial statement auditing. On the other hand, the audit function is blamed for failing to meet the divergent expectations of stakeholders, creating an audit expectation gap (AEG).

The relevance of this study is that there is a significant gap in research concerning the actual existence of AEG and the consequences of this gap in Morocco. Indeed, this study is the first of its kind in Morocco.

1. LITERATURE REVIEW

Before presenting a literature review on the components of audit expectation gap, a clarification of the term audit expectation gap is deemed necessary.

1.1. Overview of the audit expectation gap

The notion of the expectation gap was initially introduced into auditing by Liggio (1974). He defined it as the difference in expectation levels between auditors and users of financial statements. The Cohen Commission (1978) extended this definition, where the AEG is seen as the gap between the public's expectations and needs and those of auditors. Moreover, the American Institute of Certified Public Accountants has defined the AEG as "the difference between what the users of financial statements believe the auditors are responsible for, and what the auditors themselves believe to be their responsibilities" (AICPA, 1992). Jennings et al. (1993) state that AEG represents the difference between financial statement users' expectations and those of auditors regarding the responsibilities and duties of the auditing profession. Monroe and Woodliff (1994) defined the AEG as the difference between auditors' and the public's beliefs about auditors' responsibilities and duties.

Porter (1993) argued that the Liggio and Cohen Commission definitions of the expectation-performance gap were too narrow and failed to take account of the fact that auditors might fail to achieve "expected performance" or what they "could and should reasonably do." Instead, Porter (1993) defined the expectation-performance gap as the gap between a company's expectations of the auditors and the auditors' performance and classified the AEG into two main categories. Firstly, the reasonableness gap, which represents the gap between the public's expectations of the auditors' achievements and the auditors' reasonably expected achievements. Secondly, the performance gap, which represents the difference between the auditors' achievements reasonably expected by the company and the auditors' perceived achievements. Then, the performance gap is made up of deficient standards and deficient performance.

In sum, AEG is a subject of major interest for scientific research, and researchers have attempted to identify its components and mitigating factors. Several definitions have been formulated, agreeing that AEG is the difference in perceptions of auditor roles between users of financial statements and auditors.

1.2. Audit expectation gap studies in developed countries

The results of studies carried out on AEG in developed countries clearly reveal its existence, underlining that it is not just a theoretical notion, but also a tangible reality present in several countries (El Badlaoui et al., 2023a). The results of these studies have highlighted a multitude of components that contribute to the AEG. These include auditor responsibilities, with a particular focus on fraud detection and prevention (Dana, 2011; Enes et al., 2016), the information content of the audit report (Ellul & Scicluna, 2022), deficiencies in auditor performance (Ruhnke & Schmidt, 2014), unreasonable public expectations (Füredi-Fülöp, 2015), auditor independence (Füredi-Fülöp, 2017), and deficiencies in auditing standards (Füredi-Fülöp, 2015). These different dimensions clearly demonstrate the complexity of the perception of the auditor's role and the expectations associated with it.

On the other hand, researchers have also looked at factors that can mitigate this expectation gap. These factors include auditing and accounting education (Dana, 2011; Enes et al., 2016), improving the information content of audit reports (Litjens et al., 2015), drawing up rules and regulations on auditing and accounting (Füredi-Fülöp, 2017), the prohibition of non-audit services, and mandatory auditor rotation (Ruhnke & Schmidt, 2014).

1.3. Audit expectation gap studies in developing countries

As in developed countries, numerous empirical studies have been carried out to gain a deeper understanding of the AEG in developing countries. These studies have mainly focused on identifying the components that make up the AEG and the factors likely to reduce it. Economic, social, and institutional differences specific to these regions influence the way audit expectations are formulated and interpreted.

The findings of these studies have identified a diverse set of components that contribute to the AEG in developing countries. These include auditors' responsibility in preventing and detecting fraud (Sule et al., 2019; Akther & Xu, 2020), un-

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reasonable public expectations (Alawi et al., 2018; Olojede et al., 2020), deficiencies in auditing standards (Hong & Thuong, 2020) and the information content of the audit report (Akther & Xu, 2020).

In addition, the researchers also looked at elements that could reduce this expectation gap. These include training in auditing and accounting (Alawi et al., 2018; Faizal et al., 2020), improving auditor performance (Dung & Dang, 2019), improving the value relevance of audit reports (Shikdar et al., 2018; Akther & Xu, 2020), developing auditing standards (Akther et al., 2019; Masood et al., 2020), and clarifying auditor roles (Devi & Khan, 2020; Fossung et al., 2020).

Based on Morocco's contextual environment and a review of the extant literature on AEG, the aim of this study is to verify the existence of the AEG in Morocco, to identify its components and to suggest its reducing factors. To this end, the research hypotheses are formulated as follows:

H1: "Auditor's general responsibilities" is a component of AEG in Morocco.

H2: "Auditor's independence" is a component of AEG in Morocco.

H3: "Auditor's responsibility in preventing and detecting fraud" is a component of AEG in Morocco.

H4: "Auditor's responsibility in assessing internal control" is a component of AEG in Morocco.

H5: "Auditor's responsibility in assessing the going concern assumption" is a component of AEG in Morocco.

H6: "Audit report" is a component of AEG in Morocco.

2. METHODS

This study's model explores the potential components of the audit expectation gap in Morocco, including the auditor's general responsibilities, independence, responsibility for preventing and detecting fraud, responsibility for assessing internal control, responsibility for assessing going concern, and the audit report.

2.1. Sample selection

In this study, the analysis of the AEG focuses on comparing auditors' perceptions with those of four groups with a direct or indirect association with financial statements and audit reports: investors, managers, bankers, and academics. Table 1 shows the sample taken from this study.

Table 1. Sample population

Stakeholders	Questionnaire		
	Population	Answers	Response Rate
Auditors	50	31	62%
Investors	50	27	54%
Managers	50	29	58%
Bankers	50	32	64%
Academics	50	33	66%
Total	**250**	**152**	**61%**

The analysis of Table 1 shows that 250 questionnaires were distributed, and the response rate reached 61%, ranging from 54% for investors to 66% for academics; this is an acceptable rate for the use of this type of data collection tool (Dixon et al., 2006; Dewing & Russel, 2002). In addition, responses to the questionnaire are balanced between the stakeholder groups participating in this study.

Data obtained from the respondents' profiles shows that 37% of respondents have between one and five years of professional experience, and 51% of respondents have more than 5 years of the post-baccalaureate degree. Over 63% of respondents have a qualification in accounting and auditing, which shows that they have sufficient knowledge to take part in this study which adds credibility to the results (Best et al., 2001).

2.2. Data collection and analysis techniques

The data collection instrument used in this study was the questionnaire. Indeed, most studies conducted on this subject use the questionnaire (Porter, 1993; Monroe & Woodliff, 1994; Akther & Xu, 2020). The questionnaire used in this study was meticulously designed according to strict criteria of validity and reliability. It was specially designed to meet the specific objectives of the study and gather the data needed for an in-depth analysis of audit expectations.

The questionnaire is structured in two sections. The first section deals with respondents' demographic profiles, while the second section is related to the collection of opinions about AEG's components. AEG components are represented by 26 statements relative to five potential components of AEG, namely, an auditor's general responsibilities (*statements 1-7*), independence (*statements 8-12*), responsibility in preventing and detecting fraud (*statements 13-17*), responsibility for assessing internal control (*statements 18-19*), responsibility for assessing going concern (*statements 20-22*), and audit report (*statements 23-26*).

The questionnaire was pre-tested with ten participants. For this purpose, Burns and Bush (2003) consider that a pre-test of the questionnaire can be carried out with five to ten participants. This pre-test led us to modify some statements and delete others depending on the importance of each in the present study's model. The response scale to the statements was based on five Likert graduations: 1 – strongly agree; 2 – agree; 3 – neither agree nor disagree; 4 – disagree; and 5 – strongly disagree.

The studies dealing with AEG are based on the idea of comparing the average of auditors' responses with those of other groups of audited financial statement users. In this study, as in the studies by Fadzly and Ahmad (2004) and Akther and Xu (2020), the results were analyzed using the non-parametric Mann-Whitney U-test for means' comparison, given that the observations do not follow a normal distribution, it is an analogous of t-test for two independent samples.

The Mann-Whitney U test formula used in the study is as follows:

$$U = n_1 n_2 + \frac{n_2\left(n_2+1\right)}{2} - \sum_{i=n_1+1}^{n_2} R_i, \tag{1}$$

where U – Mann-Whitney U test, n_1 – sample size one, n_2 – sample size two, and R_i – rank of the sample size.

3. RESULT

The presentation of the results consists firstly in processing the descriptive results, which enable the identification of the initial findings, and then in presenting the test results of comparison of means for each of the AEG components studied in this document. Taken together, the results allow us to reject or accept the main research hypotheses.

3.1. Descriptive results

The descriptive statistics for the auditors' and non-auditors' groups are presented in Table 2.

Table 2. Descriptive results

Statements	Groups	Mean	SD	1%	25%	50%	75%	99%	Skewness	Kurtosis
Auditor's general responsibilities (statements 1–7)	Auditors	2,92	0,47	1,71	2,57	3	3,29	3,86	–0,41	0,35
	Non-auditors	2,48	0,45	1,32	2,14	2,43	2,71	3,68	0,18	0,44
Auditor's independence (statements 8–12)	Auditors	2,48	0,39	1,8	2,2	2,4	2,8	3,6	0,81	1,12
	Non-auditors	2,38	0,66	1,2	1,8	2,4	2,8	4,67	0,41	0,48
Auditor's responsibility for fraud prevention and detection (statements 13–17)	Auditors	3,19	0,93	1,2	2,6	3	3,8	5	0,13	–0,24
	Non-auditors	2,21	0,75	1	1,6	2,2	2,8	4,42	0,19	–0,16
Auditor's responsibility for assessing internal control (statements 18–19)	Auditors	2,52	0,8	1	2	3	3	4,5	–0,06	–0,03
	Non-auditors	2,29	0,93	1	1,5	2	3	4,89	0,59	–0,15
Auditor's responsibility for assessing going concern (statements 20–22)	Auditors	2,44	0,76	1	2	2,33	3	4,33	–0,09	0,42
	Non-auditors	2,54	0,82	1,07	2	2,33	3	5	0,67	0,29
Audit report (statements 23–26)	Auditors	1,9	0,81	1	1,25	2	2,5	3,75	0,51	–0,84
	Non-auditors	2,28	0,78	1	1,75	2,25	2,75	4,20	0,23	–0,58

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Table 2 shows that, overall, the auditor and non-auditor groups have different opinions on each of the AEG components examined in this study, with different variations.

The AEG is clearly demonstrated in the component relating to the auditor's responsibility in preventing and detecting fraud (mean difference of 0.98), followed by the auditor's general responsibilities (mean difference of 0.44). The components that show the least divergence between the groups studied are the auditor's independence (mean difference of 0.1) and the auditor's responsibility for assessing going concern (mean difference of -0.1).

To ensure the data distribution normality, Skewness and Kurtosis tests were performed. The results of these two tests show that the data deviate from the normal distribution, so that the use of a parametric test seems to present a statistical bias and the use of the non-parametric Mann-Whitney U test is mandatory.

3.2. Empirical results

To organize the analysis, the empirical results are presented according to the six potential components of the AEG in Morocco.

3.2.1. *Auditor's general responsibilities*

Seven statements formed the audit expectation gap component relating to the auditor's general responsibilities.

The results presented in Table 3 show the existence of an audit expectation gap in Morocco, particularly regarding the auditor's general responsibilities.

The perception analysis of auditors and non-auditors reveals a remarkable divergence with regard to five statements out of seven. The auditor and non-auditor groups disagreed on the auditor's objective of verifying the true and fair view of a company's financial position (*statement 2*), the obligation of auditors to verify all accounting transactions carried out by the audited entity (*statement 4*), the auditor's obligation to report to the tax administration any failure by the company to comply with tax legislation (*statement 5*), the preparation of financial statements by auditors (*statement 6*), and the auditor's responsibility for safeguarding the assets of the audited entity (*statement 7*).

However, auditors and non-auditors unanimously recognize that the auditor's objective is to express an opinion on the conformity of

Table 3. Average responses for the auditor's general responsibilities

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S1. The auditor's objective is to express an opinion on whether the financial statements have been prepared, in all material respects, in accordance with an identified accounting framework.	1,74	2,04	1,93	2,13	1,82	1,98
S2. The auditor's objective is to verify that the financial statements give a true and fair view of the company's financial position.	1,39	2,07**	1,93**	1,56	1,76*	1,82**
S3. The auditor's objective is to provide reasonable assurance that the financial statements give a true and fair view of the company's financial position.	1,55	1,81	2,07*	1,56	1,73	1,79
S4. The auditor is obliged to check every accounting transaction.	3,65	2,33**	2,48**	2,16**	3,00*	2,50**
S5. The auditor must report to the tax authorities any failure by the company to comply with tax legislation.	3,94	3,07*	3,00**	3,44	3,79	3,35*
S6. The auditors prepare the financial statements of the audited company.	4,26	3,26**	2,93**	3,47**	3,91	3,41**
S7. The auditor is responsible for safeguarding the company's assets.	3,94	2,19**	2,59**	2,41**	2,85	2,52**

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

the financial statements prepared by management, in all their material aspects, to an identified accounting framework (*statement 1*), and the auditor's objective in providing reasonable assurance that the financial statements present a true and fair view of the company's financial position (*statement 3*). Therefore, hypothesis *H1* is accepted.

3.2.2. Auditor independence

Table 4 shows the differences in respondents' perceptions of the issue of auditor independence.

The results in Table 4 clearly show the gap between auditors' and audit users' perceptions of auditor independence. In fact, there is an extreme difference between the group of auditors and that of non-auditors with regard to the involvement of the auditor in the activity of the audited entity (*statement 8*), auditors' impartiality and objectivity when carrying out their mission (*statement 9*), and the degree of influence of auditor independence on audit quality (*statement 12*).

However, the group of auditors and non-auditors unanimously agree on the fact that the auditor must belong to an organization external to the company (*statement 10*) and that the auditor's independence is affected by a long-term mandate (*statement 11*). In sum, hypothesis *H2* is accepted.

3.2.3. Auditor's responsibility in preventing and detecting fraud

Table 5 reveals the differences in perception among respondents regarding the auditor's responsibility to prevent and detect fraud. This issue is undeniably one of the main factors contributing to the existence of the AEG in accounting literature.

An interesting result was obtained regarding the auditor's responsibility in fraud prevention and detection. The results of the mean comparison test, presented in Table 5, show that only one statement converged the opinions of the auditors with the group of non-auditors. This statement concerned the auditors' obligation to report theft of company assets in the audit report (*statement 16*).

Table 4. Average responses for auditor independence

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S8. The auditor may be involved in the entity's activity.	4,13	2,41**	2,69**	2,69**	3,52*	2,85**
S9. The auditor must demonstrate impartiality and objectivity when performing the engagement.	1,26	1,74	1,93**	1,41	1,64*	1,67*
S10. The auditor must belong to an organization external to the company.	2,13	2,70	2,34	2,06	1,85	2,21
S11. The auditor's independence is affected by a long-term mandate.	3,16	2,52	2,93	2,78	2,76	2,75
S12. The auditor's independence influences the quality of auditing services.	1,71	2,37*	3,03**	2,03	2,27	2,41*

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

Table 5. Average responses for the auditor's responsibility in preventing and detecting fraud

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S13. The auditor is primarily responsible for the prevention and detection of fraud and error in the audited entity.	2,77	1,67**	2,03	1,78*	2,52	2,02*
S14. The auditor should be held responsible if the entity goes bankrupt as a result of fraud.	3,74	2,33**	2,28**	2,13**	2,70**	2,36**
S15. The auditor can detect all misstatements due to fraud and error.	3,26	1,93**	1,97**	1,94**	2,39*	2,07**
S16. The auditor should report the theft of a company's assets in the audit report.	2,81	2,44	1,72**	1,94*	2,70	2,21
S17. Auditors are liable for losses suffered by interested parties if they fail to report potential fraud in their audit report.	3,35	1,70**	2,31**	2,44**	2,94	2,38**

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

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On the other hand, a marked disparity between auditor and non-auditor groups was registered in the other statements, namely, the auditor's responsibility with regard to the prevention and detection of fraud and errors within the audited entity (*statement 13*), his/her responsibility after a declaration of bankruptcy following fraud (*statement 14*), the auditor's obligation to detect all anomalies due to fraud and errors (*statement 15*), and the auditor's responsibility for losses suffered by interested parties if they failed to report potential fraud in the audit report (*statement 17*). Overall, hypothesis *H3* cannot be rejected.

3.2.4. Auditor's responsibility in assessing internal control

Table 6 shows the Mann-Whitney U-test results of the participant responses to the two statements that addressed the issue of the auditor's responsibility in assessing internal control.

Overall, a significant difference between the group of auditors and that of non-auditors exists in the auditor's responsibility in assessing internal control (*statement 18*). Their disagreement with this statement varies, with some groups (investors and managers) being less inclined to attribute this responsibility to the auditors, while other groups view the auditor as responsible for significant weaknesses in the internal control structure of the entity (bankers and academics). Furthermore, the auditor and non-auditor groups were unanimous in affirming that the auditor does not mention internal control weaknesses in his audit report (*statement 19*). Hypothesis *H4* is, therefore, accepted.

3.2.5. Auditor's responsibility in assessing going concern assumption

Table 7 highlights the different perceptions of stakeholders regarding the auditor's responsibility to assess ongoing concerns.

The results presented in Table 7 show that auditors consider that they have limited responsibility in an audited company's bankruptcy. This is in contrast to the opinions of the non-auditor group, who attribute greater responsibility to auditors in the event of bankruptcy of the audited entity, despite their belief that the auditor is not in a position to anticipate and report on significant risks that could jeopardize the audited entity's ability to continue as a going concern (*statements 20 and 21*). On the other hand, the analysis also reveals that the auditor and non-auditor groups (with the exception of managers) all agree that the auditors should conclude, in the audit report, that the company will continue in business for the near future (*statement 22*).

Based on the analysis of the auditor's responsibility in assessing the going concern assumption, hypothesis *H5* is accepted.

Table 6. Average responses for the auditor's responsibility in assessing internal control

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S18. The auditor is responsible for material weaknesses in the entity's internal control structure.	3,19	2,41	2,72	2,16**	2,12**	2,34**
S19. In their reports, auditors identify internal control weaknesses.	1,84	2,55*	2,41	1,97	2,06	2,23

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

Table 7. Average responses for the auditor's responsibility in assessing going concern statements

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S20. The auditor is liable if the audited company goes bankrupt after an unqualified audit opinion.	3,19	2,07**	2,27*	2,56	2,64	2,40**
S21. The auditor assesses the entity's ability to continue as a going concern.	1,90	3,07**	2,72**	2,343	2,27	2,58**
S22. The auditors must conclude in the audit report that the company will continue in business in the near future.	2,22	2,55	3,07**	2,81	2,18	2,64

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

Table 8. Average responses for audit report statements

Statements	Average Responses					
	Auditors	Investors	Managers	Bankers	Academics	Overall
S23. A qualified audit opinion means that the auditor does not conclude that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.	1,94	2,52*	2,62*	2,34	1,88	2,32
S24. An unqualified audit report is a clean report that gives users a high level of confidence in the company's management, the soundness of its investments, and the achievement of its strategic objectives.	1,90	2,44*	2,38	2,25	2,06	2,27
S25. The audit report is useful in making investment decisions.	1,87	3,04**	2,52*	2,47*	2,06	2,50*
S26. The audit report gives a picture of the financial health of the audited entity.	1,87	2,19	2,31	1,97	1,73	2,03

Note: Significantly different from auditors at * 0.05 and ** 0.01 levels.

3.2.6. Audit report

Table 8 presents the data related to the average responses to the statements relative to the audit report.

Table 8 shows that, from a general point of view, the analysis of perceptions reveals that there is no significant difference between auditors and non-auditors for all statements relating to the audit report, except statement 25, relative to the usefulness of audit reports in making investment decisions. Indeed, the auditor and non-auditor groups are of the same opinion that qualified audit opinions mean that the auditor does not conclude that the financial statements are prepared, in all their material respects, in accordance with the applicable financial reporting framework (*statement 23*). Furthermore, they consider that the unqualified audit report is a clean report that gives users a high level of confidence in the company's management, the soundness of its investments and the achievement of its strategic objectives (*statement 24*), and that the audit report gives a picture of the financial health of the audited entity (*statement 26*). Furthermore, the results show that the group of non-auditors do not consider the audit report to be useful in making investment decisions, contrary to the opinion of the auditors (*statement 25*).

In this respect, hypothesis *H6* is rejected, as the audit report does not constitute a component of audit expectations in Morocco.

4. DISCUSSION

This study examined the differences in perceptions between auditors and users of audited financial statements regarding six potential components of the AEG in Morocco: the auditor's general responsibilities, the auditor's independence, the auditor's responsibility to prevent and detect fraud, the auditor's responsibility to assess internal control, and the auditor's responsibility to assess the going concern assumption and audit report.

Empirical findings show that there is an AEG between the auditor and non-auditor groups relating to the auditor's general responsibilities. The difference in this component stems from the fact that contrary to the non-auditor group, auditors believe that their responsibilities are not to prepare financial statements, neither verify every accounting transaction, or safeguard the assets of the audited entity, but rather to examine the financial statements and ensure that they give a true and fair view of the company's financial position. These results are in line with the existing literature. Indeed, a consensus among countless researchers confirms the existence of the AEG, particularly in the crucial spheres of the auditors' responsibilities. Significant studies (Gold et al., 2012) have converged on the finding that the AEG transcends conceptual boundaries to become firmly rooted in practical areas of audit activity. For example, the work of Fadzly and Ahmad (2004) in Malaysia revealed the existence of the AEG between auditors and investors. Investors are expecting auditors to prepare financial statements rather than management, they also assign responsibility for internal controls to the auditors. The results of research conducted by Ruhnke and Schmidt (2014) in Germany noted that, under current standards, the public has higher expectations of auditors' responsibilities.

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In terms of auditor independence, this study revealed significant differences in perceptions between the auditor and non-auditor groups, particularly among managers. These differences in perceptions were mainly observed in terms of the auditor's involvement in the business of the audited entity, his impartiality and objectivity in carrying out his assignments, and the impact of his independence on the quality of audit services. This disparity in perceptions can be attributed to a lack of understanding of the auditor's mandate and prerogatives, as well as the risks inherent in his independence vis-à-vis other stakeholders. Dixon et al. (2006), Enyi et al. (2012), and Füredi-Fülöp (2017) have confirmed the existence of AEG relating to the auditor's independence in Egypt, Nigeria, and Hungary, consecutively. In addition, Olagunju and Leyira (2012) concluded that audited account users have a lackadaisical attitude towards audit regulation, particularly with regard to auditors' duties, roles, appointments, and independence, resulting in users being ill-informed and having a misguided perception of the audit profession.

The auditors' responsibility to prevent and detect fraud is considered in the literature as one of the main components that is likely to be responsible for the discrepancy between expectations and audit results (Humphrey et al., 1993). This finding is confirmed in the present study. In fact, unlike auditors, the majority of stakeholders consider the prevention and detection of fraud and error to be part of the auditor's responsibilities, and that auditors are primarily responsible for these tasks. Interestingly, a significant number of auditors also recognize the need to assume some responsibility in this area, reinforcing the consensus on the auditor's central responsibility in the prevention and detection of fraud and error. This collective recognition underlines the crucial importance attributed to auditors as guardians of financial integrity and transparency within the audited entities.

Assessing the internal controls is another key component of AEG. There is often a great deal of misunderstanding as to who is responsible for this task, which is borne out by the results of the study. Respondents have differing opinions as to who is responsible for this task. However, the non-auditor group felt that auditors were responsible for material weaknesses in the entity's internal control structure. This result confirms the findings of Best et al. (2001), Fadzly and Ahmad (2004), and Dixon et al. (2006), according to which audited financial statement users in Singapore, Malaysia, and Egypt believe that auditors are responsible for the establishment of sound internal control within the audited company. The results obtained clearly demonstrate the importance attached to the assessment of internal control and the communication of weaknesses by the auditor in the audit report. This practice contributes to enhancing the value of the audit by providing an in-depth perspective on the financial health, risk management, and quality of governance of the audited entity.

The auditors' responsibility in assessing a going concern as a factor potentially generating AEG is examined in the accounting literature. The results of this study effectively reveal a gap between auditor expectations and those of the various groups of financial statement users in Morocco. The major findings suggest that auditors feel they have limited responsibility in the event of the audited company being declared bankrupt, even after issuing an unqualified audit opinion, since they disagree that they should assess the entity's ability to continue as a going concern. On the other hand, the non-auditor groups, notably investors and managers, consider the assessment of the entity's ability to continue as a going concern to be an auditor's responsibility and, therefore, grant greater responsibility to the auditor in the event of the company's bankruptcy, following an unqualified audit opinion. By studying the existence of the AEG and its impact on stakeholders' confidence, Akther and Xu (2020) have shown that the AEG is materialized in several aspects of the auditor's responsibilities, such as his responsibility for going concern-reporting assessment.

The audit report is considered to be the only observable document of the audit assignment (El Badlaoui et al., 2021), which is why it needs to be made more comprehensible in order to guarantee its informative content and relevance (El Badlaoui & Cherqaoui, 2023) and, consequently, to improve audit quality (Zainudin et al., 2021) and reduce AEG. This study examined respondents' perceptions of the quality and usefulness of the audit report, reflecting its effectiveness as a means of communication between auditors and audit users. The results obtained on the four statements did not reveal any statistically significant differences between the five groups in the sample. Indeed, it is apparent that most audit users recognize that the audit report gives a picture of the financial health of the audited entity, and they demonstrate considerable knowledge and understanding of the meanings inherent in the opinions issued by the auditors, whether unqualified or qualified. Such understanding enhances the relevance and effectiveness of communication between auditors and audit users, contributing to a more informed interpretation of the financial information provided. However, the non-auditor groups consider that the audit report is not useful for investment decisions. This divergence of opinion on the information content of the audit report in Morocco revealed that an extended audit report is expected to reduce or eradicate the AEG. For example, El Badlaoui et al. (2023b) concluded that an extended audit report provides more information to users of audit reports, leading to a reduction of the audit expectation gap. In addition, Miller et al. (1990) found that extended audit reports were more useful and understandable to bankers than abridged audit reports.

CONCLUSION

The audit expectation gap continues to be a subject of debate in modern accounting literature, since there is ample evidence of its existence in many countries, despite efforts to reduce it both by international audit standard-setting organizations and researchers.

The general aim of this paper was to assess the existence of an AEG in Morocco and to identify its components. To this end, a questionnaire was drawn up for auditors, on the one hand, and for the various users of the audit report on the other, namely, investors, managers, bankers, and academics, in order to assess whether there are significant differences in perceptions between auditors and other groups. The questionnaire covered six essential components of AEG: the auditor's general responsibilities, independence, responsibility in preventing and detecting fraud, responsibility for assessing internal control, responsibility for assessing the going concern, and the audit report. The study shows the existence of a significant AEG in Morocco in several aspects related to each of the components under analysis. Consequently, the results confirm the research hypothesis of the existence of the AEG in Morocco.

These findings highlight the importance of further clarifying the role of auditors, especially in terms of their scope, the level of assurance and risk they provide, and the overall responsibilities of the auditor and management. Furthermore, although most solutions are useful in bridging this gap, training stakeholders on the auditor's role and responsibilities in external auditing, improving the informative content of the audit report, and enhancing auditor performance are proved to be the most effective approaches to bridging the AEG in Morocco.

The results of this study must be considered in the light of the following limitations: (i) the questionnaire technique for collecting the required data is characterized by a certain degree of bias and subjectivity, which is a common limitation of studies conducted on this type of research; (ii) interpretation of results may be biased by the use of a five-point Likert scale instead of seven; (iii) limited sample size, with only 152 respondents; (iv) some respondents may have interpreted questionnaire statements differently from what was intended. The wording of statements needs to be interpretable by respondents who are not familiar with technical language; and (v) the results of this study may not be generalizable to other countries where auditing standards and/or culture differ from those in Morocco.

Thus, in future research, it is important to replicate this study with a larger number of stakeholders in the work of auditors and to extend it to components where the existence of a gap in audit expectations has been identified, in order to assess this gap in its components, including strategies to reduce it. In

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addition, this study can be replicated for the reports of the statutory auditors of listed companies, given their new expanded version and standardization by the Moroccan Order of Chartered Accountants, as well as their control by the Moroccan Capital Market Authority. Finally, a study of the factors involved in reducing the AEG would seem to be of great importance.

AUTHOR CONTRIBUTIONS

Conceptualization: Anass El Badlaoui Saida NAJI, Badreeddine Chegri.
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