Quest Journals
Journal of Research in Business and Management
Volume 9 ~ Issue 10 (2021) pp: 56-89
ISSN(Online):2347-3002
www.questjournals.org

Research Paper

Budgeting: Impact on Business Performance and Audit Expectactions In Nigeria.

MARCUS ONENABANIPh.D

ABSTRACT
The broad objective of this study is to empirically examine budgeting impact on business performance and audit expectation in Nigeria.The study intends to establish the correlation between budgeting and budgetary controls with business performance to assist managers improve their operational efficiency. The study also intends to facilitate the researcher acquire skills on how to conduct research findings and generate solutions to business encountered business life.Business organizations have a strong reason for planning a budget. It helps them in planning targets for the future, in terms of laying figures that is practically unachievable. Similarly, a budget that is too easy to achieve is also pointless as the business would then not be making enough progress that it should. Hence, a good budget is one that is achievable in reality with the motive of striving for the highest profits. While most budgets are planned annually, some can be set for a prolonged period as well. To put the budget into action, it should be prepared well in advance before the commencement of the financial year. The population of the study comprises accountants and the general public. A sample size of nine hundred respondents consisting of auditors, accountants and the general public were selected for the study using the random sampling technique. The hypotheses formulated for the study were tested using analysis of variance (ANOVA) and the Ordered Logistic Regression technique with the aid of computer software, Statistical Package for Social Sciences (SPSS Version 21), Eviews 8.0.The relationship between budgeting and budgetary controls with business performance was established with the aid of data collection, analyzing and interpretation, and also based on the empirical findings the study revealed that auditors effort, skills, independence and knowledge of the public are major impact on business and audit expectation in Nigeria. The study recommended that auditors work should be high quality in accordance with the provision of the institute of Chartered Accountants of Nigeria. The study also recommended educating the public on the role of the auditor in order to reduce the audit expectation in Nigeria and valid conclusion were validly drawn.

***KEYWORDS:* Budgeting and audit expectation gaps in Nigeria, impact of bugeting and audit expectation in Nigeria**

Received 24 September, 2021; Revised: 05 October, 2021; Accepted 07 October, 2021 © The author(s) 2021. Published with open access at www.questjournals.org

I. INTRODUCTION

BACKGROUND TO THE STUDY

Business budgeting is a basic and essential process that allows businesses to attain many goals in one course of action. There are several goals that many businesses seek to achieve (or should be trying to work toward) when they create and implement a budget. These goals include control and evaluation, planning, communication, motivation (Lucey, 2014). (Kariuki, 2018) and Suggests that budgeting is a process of planning the financial operations of a business. Budgeting as a management tool helps to organize and formalize managements planning of activities. Budgeting as a financial tool is useful for both evaluation and control of organizations for the planning of future activities. Hence application of these tools can greatly impact on the performance of a company (Larson, 1999).

Budgeting as a tool in financial management regularly prepares performance plans and that describe performance goals, measures of output and outcomes in various activities aimed at achieving performance goals. This helps in the sense that annual plans set forth in a measurable terms from the levels of performance for each objective in the budget period (Larson, 1999).The budgeting process in companies incorporates a policy in financial welfare. For instance, it indicates how money is distributed by the management to the different departments and key areas to focus on. This helps the management in planning and forecasting in order to reduce costs and unnecessary spending and to increase profits so that the company may fulfill its corporate vision and mission and enable the company to fulfill its debts if any and to ensure the company's long term technical and financial viability. (Horngren, 1990).Lambe (2012) in Isaac et al (2019) writing on Budgeting and planning aptly defines budgeting as a comprehensive and coordinated plan which is packaged by the management of any state and expressed in financial terms for the operations and resources of an enterprise for some specific period in the future. Budget control as the establishment of departmental budgets relating the responsibility of the executives to the requirement of a policy and the continuous comparison of actual; budgeted result either to secure desire actions. The objective of that policy is to provide a firm basis for its revision.

The several institutional mechanisms such as effective financial management as system and proper expenditure control system to combat administrative malpractices are rendered ineffective by a non-committed political leadership, weak financial management structures and unproductive legislative labour such as unskilled financial management which are known to be expertise and experienced in given accurate and reliable figures.

Even the public body for controlling corruption in itself is associated with all sorts of malpractices and conducts of its affairs in the most unprofessionally manner. Despite several attempts, mismanagements and misappropriation of the government fund due to improper records of books of accounts, misstatement which affect the whole accounting system, since there is no consistency in government policy, the constitutionally authorized system of accountability and expenditure control in government, especially in the state government ministries is yet to find it place in the ministry framework.

In the early days of auditing the prime qualification for the position of an auditor was reputation. A man known for his integrity and independence of mind would be sought for this honored position, the matter of technical ability being entirely secondary and consequently, his function in those days was never confused with that of an accountant. However, as accountancy gradually became more complex and concerned with technicalities, auditors found themselves out of their depth and, in turn became increasingly dependent on the expertise provided by the accountants. Eventually, the audit function itself became totally dominated by the accountancy profession. It is for this reason that the description Auditing Profession and Accounting are synonymous.

The development of modern accountancy and the growth of the auditing profession in the United Kingdom and indeed, in the world as a whole, must be seen in the context of the enormous expansion of industry and commerce which has taken place since the Industrial Revolution in 1848. When business enterprises were comparatively small, and were managed by their proprietors, there was little need for the development of complex accounting procedures. When the scale of operation increased so that capital was invested in Joint Stock Companies by shareholder who took no part in the management of such companies, it became necessary for the managers to account to the shareholders at regular intervals by means of annual accounts, when stewardship accounting evolved wyse(2004). The accounting profession in Nigeria has been under pressure due to rising public expectation which was occasioned by the series of financial failures that occurred during the recessionary years of late 80s and early 90s. These gave rise to public interest and expectation (Sam, 2010).

When the public at large fixed their minds on what they expected from the auditors and what the auditors eventually do led to what we refer to as the expectation. However, the managers (or directors) of unsuccessful companies had an obvious vested interest in hiding the lack of success of their companies from the shareholders. This led to fraudulent accounting which is part of the subject of this thesis on audit expectation in Nigeria. Therefore, the purpose and objectives of the study is to empirically examine budgeting impact on business performance and audit expectations in Nigeria.

To know the importance of budgeting technique used in companies.

To examine how budgeting aid the planning of company's profit.

To determine how budgetary control affect the working performance of employees in companies.

To determine ways in which inadequate data and records create problems for companies in formulating effective budgeting.

Examine the relationship between auditors' effort and audit expectation in Nigeria;

Find out if the skills of the auditor significantly influence business performance and audit expectation in Nigeria;

To Ascertain if the knowledge of the auditor's role significantly influence audit expectation in Nigeria;

Examine if the expectation of the public of the auditor's role significantly influences audit expectation in Nigeria; and

Investigate the relationship between auditor's independence and audit expectation in Nigeria.

The study was intended to establish the correlation between budgeting and budgetary controls with business performance and audit expectations in Nigeria to assist managers improve their operational efficiency. This research and its findings will also be of paramount importance to corporate regulators including stock

brokers, Securities and Exchange Commission workers, the cooperate Affairs Commission, and other bodies charged with the responsibility of requesting for the affairs of companies.
The material will also merit the attention of lawyers, legislators and government officials concerned with the law regulating financial practices, and the managements of different organizations so they can identify their ears of weakness and shareholders' expectations this study will also be useful to scholars, researchers and students in the fields of finance, business and accounting in their bid to gain further knowledge on issues of financial statements are issued in quoted companies in Nigeria. Most importantly, it will be of great significance to both existing and potential investors.

The study will also intend to facilitate the researcher acquire skills on how to conduct research findings and generate solutions to business problems and audit expectations encountered in business life. Business organizations have a strong reason for planning a budget. It helps them in planning targets for the future, in terms of laying figures that the organization plans to achieve.

The International Federation of Accountants (IFAC), recognizing the responsibilities of the accountancy profession as such, and considering its own role to be that of providing guidance, encouraging continuity of efforts and promoting harmonization, has deemed it essential to establish an international "Code of Ethics for Professional Accountants" to be the basis on which the ethical requirements (code of ethics, detailed rules, guidelines, standards of conduct and so on) for professional accountants in each country should be founded. The auditors' Code 011 titled "Fundamental Principles of Independent Auditing" published by the Auditing Practices Board (APB) in the United Kingdom sets out the fundamental principles expected to guide the conduct of auditors in rendering services to their varied Clients. According to tom (1982), every private and public limited company must by law have its financial statements audited. While no legal compulsion is placed on the proprietors of partnership or sole-traders to produce audit reports, an increasing number of individuals and enterprises have realized the benefits from periodic audits. In Nigeria, the Companies and Allied Matters Act of 2004 requires that every incorporated company under the Act shall at each annual general meeting appoint an auditor or auditors to audit the financial statements. Section 359 of the Act states that "the Auditor of a company shall make a report to its members on the accounts examined by them, and on every balance sheet now called statement of financial position and, profit and loss accounts now called profit or less account or statement of comprehensive income, and on all group financial statements, copies of which are to be laid before the company in a general meeting during the auditors' tenure of office.

The existence of an audit expectation implies that role senders (auditees and audit beneficiaries) are dissatisfied with the performance of the auditors (Koh& Woo, 1998); this dissatisfaction might cause the end users to lose their trust in the audit report altogether (Adeyemi&Uadiale, 2019).

Effect of budgets on business performance

There are a variety of approaches to developing the performance metrics and the reporting of performance. But without integration of the financial resources consumed, the firm cannot measure value for money or make informed choices about future resourcing and service priorities. One way in which the in-year operational performance and financial information can be integrated more closely is to develop a system which encourages the issues to be considered together and to develop management reports that provide a rounded picture (Hansen and Mowen, 2020).

Firms should develop an approach that consciously attempts to consider the financial and non-financial processes together. A key feature is that before any review of the financial variances takes places, the firm asks questions about the expected position, based on the understanding of what has happened, what happened that was unexpected and what planned events did not take place. It needs to structure its responses and planned management actions into those that can be taken in-year and those that require a longer timeframe, with consideration of what specific financial actions may be required as well as substantive operational actions (Drury, 2014).

The best management reports detail what has happened and what is expected to happen in the future. The accounts and report provide the information needed to take any corrective action required. Such action needs to take place for the firm as a whole, so it is important that all areas are covered. This implies that the operational data and financial data are presented together in a comparable and consistent form (Kariuki, 2018). It also implies that risk and other aspects of performance are reported along with the financial headlines. The risks are thus quantified financially, and uncertainty in the financial forecasts is made explicit. Some firm have found it helpful to present a regularly updated board-level report of risks and opportunities, in which the main possible financial up and downsides are shown alongside each period's forecasts. This permits focus on a range rather than a spot forecast (Horngren,2020).

The study identifies the following limitations.First, there is the challenge of inappropriate measurement of variables. (Budgeting: impact on business performance and audit expectations in Nigeria) is one that bothers on real and potential investors and researchers in the field of business. Second, the sample size is also considered as a limitation and this result from the difficulty in assessing the number of respondents in the population. However, the sample size adopted will be able to provide suitable reliable results. Last, the sample size was reducing to three (3) States Edo, Delta and Lagos States instead of the 36 states in Nigeria.

THEORETICAL FRAMEWOK

INSTITUTIONAL PERSPECTIVES ON BUDGETS

According to institutional isomorphism (Powell, 1983), budgeting diffused via three mechanisms. Under mimetic diffusion, organizations adopt budgets because they observe that other groups become more financially confident and successful with a systematic budgeting process. As budgeting became more popular, there were coercive pressures to adopt budgets. Stockholders who demand sound financial management may expect yearly budgets for key activities.

Philanthropic organizations will scrutinize budgets of charitable organizations to ensure future contributions are spent wisely. Employees expect formal budgets to remain confident that money is available for salaries and important projects.

Finally, accountants and financial managers hired by firms bring normative pressures to adopt standardized budget practices. Budgeting is a logical extension of credit-debit accounting principles and is taught in every business school. Budgets have also become a "rational myth" for modern organization. According to Rowan, the adoption of this myth is often ceremonial (Rowan, 1977). Budgets necessary for legitimacy can be de-coupled from daily operations. Money nay is transferred from one budget category to another to cover over-spending. Often there are little pressures to maintain budgeted spending levels once it has been developed.

RESOURCE DEPENDENCY PERSPECTIVE ON BUDGETS

Budgets are pervasive in organizations because they help clarity internal resource dependencies. Often the hierarchy of budgets reveals organizational priorities and dependencies better than formal organizational charts. The approved budget can also represent a "rationalized" statement of purpose for the coming year understood by both employees and outsiders. More importantly, budgets are important tools of power (Pfeffer, 1992). Since departments are usually dependent on budgets for general operations, those who control budgeting control resources. Budget planners and approvers can exploit these asymmetric dependencies to accumulate power. External groups can also exert internal influence by reviewing and/or approving yearly budgets. The budget planning process at a given level is often a zero-sum game where politics and influence is most evident. Budgets are also useful control mechanisms because they are flexible than contracts. Unlike contracts, you can quickly change a budget to affect a sub-group's activities

STAKE HOLDERS' THEORY

In definition stake holder theory (Clarkson, 1994) states that a firm is a system of stake holders operating within the large system of the host society that provides the necessary legal and market infrastructure for the firm's activities. The purpose of the firm is to create wealth or value for its stake holders by converting their stake into good and services. This view is supported by (Blair, 1995-322) who proposes that the goods to directors and management should be maximizing total wealth creation by the firm. The key to adhering this is to enhance the voice and provide ownership like incentives to those participants in the firm who contributes or controls critical specialized inputs (firm specific human capital) and to align the interests to their critical stake holders with the interest of outside passive stakeholder. Consistent with those view by Blair to provide voice and ownership like incentives to critical stakeholders (Porter, 1992:16-17) recommended to us by policy makers that they should encourage board representation by significant customer's and supplier's financial adverse, employees and community representatives. Porter, 1992:17) also recommended that corporation seek long term owners and gives them a direct voice in governance.

All these recommendations would help to establish the sort of business alliance trade related networks and strategic associations which Hollingsworth and Lindberg, (1985) noted had not evolved as much in the United State as they had in continental Europe and Japan. In other word porter is suggesting that competitiveness can be improved by using all four instrumental modes for governing transaction rather than just markets and hierarchy. Thus supports the need to expend the theory of the firm as suggested by (Turnbull, 2014). In large enterprises the high degree of detail in budget planning also in an important influence. Decomposing the overall budget problem down to the lowest hierarchical level requisite for detailed analysis consumes large quantities of human and monetary resources moreover wasteful resources consumption occurs every time negotiating partiers loop through the planning cycle until they finally approve the annual operating budget. Large firms usually commit 75 percent to 95 percent of their total controlling capacity to operational planning during the time they are engaged in budget preparation (Kopp and Leyk, 2014) unfortunately top management seldom considers the high cost involved relative to the manager benefit derived from such detailed instruments. It then is no wonder that cost, product and strategic controlling often get little attention in the process.

GOAL SETTING THEORY

Goal setting theory (Locke and Latham 1990, 2012) was developed inductively within industrial organization psychology over 35 years period based on 400 laboratory and field studies. These studies showed that specific high (hard) goals lead to a higher level of task performance than do easy goals or pause abstract goals such as the exhortation to "do ones best". A budget is a way of setting organizational goals for a specific period of time. The prime axiom of goals lead to higher performance than when people strive to simple "do their best" (Locke and Latham 1990) the performance benefits of challenging specific goals have been demonstrated in hundreds of laboratory and field studies (Locke and Latham, 1990, 2002). Such goals positively affect the performance of individual's group's organization units as well as entire organizations and over period long as twenty five years. By providing direction and a standard organs which progress can be monitored challenging goals, enable people to guide and refine their performance. It is well documented in the scholarly and practitioner literature that specifies goal can boost motivation and performance by leading people to focus their attention a specific objectives, increase their effort to exclusive these objective persist in the face of setbacks and develop new strategies to goal attainment. Through such motivational processes challenging goals often lead to valuable rewards such as recognition, promotions and/or increases income generated from work. Budgets should be set in a way that staff members fee their achievements as challenging. Simple to achieve budgets have not been seen to motivate staff to achieve. Even through setting high goals set the bar higher to obtain self-satisfaction, attaining goals creates a heightened sense of efficiency (personal effectiveness) self-satisfaction, positive effect and sense of well-being especially when the goals conquered were considered challenging by providing self-satisfaction, achieving goals often also increase organizational commitment which in turn positively affects the organizational citizenship behavior.

COGNITIVE EVALUATION THEORY

This theory suggests that when looking at task, we evaluate it in terms of how well it meets our needs to feel competent and in control. If we think we will be able to complete the task, we will be intrinsically motivated to complete the task requiring no further external motivation. Where a person has a stronger internal locus of control they will feel they are in control of how they behave, but where they have a stronger external locus of control, they will believe the environment or others have a greater influence over what they do. Budget creates a sense of responsibility over the manager in charge of a department or section. The feeling of being in control of the outcome of the results of a department due to accomplishment of budget target can be a source of motivation and thus improvement of performance. People may see external rewards as achieving some degree of control over them or may see the reward as informational such as where they reinforce feelings of competence and self-determination. When people see the reward as mostly for control they will be motivated by gaining the reward but not by enhancing the requested behavior.

This theory suggests that there are actually two motivation systems, intrinsic and extrinsic that corresponds to two kinds of motivators. Intrinsic motivation refers to behavior that is driven by internal rewards. In other words, the motivation to engage in a behavior arises from within the individual because it is intrinsically rewarding. Intrinsic motivator includes achievements responsibility that comes from the actual performance of the task or job. Extrinsic motivation refers to behavior that is driven by external rewards such as money, fame, grades and praise. This type of motivation arises from outside the individual, as opposed to intrinsic motivation, which originates inside of the individual. Extrinsic motivators include pay, promotion, feedback, working conditions. These motivators are things that come from a person's environment and are controlled by others. Budget achievement is thus a powerful intrinsic motivator as it creates a sense of personal achievement and responsibility. Meeting a budget target leads to personal satisfaction and will thus be a boost to managerial performance.

CONCEPTUAL FRAMEWORK

Budgets are financial blue print that qualified a firms plan for the future. It's a detailed plan that outlines the acquisition and use of financial and other resources over a given period of time. According to Flamholtz (1983) a budget in an organization acts as a mechanism for effective planning and controlling. Schick (1999) concurs by stating that the main purpose of a budget in any organization is for planning and controlling in order to achieve organizational goals and objectives. A budget is a standard against which the actual performance of an organization can be compared and measured. A budget stipulates which programmes and activities should be pursued. Lucey, (2002) defines a budget as a quantitative statement, for a period of time which may include planned revenues, assets, liabilities and cash flows. Budgeting in non-governmental organizations is used as a planning tool. Organizations use budget as a guiding tool of its activities. According to Goldstein (2005), budget is used by institutions in setting priorities by allocating scarce resources to those activities that are most important to the organization. The annual budget is commonly referred to as the master budget and has three principles parts namely the operating budget, cash budget and the capital budget. Premchand (2000), states that a budget is a company policy that determines the manner in which resources are managed. The financial task in budget implementation includes spending the specified money, maximizing savings and avoiding over expenditures at the end of the financial year. Frucot and Shearon (2001) argues that implementation of the budget require an advance program of action evolved within the parameters of the end of the budget and means available. According to Horngren (2003), effective budget implementation is usually assessed by addressing various variances between the actual performance and budgeted performance.

According to Atkinson (1993), one of the most visible and highly publicized economic challenges facing the implementation of operational budget is decline in the purchasing power of an institution. Continuing budget pressures in an organization is forcing management to re-think their current service delivery and develop initiatives that reduce costs and increase efficiency. Budgetary task is usually rendered operational through the administrative process in any organization.

In any organization, budget implementation officers determine the portion of the organization's resources that a manager of each unit would be authorized to spend. Budgets establish organizational performance goals for each organization unit in term of costs and revenues. A budget enables an organization to predict the movement of their short term and future performance. According to Premchand (2000), if institutions fail to provide fairly accurate predictions in operations and capital projects, then doubt is cast on the performance of that institution. Even though money management has been around as long as money existed, the idea of a budget is a recent concept, often attributed the British monarchy in the 1700s. the parliament was put in place to establish some form of checks and balances at that time, budgeting was mainly self-serving as the first controls were put on the military so the King couldn't create a force to overthrow the parliament. However, things were rarely written down, there wasn't a regular review and any auditing or reporting. As the budget expanded to include more areas of the government, the idea of a true budget evolved to mean more control and accountability.

PURPOSE OF BUDGETING

Below are some of the essences of budgeting for future:

a. To improve planning and control with ultimate intension of increasing the profit and financial position of the firm;

b. To find the most profitable course of action through which the efforts of the business may be directed in meeting its primary objectives;

c. To assist management in holding the business as nearly as possible on the survival course;

d. To force management to focus attention on particular operating and financial problems so that effective planning would be made for them;

e. To translate the objective of an organization into action;

f. To coordinate the various factors of production with a view to satisfying all stakeholders;

g. To communication the organizational objectives across the firm;

STEPS IN BUDGET PREPARATION

The following steps are to be established to prepare a quality budget:

a. Existence of a budget manual: the manual shall contain the standing instructions governing the responsibilities of persons, procedures, forms and records relating to the preparation and use of the budget;

b. Constitution of the budget committee: the committee consists of the chief executive officers and representative of functional areas as finance, production, marketing, selling, engineering etc. the committee is to formulate the program for the preparation of the budget;

c. Identifying principal budget factor: the factor that limits the level of activities (such as shortage of skilled labour, inadequate raw material or machine capacity) the extent of which should be firstly assessed before preparing the functional budgets;

d. Appointment of a budget officer: normally an accountant who is charged with the responsibility of issuing budget instructions to various department; receiving and checking the budget estimates; providing historical information to departmental man.

e. Managers to help them in their forecasting; ensuring that departmental managers prepare their budget in time; preparing the budget summaries; submitting budgets to committee and furnishing explanation on particular points; discussing difficulties with managers and coordinating all budget works;

f. Establishing the budget periods; budget could be established into control period which could be weekly, monthly, quarterly or even yearly;

g. Preparation of the master budget: this is the consolidation of various functional budgets (sales budget, production budget, production cost budget, plant utilization budget, capital expenditure budget, selling and distribution budget and cash budget). Master budget can be summarized into Budgeted Statement of Comprehensive Income and Budgeted Statement of Financial Position. Both the master budget and cash budget can be described as the financial budget. All these budgets, master and functional, can be further classified.

PROBLEMS OF BUDGETING

Budgeting problem can be classified into quantitative and non-quantitative as below

QUANTITATIVE PROBLEMS

Budget is concerned with the future and as such the data that goes into its preparation must be future-oriented but on past events. Nevertheless, there is always a technical problem in forecasting accurately the future in a world that is dynamic in nature. It should also be noted that since budgets are set human judgment they are subjected to the same feasibility which attends all human activity. Therefore, the dynamism of the future would definitely raise variance between the actual and the budgeted results.

NON-QUANTITATIVE PROBLEMS

These are the behavioural problems of budget. They arise as a result of the behavior of human factor that is unpredictable. An average human being changes like weather with situation to his best advantage. It is this same human being that is expected to supply the information on which the formulation of budget would be based. He is also expected to use the budget to achieve the organizational objective. He may decide to be enthusiastic or indifferent about it. He may even consider it that his employer wants to reap where he did not sow at his expense, he may therefore bring in wide variables into the budget, most especially where he is informed that the budget would serve as a reference point in determining his efficiency of performance. Also, executives and employees are expected through education to have a very good understanding of what the budget is all about where this education and consequently the understanding is lacking, failure and collapse of the process is unavoidable.

Frank Wood (1988) has noted that many people look at budgets not as a control tool but as a strait jacket. Too much rigidity in the pursuance of the budget could always be detrimental to the realization of the objectives of the budget. Horngren and Foster (1985) observed that the budget helps managers but that budget itself needs help. To this end, top management and indeed the work force must be in support of the budget. Where this support is however lacking, there is bound to be problem in the actualization of the objectives of the budget. This is in line with Frank Wood (1985) who noted that the more managers are brought into the budgetary process, the more successful the budgetary control is likely to be. A manager whom a budget is imposed rather than actively participating in it formulation is more likely to pay less attention to the budget and use it unwisely in the control process. Miller and Earnest (1966) summarized the need to secure the actualization of the budget through participation by saying that participation tends to increase the commitment, commitment tends to heighten motivation, motivation which is job oriented tends to make managers work hard and more productive work by managers tends to enhance the company's prosperity.

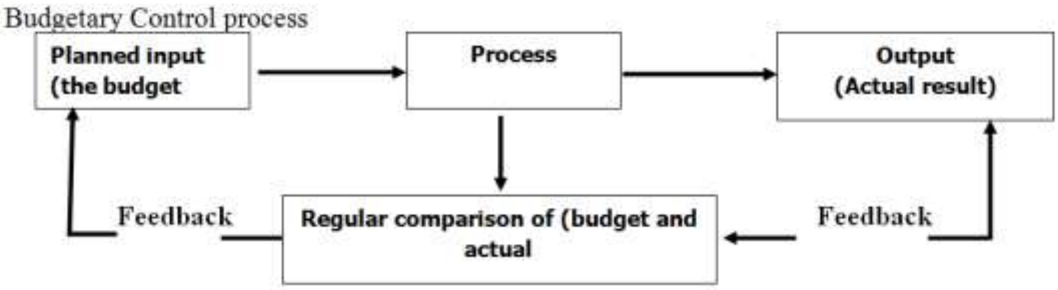
CONCEPT OF CONTROL

The goal of control is ensure that operations and performance conform to plans. Controlling includes all activities that ensure that the actions of the organization are directed toward the stated goals. Koontz et al (1979) defined control as the regulation of work activities in accordance with predetermined plans, such as to ensure the accomplishment of the organizations objectives. Control operates through standard and also measures the work performance according to these standards and correction deviations from the standard. It presumes that there is a standard or plan against which performance is compared. Lucey (2003), min support of the above, opined that control concerns itself with the efficient use of resources to achieve a previously deter-mined objective, or set of objectives contained within a plan.

BUDGETARY CONTROL

Planning and control are related resources and their costs are the keys to good management. The process of developing plans for a company's expected operations and controlling operations that help to carry out those plans is known as budgetary control. Objectives of budgetary control are:

To aid in establishing procedures for preparing a company's planned revenues and costs. Budgets also aid in coordinating and communicating these plans to various level of management (Kariuki, 2010). In addition, budgets formulate a basis for effective revenue and cost control. For companies to benefit from budgetary control, they should first set quantitative goals, define the roles of individuals, and establish operating targets. Short term or one year plans are generally formulated in a set of period budgets. A period budget is a forecast of operating result for a segment or function of a company for specific period of time (Caldwell, 1996). When there is a difference between the actual amount incurred or realized, and the corresponding budgeted (forecasted) figure, there is budget variance (Garisson, et al., 2003). It can be further divided into favorable variances and unfavorable variances. For revenue items, if actual revenues exceed budgeted revenues, the variance is favorable; while if actual revenues are less than the budgeted figure, this is unfavorable budget variance. For cost items, an unfavorable variance refers to a variance that decreases operating income relative to the budgeted amount; a favorable variance, however, increases operating income relative to the budgeted amount. Fridlob&Plewa in 1996 point out that favorable budget variances are "generally signs of efficient, effective cost management and increase in net income". Conversely, unfavorable budget variances results from inefficient, ineffective cost management, and reduced net income. Hirsch, Jr.(1994) summarizes the causality of variance, subdividing this into four reasons. Firstly, variance can be the result of inaccurate data. Secondly, an upward changes in cost (price standard) or production conditions (quantity standard) can result in an unfavorable variance. Thirdly, variance can be the result of random happenings (something that is unlikely to occur on an ongoing basic.) finally; variance can be the result of especially efficient or inefficient operations.



Lockyer, K (1983) was of the opinion that one's a budget has been drawn up, it can be used as an instrument of control by continually comparing actual with budget performance. Since all activities are ultimately capable of being expressed in financial terms, the breath of control possible is very great. Hence budget control is part to the overall system of responsibility accounting within an organization, as costs and revenues are analyzed in accordance with areas of personal responsibility of the budget holders through permitting financial monitoring. Budgetary control relates expenditures to the personnel responsible for the various expenditures at the various cost centers so that each manager is held responsible for the cost by which he has control. The terminology of CIMA (2006) defined budgetary control as the establishment of executive, the requirement of policy and the continuous comparison of actual with budgeted results, either to secure by individual action, the objectives of that policy or to provide a basis for its revision. Suffices to say that budget is not an island on its own, emphasis is placed on control which is done in form of comparing action with budgeted plan. Lucey (2008) defined budgetary control as the process of comparing the actual results with the planned results and reporting on the variations called variance. This according to him sets control framework which helps expenditure to be kept within an agreement limits, deviations are noted all along for corrective actions. In some circumstances, it may be necessary to revise goal but this should not be a normal occurrence but only in exceptional circumstances.

Practically, budgetary control involves departmental or sectional or functional heads in the organization, receiving a copy of budget relating to his activities. Each month he will receive copy of budget report showing visibly where he has over or under spent his budgeted allowance. From this he will be able to decide on the correlative step to take. This is in tandem with the fact that variances are the responsibility of departmental or sectional heads and every one of them has to explain the variance and act in time to stop future occurrence of ad-verse variance. Professor Pogue underscored this practical aspect of budgetary control, when he stated that if the actual sales as compared with the budget always result in adverse variance, provided it is realistic and attainable, it is not advisable to revise the figure just because they were not attained. Therefore, it can be concluded that budgetary control on its own controls nothing but rather it is management acting on the information received by way of results that exercise control, in short, management holds the control yardstick. Batty (1963) budgetary control is a system which takes budget as a means of producing and or selling commodities or services. The same Batty (1970) went further to state that budgetary control aims at the performance of three primary functions of planning, corporation and control aided by feedback and corrective action. But Buyer and Holmes (1984) considered budgetary control as a means of control in which the actual state of affairs is empowered with that planned for, so that the appropriate action may be taken with regard to any deviations before it is too late.

BUDGETING TECHNIQUE

There are two main technique for budgeting i.e. Incremental budgeting and zero based budgeting. An incremental budget is a budget in which the figures are based on those of the actual expenditure for the previous year with a percentage added to cover for an inflationary increase for the New Year. It is an easy technique that saves time but is often inaccurate. This budgeting technique is only appropriate for organizations where each year is very similar to the earlier one in terms of activities. In normal situations however, very few dynamic organizations or projects are so stable as to make this budgeting technique really work for them (Lucey, 2004). In zero based budgeting scenarios, past figures are not used as they starting point, the budgeting process start from, scratch" for posed activities for the year. This results in a more detailed and accurate budget, although it takes more time and energy to prepare. This technique is most useful for new organizations and projects but is also probably the best route to go in a dynamic organization that is proactive in taking on fresh challenges (kariuki, 2010).

BUDGET REVIEW

Budgets are one of the accounting measures which are used to assess a company's performance. The reward system of the organization (i.e. pay, promotion) is often linked to the achievement of certain levels of performance, frequently measured in accounting term. It is conventionally assumed that by establishing formal performance measurement and rewarding individuals for their performance they will be encouraged to maximize their contribution towards the organization's objectives (Horngren, 2000). In this way it is assumed that goal congruence will be achieved. On the other hand, if performance measures and the way are used motivate managers in ways that do not contribute to organizational objectives this is a dysfunctional consequence and leads to a lack of goal congruence (Simiyu, 1979). Unfortunately, the research evidence suggests that not too often accounting performance measures lead to lack of goal congruence. Managers seek to improve their performance on the basis of the indicator used even though this is not in the best interest of the organization as a whole. For example, Likert found out that concentration on short term cost reductions produced damaging long term effects on labor turnover and absenteeism which were dysfunctional. (Simiyu, 1979). This problem occurs not only with budgets but with other types of accounting measurements. For example, assessing management performance by the return on capital employed has been to cause some managers to delay making new investments which are in the interest of the organization as a whole but which would cause their own R.O.C.E. to fall (Williamson, 1999). It should be noted that concentration on a single measure or target causes problems. The law of requisite variety states that for full control, the control system must have as much variety as the system being controlled, so that concentration on a single measure (Sales budget level, return on capital employed) cannot hope to control adequately a complex system. Numerous organizations have attempted to deal with the problem of assessing managerial performance using multiple criteria and one of the pioneers was the General Electrical Company of America which identified eight key result areas: productivity, Personal Development, Profitability, Market Position, Product Leadership, Employee Attitudes, Public Responsibility, Balance between short term and long term Goals (Horngren, 2000).

(Otley, 1978) did a study on budget use as a measure of managerial performance. He did a research on a single large organization which had a consideration number of production facilities, producing similar products geographically dispersed around the United Kingdom. The individual production units were largely independent on each other. Therefore, the unit of analysis was the individual unit manager who was responsible to the group managers for the production of their units. His findings were that there is a positive relationship between budget use in evaluating managers and their level of performance. Unlike (Hop-Wood, 1972), he noted little evidence to indicate that any particular style of budget use affected actual performance although this is a most elusive relationship to capture in a field study, but it was found that there were considerable interaction and long-term unit profitability. A situation had evolved where profitable units produced accurate budgets which were subsequently used as a basis for evaluation; whereas unprofitable units produced optimistic budgets which gave the impression & profitability, but which were not then used in evaluating unit and managerial performance. (Hop-wood, 1972) had done a previous study to determine what effects different budget based styles of evaluation had on manger's performance. A rigid style of evaluation based primarily upon whether or not a manager has met his budget, was found to result in the belief that the evaluation was unjust, in wide-spread tension and worry on the job and in feelings of distract and dissatisfaction with the superior using the style managers evaluated in this rigid manner were also found to manipulate accounting data to improve their reported performance and to make decisions detrimental to the long-term well-being of the organization.

BUDGETARY PARTICIPATION AND PERFORMANCE

The relationship between budgetary participation and performance (referred to as BPP) has been studies closely by many researchers (Becker & Green, 1962; Brownell, 1981; Birnberg& Shields, 1989; Gul et al., 1995;

Magner et al., 1995; Tsui, 2001). Generally, there are two major conceptual models linking budgetary participation with performance in current management accounting literature.Firstly, Psychological theories (e.g. Murray, 1990) state that the opportunity given to subordinates through participation (the upward information sharing) in budgeting process can stimulate their motivation and commitment with budget-setting, which in turn improves the subordinates' job satisfaction and performance (Brownell &Mclnnes, 1986; Chenhall& Brownell, 1988; Kren, 1992). Shields and Shields (1998) also explore budgetary participation and performance relationship from a psychological aspect. The state that participation enhances a subordinate's trust, sense of control, and ego-involvement with the organization, which then leads to more acceptance of, and commitment to, the budget decisions, in turn causing improved performance.

Secondly, the BPP relationship is also explained from a cognitive point of view. It states that, through budget participation (the downward information sharing), subordinates gain information from superiors that helps clarity their organizational roles, including their duties, responsibilities, and expected performance, which in turn enhances their performance (Kren, 1992; Shields & Young, 1993; Chong and Chong, 2002). Therefore, role ambiguity as an important cognitive factor is discussed extensively in existing budgeting literature. Role ambiguity is concerned with the lack of clear information regarding expectations, methods and consequences of the role (Chong & Bateman, 2000). The empirical evidence of O'connor (1995) suggests that budgetary participation is useful in reducing the role ambiguity of the subordinate. Jackson and Schuler (1985).
Chenhall and Brownell (1988) also find that budgetary participation leads to lower role ambiguity, which, in turn, is associated with higher performance. They state that budgetary participation can clarify the role in the three areas (i.e. expectation, methods, and consequences). The expectation of the role will become clear when goals or budgets are set. By participating, various methods of achieving role expectation can be examined to consider how the expectation can be achieved. And consequences of performance in the role can be clarified by participating in the planning and evaluation stage of budgeting.

THEORITICAL FRAMEWORK FOR AUDIT EXPECTATION ANALYSIS:
POLICEMAN THEORY
According to Hayes, Schilder, Dassen and Wallage (2009) the policeman Theory was the most widely held theory on auditing until the 1940s. Under this theory, an auditor acts as a policeman focusing on arithmetical accuracy and on prevention and detection of fraud. However, due to its inability to explain the shift of auditing to,' verification of truth and fairness of the financial statements,' the theory seems to have lost much of its explanatory power. The policeman theory claims that the auditor is responsible for searching, discovering and preventing fraud. In the early 20th century, this was certainly the case. However, more recently the main focus of auditors has been to provide reasonable assurance and verify the truth and fairness of financial statements. The detection of fraud is, however, still a hot topic in the debate on the auditor's responsibilities, and when is typically, after events where financial statement frauds have been revealed, pressure is put on increasing the responsibilities of auditors in detecting fraud which causes an business expectation between the public and the auditor.
THEORY OF INSPIRED CONFIDENCE
The theory of inspired confidence (Theory of rational expectations) was developed in the late 1920s by a Dutch Professor Theodore Limperg, and it addresses both the demand for and the supply of audit services. The demand for audit services is related to the expectations of interested parties of a company as regard their investments in the company. These parties demand accountability from the management in return for their investment in the company.However, since information provided by management might be biased, and outside parties have no direct means of monitoring an audit is required to assure the reliability of this information. With regards to the level of audit assurance that auditors provide (the supply side). Given the possibilities of audit technology, the auditor should do everything to meet reasonable public expectations. This is another main theory upon which this study will be anchored upon.
AGENCY THEORY
Jensen and Meckling (1976) proposed a theory of the firm (Agency Theory) based on conflicts of interest between shareholders and managers, shareholders and debt holders, vast literature has been developed in explaining both aspects of these conflicts. They further specified the existence of "agency cost" which arise owing to the conflicts either between managers and shareholders (agency costs of equity) or between shareholders and debt holders (agency costs of debt). Financial markets capture these agency costs as a value loss of shareholders.Jensen and Meckling (1976) defined the agency relationship as a contract whereby one party called the principal engages another party called the agent to perform some service on their behalf and give the agent decision-making authority. As part of this arrangement, the principal will delegate some or all of the decision making authority to the agent. In practice, a shareholder from most corporations delegates the decision-making authority to the board of directors (BOD). In turn, the BOD delegates power to the chief

executive officers (CEO). The agency problems arise because of conflict of interest in decisions that affects both the agent's own welfare and the welfare of the principal.The agency theory argues that an agency relationship exists when the shareholders (principals) hire managers (agents) as the decision makers of the corporations. Agency problems arise because managers will not solely act to maximize the shareholders' wealth; they may protect their own interests or seek the goal of maximizing companies' growth instead of earnings while making decisions. An agency cost arises from a divergence of interest between shareholders and companies managers. ''Agency costs are defined by Jensen and Meckling (1976) as monitoring cost plus bonding costs less residual loss.

THE AUDIT EXPECTATION

According to Ebimobowei (2010) there are two components of the from the performance view point: reasonableness and business performance. Reasonable when a society's expectation of auditors exceeds the duties that can reasonably be expected of them. The performance arises when the society's reasonable expectation of auditors' accomplishment falls short of their expectation of auditor achievements. This could be due to either deficient standards or deficient performance. To detect a performance due to 'deficient standards', involves comparing the role and responsibilities based on legal and professional pronouncement and through responses from surveys and observations. Performance may also arise due to factors in the environment that do not support the effective functioning of an audit (Hanuffa and Hudaid, 2007). Porter (2004) significantly concluded that once an auditor's performance of or failure to perform his duty is criticized by a significant proportion of society or by an interest group, the duty in question should be analyzed to identify which component of the it represents. Once a deficiency is associated with a specific component, an appropriate action is almost self- evident.

FACTORS OF AUDIT EXPECTATION IN NIGERIA

The audit expenditure in Nigeria will be discussed under the following subheadings: efforts and expectation; auditor's skills and expectation; public knowledge and expectation; public expectation and expectation;auditor'sindependence and expectation ; audit scope and expectation.

Efforts and Expectation

Humphrey et al. (2013)examined the expectation by ascertaining the perceptions of individuals of audit expectation issues. They made use of questionnaire survey comprising a series of mini-cases. Their respondents include chartered accountant in public practice, corporate finance directors, investment analysts, bank lending officers and financial journalists. The study revealed a significant difference between auditors and the respondents (represented by some of the main participants in the company's financial report process) in their view on the nature of auditing and as such the results confirmed that an audit expectation exists, specifically in areas such as the nature of the audit function and the perceived performance of auditors.

Public Expectations

Humphrey (2017) reported that audit expectation exists mainly because of the subjective nature of terms and concepts in auditing such as the true and fair view, reasonableness, materiality, adequacy, reliability and relevance which are not defined precisely in the Accounting and Auditing Standard but are left for the auditors' judgment. Other factors that contributed to expectation according to Sam, 2020, are inadequate audit standards, deficient performance of auditors, unreasonable expectations of users of audited financial statements, perceptions that the audit profession can be trusted to serve the public interest, inadequate education of the public about auditing, structure and regulation of the profession and misinterpretation of the audit report. Basically, this has been seen to be a result of the shift in the objectives of statutory audit over the years from mere detection of fraud and technical errors to determining whether financial statements give a fair picture of the financial position of a company. Best, Buck by and Tan, 2018 attributed the cause of the fact that users have high expectation of the auditor's responsibility in relation to fraud. Consequently, when a company faces problems as a result of undiscovered illegal acts either perpetrated by management, other insiders or third parties, the external auditor is blamed.

Swift and Dando (2002) suggested that the audit expectation could have resulted from any of the following factors such as lack of technical competence, the timeliness and relevance of auditors' communication, and a lack of assurance –provider independence. Adams and Evans (2014) claimed that the audit arises due to an overemphasis on the validity of performance data at the expense of addressing completeness and credibility. Lin and Chen (2014:93), on the other hand, claimed that audit expectation is associated with the independence of auditor which has significant implications for the development of accounting standard and practices.

Public Knowledge and Expectation

Sikka, Puxty, Wilmot and Cooper (1998) in Salehi (2006) suggested that there are two reasons for audit expectation. Firstly, it has resulted from the "clash between auditors and the public over the preferred meanings of the nature, practices and/or outcomes of auditing and secondly, it is due to the contradiction between minimal government regulations of the profession and the profession's right to self regulation. (Haniffa and Hudaid, 2017), while studying in Saudi Arabia, asserted that the causes of audit expectation in relation to auditors' roles and responsibilities are due to a deficiency in the standards; a space may also emerge when the society expects auditors to perform duties beyond those prescribed de jure but which can be reasonably expected of them; an audit expectation may also arise due to factors in the environment such as licensing policy, recruitment process, political and legal structure and dominant societal values.

Auditors Independence and expectation

According to Lee and Ali (2008), the existence of an audit expectation can be attributes to the complicated nature of an audit function the conflicting role of auditor's retrospective evaluations of auditors' performance time lag in responding to changing expectations and the self-regulation process of the auditing profession. They asserted that an audit expectationis detrimental to the auditing profession as it has negative influences on the value of auditing and the reputation of auditors in modern society.

Lee, Ali and Gloeck (2019) suggested that the causes of an audit expectation in Malaysia was a result of unreasonable expectations which was a combination of factors such as users' misunderstanding and being unaware of the duties and responsibilities of auditors, the misinterpretation of the objectives of an audit and exaggerated expectations on the part of users of auditors performance; deficient performance on the part of auditors' due to such factors as the process of auditors appointment low audit fees competition for human capital ,the admission into the professional body of accounting and the retrospective evaluation of auditor and deficient legislation. Bogdanoviciute (2011)went further to party liability of the auditor, reliance on the audit report by user and the meaning of the audit report as perceived by users.

PRIOR EMPIRICAL STATUS

Hian (2000) in Singapore studied audit expectation with reference to a company's audit objective. The study's objective was to examine if an audit expectation existed between auditors and non-auditors in Singapore with respect to the objectives of a company's audit. He concluded that an audit expectation with respect to company audit objectives existed between auditors and non-auditors. This was because the non-auditors placed a greater demand on audits than what auditors themselves perceived as their roles and responsibilities. Another related study in Singapore done by Martins, Kim and Amy (2000), examined the extent to which lower levels of users cognizance of the role, objectives and limitations of an audit are associated with unreasonable audit expectation and perception and the extent with regards to expectation and perceptions about duties and responsibilities of auditors, fraud prevention and detection. The extent of the audit expectation was measured by comparing non-auditors' expectation and perceptions regarding the role, objectives and limitations of an audit with auditors' responses reflecting audit reality as prescribed in the standards. The study conducted by McEnroe and Martens, 2011 in USA comparing audit partners' and investors' perception of auditors' responsibilities involving various dimensions of the attest function found that expectation existed and that investors has higher expectation for various facets and assurance of the audits than did auditors.

The investing public does not want auditors to issue an unqualified opinion unless; every item of importance to investors and creditors has been reported or disclosed. Auditors have been 'public watchdogs', the internal controls are effective, the financial statements are free of misstatements resulting from management fraud, the financial statements are free of misstatements intended to hide employee fraud and the firm has not engaged in illegal operations which are relevant to expectation in internal controls.The existence of audit expectation in Malaysia was discovered by Mohammed and Mohammed-Sori (2012), according to them, audit expectation existed because of; uncertainties concerning the role of auditors, the satisfaction of clients with services provided by the auditors and an audit firm's lack of independence and objectivity. Fadzly and Ahmed (2014) in Malaysia examined the perceptions of 'what auditors are doing' by comparing auditors' and users' perceptions. The study comprised two parts. In the first part respondents' opinion and belief about audit functions were accumulated to find the evidence of an expectation. In the second part, a controlled experiment was used on investors to find the effect of reading materials on respondents' expectations. The reading material contained information about audit functions and specially addressed the issues that were susceptible to misconceptions among the users such as auditors' responsibilities to audited accounts or financial statement and internal controls and fraud. 100 undergraduate students were selected and the questionnaire was administered to them twice over a period of four months, while the reading material was given only during the second survey. The students were in the first trimester of their senior year and would only learn about financial audit during their second semester. The result indicated that after reading the material, there was no significant difference s in student's and auditor's expectations. The result also showed a wider issue of the auditor's responsibility and a lesser expectation with respect to reliability and usefulness of an audit.

AUDITORS SKILL AND EXPECTATION

Lee and Palaniappan (2016) and Lee, Gleock and Palaniappan (2017) conducted a survey of an audit expectation in Malaysia to examine whether an expectation existed in Malaysia among the auditors, auditees and audit beneficiaries in relation to auditors' duties. In addition, the study analyzed the nature of the using Porter's framework. The results proved the existence of an audit expectation in Malaysia. Lee, Md Ali, Gleock, Yap et al (2010) analyzed the nature of the audit expectation in Thailand using Porter's (1993) framework. The study revealed that the auditees and audit beneficiaries had an expectation of auditors' duties that is far in excess of that of the auditor themselves. Their results confirmed that the audit expectation existed in Thailand. (Adeyemi and Uadiale 2011) investigate the respondents' perceptions of the existence of the audit expectation in Nigeria, they examined the perception of respondent groups of the existing duties and responsibilities of auditors and investigated the extent of reliance on audit reports by the respondents group for investment decisions.

The study was limited to respondents of Lagos State, Nigeria. Sample of 200 was used and the hypothesis was tested using analysis of variance (ANOVA). Analyses were carried out with the aid of the Statistical Science, (SPSS Version 15.0). The study revealed that there were significant differences in the perceptions of respondent groups of the existence of audit expectation in Nigeria, that there was a significant difference in the perception of respondent groups on the existing duties and responsibilities of auditors in Nigeria, that there was a significant difference in the perception of respondent groups of the usefulness of audit reports for investment decisions.

II. METHODOLOGY

The population of the study comprises auditors, prepares of financial statements and the users of financial statements of companies listed in Nigeria stock exchange

A sample size of 900 respondents consisting of 60 companies 840 auditors, management/employees of companies in the Nigeria stock Exchange and some suppliers, lenders, financial analysts the public, were selected for the study within Edo, Delta and Lagos states.The random sampling method was used in selecting the sample size of nine hundred respondents. The justification for the random sampling is to avoid biasedness` in selecting respondents.The study depended on primary data collected from the staff and some secondary data. The primary data was collected from the field survey using questionnaires and interview schedules. The questionnaires comprised both close-ended and open ended questions. These will form the basis of the analysis of the study.

The data was collected by means of well developed, structured and verified scale. All of the questionnaires were distributed among the respondents in the defined areas personally by the researchers. The data was collected and then response was fed into the statistical package for Social Sciences (SPSS) version 20.0 for analysis and evaluation.

The data will be analyzed using both statistical and narrative methods. Correlation analysis will be used as a way of assessing the relationship between the hypotheses. This research will work with these analysis tests.

Data collected from the primary sources were analyzed using the linear regression analysis and both descriptive and inferential statistic. The descriptive method describe the demography of respondents using percentages while the hypotheses formulated for the study were tested using analysis of variance (ANOVA) which analyses were carried out with the aid of the Statistical package for social sciences (SPSS Version 21) and Eviews 8.0 the data gathered was also analyzed using ordered logistic regression. The choice of this regression method is due to the ordered nature of the dependent variable (Audit Expectation) since the likert scale was used. In order to ensure the validity of the result, multicollinearityHeteroskedasticisity and autocorrelation tests was conducted *using Breush-Pagan-Godferey test while the Serial Correlation test was tested using Breusch-Godferey test to check for the presence of autocorrelation in the model.*

The study adopted the model of kamau (2013)

$Y = \beta_0 + \beta_1 AE + \beta_2 AS + \beta_3 PK + \beta_4 UN$

Where:

Y= Level of an audit expectation

AE= Auditor's Effort

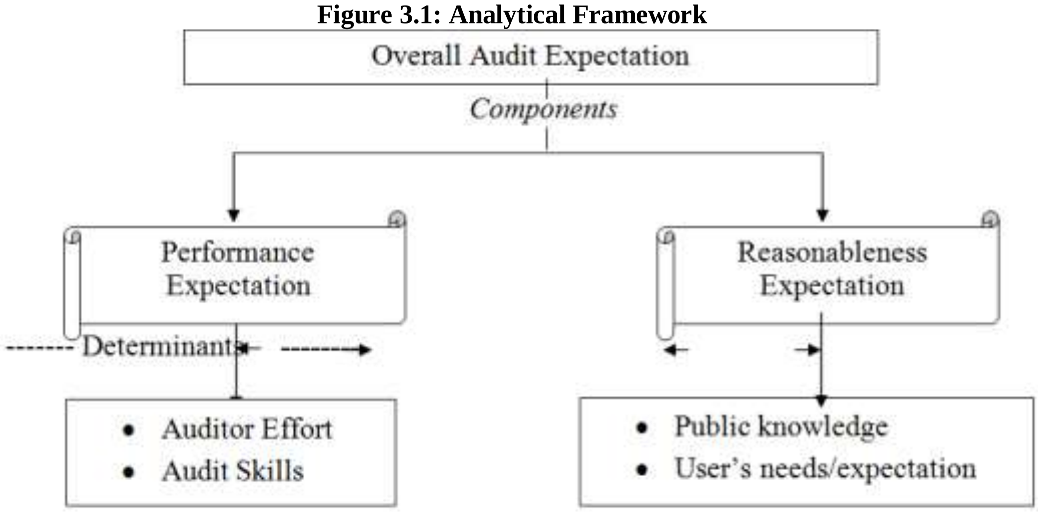
AS= Auditor's Skills

PK=public Knowledge

UN=Users' Needs

The model that was used in the study is modified below

Figure 3.1: Analytical Framework



AEG = f (performance, reasonableness)
Performance =*f* (editors' effort, audit skills)
Reasonableness =*f* (public knowledge, users' needs)
AEG = *f* (auditors' effort, audit skills, public knowledge users' needs)
The model in its econometric form was specified below:

$AEG = \beta_0 + \beta_1$ EFFORTS + β_2 SKILLS + β_3 KNOWLEDGE +β_4 NEEDS + β_5 INDEPENDENCE + β_6 SCOPE + Σ_t

Terms	Measurement	AprioriSign
Audit Expectation (AE)	Audit expectation measured using an ordered response. The response ranges from1-5.	
Auditors' Skills (SKILLS)	Question relating to auditors' skills as used by Siddiqui, NasreenandChoudhury (2009).	_
Public Knowledge (KNOWLEDGE)	Question relating to public knowledge as used by Frank, Lowe and Smith (2001), Koh and Woo, (1998)	_
Users' Needs or Expectation NEEDS	Question relating to Users' expectation of the role of the auditor as used by Sidani (2007) and Porter and Gowthorpe (2004).	_
Independence of the auditor INDEPENDENCE	Questions relating to independence of the auditor as used by Fadzly and Ahmad (2004), kimutai (2012) Sidani, (2007) and Porter and Gowthorpe (2004).	_
Scope of the audit SCOPE	Question to the scope of the audit as used by sidan (2007), porter and Gowthorpe (2004), Fadzly, and iAhmad (2004), and Kimutai (2012).	_

Measurement of Variables
Table 3.3 – measurement of variables
Source: Researcher's compilation (2020)
The study examines and describes the gender details of respondents in this study and details of their respective gender is presented in table below

Table 1.1 Gender Characteristics of respondents

		Frequency	Percent	Valid percent	Cumulative percent
Valid	**Male**	**18**	**36**	**36**	**36**
	Female	**32**	**64**	**64**	**100**
	Total	**50**	**100**	**100**	

Source: primary data

Table: above reveals that 36% of the respondents were males and 64% were female. This could indicate that there are still low levels of employment of males in Nigeria companies. The findings represent the views of the two sex groups of people working in firms in Lagos State. Nigeria.
This was necessary for the study to get a balanced picture of the respondents' views

Table 1.2: Education Levels Of Respondents

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Certificate /diploma	13	26	26	26
	Bachelor	12	24	24	50
	Masters	8	16	16	66
	PhD	10	20	20	86
	Professional certificate	7	14	14	100
	Total	50	100	100	

Source: Primary data

INTERPRETATION

In **Table 1.2** above, it can be revealed that majority of respondents who are also the employees show that they hold Certificate /Diploma, Bachelor, Masters, PhD and professional Certificate in the orders of 26%, 24%, 16%, 20% and 14% respectively. This means that the respondents are adequately qualified persons academically.

Table 1.3 Position Held in the organization

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Business owner	8	16	16	16
	Administrator	10	20	20	36
	Accountant	9	18	18	54
	Associate Director	14	28	28	82
	Sales, Clerical, or Service Worker	5	10	10	92
	Finance Manager	4	8	8	100
	Total	50	100	100	

Source: Primary data

Table 1.4 Age Groups of Respondents

		Frequency	Percent	Valid percent	Cumulative percent
Valid	18yrs – 25yrs	17	34	34	34
	26yrs – 35yrs	14	28	28	62
	36yrs – 45yrs	13	26	26	88
	46yrs – 55yrs	6	12	12	100
	Total	50	100	100	

Source: Primary data

Table 1.5 Length of Service inthe Institution

		Frequency	Percent	Valid percent	Cumulative percent
Valid	1-3years	17	34	34	34
	4-6years	12	24	24	58
	7-10years	16	32	32	90
	10years and above	5	10	10	100
	Total	50	100	100	

INTERPRETATION

In **table 1.5** above, it can be revealed that majority of respondents have worked in the Company for the period 1-3 years (17), 7-10 years (16), 4-6 years (12), and 10 years and above (5). These represent 34%, 32%, 24%, and 10% respectively. This shows that most of the respondents were experienced.

4.2.1 DESCRIPTIVE STATISTICS ON THE QUESTIONS

4.2.1.1 RESULT OF DATA BASED ON THE QUESTIONNAIRE BEING DISTRIBUTED

Participants have above average knowledge of budgeting for businesses and its important					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Little Extent	3	6	6	6
	Slight Extent	6	12	12	18
	Moderate Extent	8	16	16	34
	Considerate Extent	12	24	24	58
	Great Extent	21	42	42	100
	Total	50	100	100	

The above question reveals that 42% are great extent and 24% are considerate extent for having above average knowledge of budgeting for business for business and its performance. Thus, it vividly indicates truly that the respondent agreed that they are conversant and knowledgeable on budgeting practices.

Budgets are not prepared for the business owners' expertise, macro-economic indices and rule of thumb are relied on					
Valid		**Frequency**	**Percent**	**Valid percent**	**Cumulative percent**
	Little Extent	**9**	**18**	**18**	**18**
	Slight Extent	**4**	**8**	**8**	**26**
	Moderate Extent	**10**	**20**	**20**	**46**
	Considerate Extent	**15**	**30**	**30**	**76**
	Great Extent	**12**	**24**	**24**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that n30% are considerate extent and 24% are great extent that budgets are not prepared for the business owners; expertise, macro-economic indices and rule of thumb are relied on. Thus, it vividly indicates that truly the respondents agreed that budgets are meant for the organization performance.

Budget planning starts at the end of the year and involves all the relevant staff in all dept. who submit estimates to budget committee					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**8**	**16**	**16**	**16**
	Slight Extent	**5**	**10**	**10**	**26**
	Moderate Extent	**11**	**22**	**22**	**48**
	Considerate Extent	**14**	**28**	**28**	**76**
	Great Extent	**12**	**24**	**24**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 28% are considerate extent and 24% are great extent for the Segmentation of Consumers on the basis of their Consumer Traits and Online Shopping. Thus, it vividly indicates that truly that the respondents agreed that the segmentation of consumers on the basis of their consumer's traits and online shopping are of considerate extent.

Budgets are prepared by the owners only and other staff have little or no input					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
14	**Little Extent**	**7**	**14**	**14**	**14**
	Slight Extent	**3**	**6**	**6**	**20**
	Moderate Extent	**11**	**22**	**22**	**42**
	Considerate Extent	**13**	**26**	**26**	**68**
	Great Extent	**16**	**32**	**32**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 32% are great extent and 26% are considerate extent for budgets are prepared by the owners only and other staffs have little or no input. Thus, it vividly indicates that truly the respondent agreed that the budgets are being prepared by the top management.

In preparing the budget all variables that affect performance in prior years are considered in the current fiscal year					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**7**	**14**	**14**	**14**
	Slight Extent	**5**	**10**	**10**	**24**
	Moderate Extent	**10**	**20**	**20**	**44**
	Considerate Extent	**13**	**26**	**26**	**70**
	Great Extent	**15**	**30**	**30**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 30% are great extent and 26% are considerate extent for preparing the budget all variables that affect performances in prior years are considerate in the current fiscal year. Thus, it vividly indicates that the respondent agreed that the company focus on the review of their prior year performance on their budget to the current year.

Preparation of budget is done with the aid of excel spreadsheet/accounting software					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**6**	**12**	**12**	**12**
	Slight Extent	**3**	**6**	**6**	**18**
	Moderate Extent	**12**	**24**	**24**	**42**
	Considerate Extent	**14**	**28**	**28**	**70**

	Great Extent	**15**	**30**	**30**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 30% are great extent and 28% are considerate extent that preparation of budget is done with aid of excel spreadsheet/accounting software. Thus, it vividly indicates that truly the respondent agreed that their company budget preparation is well developed with software.

The owner coordinates the budget by monitoring the progress and providing resources required for attainment					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**4**	**8**	**8**	**8**
	Slight Extent	**2**	**4**	**4**	**12**
	Moderate Extent	**10**	**20**	**20**	**32**
	Considerate Extent	**18**	**36**	**36**	**68**
	Great Extent	**16**	**32**	**32**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 36% are considerate extent and 32% are great extent for the owner coordinates the budget by monitoring the progress and providing resources required for attainment. Thus, it vividly indicates that truly that the respondent agreed the owners of the company have huge effect on attainment of the budget.

Staff give periodic reports to the budget coordinator on the progress of the budget and its performance					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**4**	**8**	**8**	**8**
	Slight Extent	**2**	**4**	**4**	**12**
	Moderate Extent	**9**	**18**	**18**	**30**
	Considerate Extent	**20**	**40**	**40**	**70**
	Great Extent	**15**	**30**	**30**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 40% are considerate extent and 30% are great extent that staff gives periodic reports to the budget coordinator on the progress of the budget and its performance. Thus, it vividly indicates that truly that the respondent agreed that feedbacks are given on the proper implementation of the budget and the visibility of the budget on the company's performance.

Budget requirements and resources are provided as stated in the budget promptly to achieve set goals					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**7**	**14**	**14**	**14**
	Slight Extent	**2**	**4**	**4**	**18**
	Moderate Extent	**9**	**18**	**18**	**36**
	Considerate Extent	**12**	**24**	**24**	**60**
	Great Extent	**20**	**40**	**40**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 40% are great extent and 24% are considerate extent for Budget requirements and resources are provided as stated in the budget promptly to achieve set goals. Thus, it vividly indicates that truly the company provides adequate resources on budget implementation.

Variance analysis is done periodically to ensure budget control in all department					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**3**	**6**	**6**	**6**
	Slight Extent	**6**	**12**	**12**	**18**
	Moderate Extent	**8**	**16**	**16**	**34**
	Considerate Extent	**19**	**38**	**38**	**72**
	Great Extent	**14**	**28**	**28**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 38% are considerate extent and 28% are great extent that variance analysis is done periodically to ensure budget control in all departments. Thus, it vividly indicates truly that the respondent agreed that the budget is guided and monitored as variance analysis is done on the budget.

Reason for deviation from budgeted value are found out and steps taken to correct					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**6**	**12**	**12**	**12**
	Slight Extent	**4**	**8**	**8**	**20**
	Moderate Extent	**8**	**16**	**16**	**36**

	Considerate Extent	**12**	**24**	**24**	**60**
	Great Extent	**20**	**40**	**40**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 40% are great extent and 24% are considerate extent for when problem occurs, the website shows a sincere interest in solving it. Thus, it vividly indicates that truly that the respondent agreed that the when problem occurs, the website shows a sincere interest in solving it is a great extent.

Staff are free to exchange information about budget progress with budget coordinators/committee					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**4**	**8**	**8**	**8**
	Slight Extent	**5**	**10**	**10**	**18**
	Moderate Extent	**7**	**14**	**14**	**32**
	Considerate Extent	**17**	**34**	**34**	**74**
	Great Extent	**13**	**26**	**26**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 34% are considerate extent and 26% are great extent that staffs are free to exchange information about budget progress with budget coordinators/committee. Thus, it vividly indicates that truly that the respondent agreed that proper monitoring is carried out on the budget.

Budget evaluation is done periodically through review of targets and actual, and commendation made					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**5**	**10**	**10**	**10**
	Slight Extent	**6**	**12**	**12**	**22**
	Moderate Extent	**9**	**18**	**18**	**40**
	Considerate Extent	**14**	**28**	**28**	**68**
	Great Extent	**16**	**32**	**32**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 32% are great extent and 28% are considerate extent for the budget evaluation is done periodically through review of targets and actual, and commendation made. Thus, it vividly indicates that truly that the respondent agreed that the firm has full concentration on proper review on budget implementation.

The firms only calculate periodic profits/loss of actual and not of budgeted value for evaluation purpose					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**4**	**8**	**8**	**8**
	Slight Extent	**5**	**10**	**10**	**18**
	Moderate Extent	**9**	**18**	**18**	**38**
	Considerate Extent	**14**	**28**	**28**	**66**
	Great Extent	**17**	**34**	**34**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 34% are considerate extent and 28% are great extent, the firms only calculate periodic profits/loss of actual and not of budgeted values for evaluation purpose. Thus, it vividly indicates that truly that the respondent support the motion.

Liquidity level and declared profit are measure of performance instead of budget evaluation at the year end					
		Frequency	**Percent**	**Valid percent**	**Cumulative percent**
Valid	**Little Extent**	**2**	**4**	**4**	**4**
	Slight Extent	**8**	**16**	**16**	**20**
	Moderate Extent	**9**	**18**	**18**	**38**
	Considerate Extent	**14**	**28**	**28**	**66**
	Great Extent	**17**	**34**	**34**	**100**
	Total	**50**	**100**	**100**	

The above question reveals that 34% are great extent and 28% are considerate extent for the liquidity level and declared profits are measure of performance instead of budget evaluation at the year end. Thus, it vividly indicates that truly that the respondent agreed that not only budget evaluation should be considered but liquidity level and profit declaration.

Budget is a tool of decision making by management of micro sized firms					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Little Extent	3	6	6	6
	Slight Extent	2	4	4	10
	Moderate Extent	6	12	12	22
	Considerate Extent	12	24	24	46
	Great Extent	27	54	54	100
	Total	50	100	100	

The above question reveals that 54% are great extent and 24% are considerate extent for budget is a tool of decision making by management of micro sized firms. Thus, it vividly indicates truly that the respondent agreed that the ranked as a good tool for management decision making.

To what extent do you think budgets motivate managers to achieve objectives and thereby establish control within your organization					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Little Extent	2	4	4	4
	Slight Extent	4	8	8	12
	Moderate Extent	9	18	18	30
	Considerate Extent	21	42	42	72
	Great Extent	14	28	28	100
	Total	50	100	100	

The above question reveals that 42% are considerate extent and 28% are great extent and to what extent do youthinkbudgetsmotivate managers to achieve objectives and thereby establish control within your organization. Thus, it vividly indicates that truly that the respondent agreed that budget motivate them in the service delivery.

In your opinion, to what extent do budgetary controls contribute positively to the performance of your organization					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Little Extent	5	10	10	10
	Slight Extent	4	8	8	18
	Moderate Extent	10	20	20	38
	Considerate Extent	16	32	32	70
	Great Extent	15	30	30	100
	Total	50	100	100	

The above question reveals that 32% are considerate extent and 30% are great extent as budgetary control contribute positively to the performance of your organization. Thus, it vividly indicates that truly that the respondent agreed that they supported the influence of budgeting on organization performance.

In your own view, to what extent do you agreed that budgetary controls assist management assess the level of performance?					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Little Extent	6	12	12	12
	Slight Extent	4	8	8	20
	Moderate Extent	7	14	14	34
	Considerate Extent	14	28	28	62
	Great Extent	19	38	38	100
	Total	50	100	100	

The above question reveals that 38% are great extent and 28% are considerate extent as budgetary control assist management assesses the level of performance. Thus, it vividly indicates that truly that the respondent agreed that budgetary controls help in management assessment of organization level of performance.

EXAMINING THE FUNCTIONALITY OF QUESTIONS BASED ON THE RESEARCH TOPIC
Description Statistics On The Impact Of Budget On Organization Performance

Description Statistics					
	Range	Minimum	Maximum	Mean	Std. Deviation
Participants have above average knowledge of budgeting for business and its importance	4.00	1.00	5.00	4.2500	.55732
Budgets are not prepared for the business, owners' expertise; macro-economic indices and rule of thumb are relied on.	3.00	2.00	5.00	4.3400	.55450
Budget planning starts at the end of the year and involves all the relevant staff in all dept. who submit estimates to budget committee	4.00	1.00	5.00	4.2900	.68601
Budgets are prepared by the owners only and other staffs have little or no inputs.	4.00	1.00	5.00	3.4700	.94767

In preparing the budget all variables that affect performances in prior years are considered in the current fiscal year.	4.00	1.00	5.00	3.7200	1.05486
Preparation of budget is done with the aid of excel spreadsheet/ accounting software.	4.00	1.00	5.00	4.2100	.71485
Te=he owner coordinates the budget by monitoring the progress and providing resources required for attainment	2.00	3.00	5.00	4.3100	.69187
Staff gives periodic reports to the budget coordinator on the progress of the budget and its performance.	3.00	2.00	5.00	4.35	.55732
Budget requirements and resources are provided as stated in the budget promptly to achieve set goals.	2.00	3.00	5.00	4.49	.54114
Variance analysis is done periodically to ensure budget control in all dept.	2.00	3.00	5.00	4.30	.55958
Owner/manager takes necessary steps to ameliorate any deviation in the budget to ensure set targets are reached.	3.00	2.00	5.00	3.96	.77746
Reasons for deviation from budgeted value are found out and steps taken to correct .	3.00	2.00	5.00	3.88	.67090
Staff is free to exchange information about progress with budget coordinators/committee.	4.00	1.00	5.00	4.08	.80000
Budget evaluation is done periodically through review of targets and actual, and commendations made.	3.00	2.00	5.00	4.20	.75210
The firms only calculate periodic profits/loss of actual and not of budgeted value for evaluation purpose.	2.00	3.00	5.00	4.38	.64792
Liquidity level and declared profits are measure of performance instead of budget evaluation at the year end.	2.00	3.00	5.00	4.33	.62044
Budget is a tool of decision making by management of micro sized firms.	4.00	1.00	5.00	4.33	.78335

The study (as reflected in **table** above) found that the respondents seem to agree that there is sound impact of budget on organization performance with the mean values which appears to be close to the maximum rank of 5. This shows that they generally agree about the existence of budget on organization performance. However, the corresponding standard deviation also revealed significant values. This also shows that there is a clear variation in the responses provided by the respondents.

4.2.2Analysis Of Data According To The Research Questions

4.2.2.1 Validity Testing: The purpose of validity testing is to know how far the instruments measured correctly and accurately. Validity testing use regression analysis, with the criteria of acceptance as the following: The item of questionnaire is valid if **r** $_{\text{statistic}}$ higher than critical value at degree of freedom 95% (a = 0.05).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change
	.235ª		-.013		.000		1		.908

ANOVA[a]

Model		Sum of Square		Mean Square		Sig.
1	Regression	.008	1	.008	.013	.908[b]
	Residual	48.479	78	.622		
	Total	48.488	79			

a. Dependent Variable: Organization Performance
b. Predictors: (Constant), Budgeting

Coefficients[a]

Model		Unstandardized Coefficients B	Std.	Standardized Coefficients Beta Error	t	Sig.
1	(Constant)	1.682	.698		2.419	0.18
	Budgeting	.002	.018	.013	.116	.908

a. Dependent Variable: Organization Performance

Cronbach's Alpha	N of Items
.794	**4**

The Validity rule says that the question is valid when the **r** $_{\textbf{statistics}}$ higher than critical value at degree of freedom 95% (a = 0.05). For the Budgeting the **r** $_{\textbf{statistics}}$ **is 0.235**[a]which is higher than the critical value (a = 0.05). Therefore the questions are Valid.

4.2.2.3Reliability Testing: The purpose of reliability testing is toexamine the consistency of the data. On this research the reliability is measured by internal consistency approach that is the concept stressing on the consistency between items in the questionnaires. A construct or variable is reliable if the Croanbach's Alpha is more than 0.6 (Ghazali, 2006).

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item –Total Correlation	ach's Alpha if Item ed
Budgetary Planning	40.4375	30.224	.988	.531
Budgetary Control	65.4375	82.199	.478	.804
Budget Preparation and Implementation	65.5750	75.058	.582	763
Organization Performance	64.0125	69.607	.619	.741

In the **table** above the Cronbach's Alpha value is **0.794** which is greater than **0.6,** we can say that these variables are reliable for the research work.

4.3 TEST OF HYPOTHESIS

Hypothesis I

H_O: There is no significant relationship between budgetary planning and control on organization performance.
H_I: There is significant relationship between budgetary planning and control on organization performance.

Variance	N	X	SD	DF	r-cal	r-tab	Remarks
Budgetary planning And control	**50**	**11.87**	**2.95**	**48**	**0.841**	**0.150**	**H_o Rejected**
Organizational Performance		**48.25**	**8.75**				

****. Correlation is significant at the 0.05 level (2-talied).**
$P < 0.05$
The above table shows that the calculated r-value of **0.841** is greater than the r-table value of **0.150** given at 48 degree of freedom and 0.05 level of significance. Therefore the null hypothesis is rejected; it then means that there is significant relationship between budgetary planning and control on organization performance.

Hypothesis II
H_O: There is no significant relationship between budgeting preparations and implementation on organization performance.
H_I: There is significant relationship between budgeting preparations and implementation on organization performance.

Consumers purchase decisions and infrastructure for internet

Variable	N	X	SD	DF	r-cal	r-tab	Remark
Budgeting Preparations and implementation	50	13.13	2.95	48	0.851	0.150	H_o Rejected
Organization performance		48.25	8.75				

****. Correlation is significant at the 0.05 level (2tailed).**
P<0.05
The above table shows that the calculated r-value of 0.851 is greater than the r-table value of 0.150 given at 48 degree of freedom and 0.05 level of significance. Therefore the null hypothesis is rejected; it then means that there is significant relationship between budgetary preparations and implementation on organization performance.

THE PRESENTATION OF DATA ON AUDIT EXPECTATION

The data were collected from respondents using questionnaires and the necessary statistical tools. 840 copies of the questionnaire were distributed and 613 were returned representing a response of 64%. The questionnaires collected by the researcher were analyzed using the frequency analysis in the tables below;

FREQUENCY ANALYSIS

Table 4.4.1: Analysis of gender of the respondents

	Frequency	Percent	Percent	Cumulative Percent
Male	307	50.1	50.1	50.1
Female	306	49.9	49.9	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)
Table 4.4.1 above, shows that 50.1% of the respondents are males while 49.9% of the respondents are females

Table 4.5: Analysis of the age of the respondents

	Frequency	Percent	Percent	Cumulative Percent
Less than 24 years	165	26.9	26.9	26.9
Between 25-50 years	176	28.7	28.7	155.6
Above 50 Years	272	44.4	44.4	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)
Table 4.2 above shows that 26.9% of the respondents are less than 24 years, 28.7% of the respondents are between 25-50 years while 44.4% of the respondents are above 50 years. This indicates that a majority of the respondents are mature respondents.

Education Qualification of Respondents

Table 4.6

	Frequency	Percent	Percent	Cumulative Percent
ATSWA	60	9.8	9.8	9.8
ICAN	182	29.7	29.7	39.5
ANAN	236	38.5	38.5	78.0
B.Sc Accounting	97	15.8	15.8	93.8
B.Sc and MBA holders	38	6.2	6.2	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.6 above, shows that 9.8% of the respondents are ATSWA holders, 38.5% are ANAN holders, 29.7% of the respondents are ICAN holders, 15.8% of the respondents have a degree in accounting while about 6.2% of the respondents are both B.Sc and MBA holders.

Table 4.7: Analysis of the GROUP of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Preparers	108	17.6	17.6	17.6
Auditors	60	9.8	9.8	27.4
Public	445	72.6	72.6	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.7 above, shows that 17.6% of the respondents are prepared of financial statements, 9.8% of the respondents are auditors while 72.6% of the respondents consist of the general public.

Table 4.8: Analysis of response to Question1

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	438	71.5	71.5	71.5
Disagree	174	28.4	28.4	99.8
Agree	1	.2	.2	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.8 above, shows that most of the respondents disagree that the auditor is responsible for maintaining accounting records.

Table 4.9: Analysis of response to Question 2

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	13	2.1	2.1	2.1
Disagree	25	4.1	4.1	6.2
Undecided	64	10.4	10.4	16.6
Agree	277	45.2	45.2	61.8
Strongly Agree	234	38.2	38.2	100.0
Total	613	100.0	100.0	

Table 4.9 above, shows that about 6.2% of the respondents disagree that the auditor is responsible for preventing fraud, 16.6% of the respondents are undecided while about 61.8% of the respondents agree that the auditor is responsible for preventing fraud.

Table 4.10: Analysis of response to Question 3

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	17	2.8	2.8	2.8
Disagree	39	6.4	6.4	9.1
Undecided	68	11.1	11.1	20.2
Agree	337	55.0	55.0	75.2
Strongly Agree	152	24.8	24.8	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.10 above, shows that about 9.1% of the respondents disagree that the auditor is responsible for the soundness of the internal control structure of the entity, 20.2% of the respondents are undecided while about 75.2% of the respondents agree that the auditor is responsible for the soundness of the internal control structure of the entity.

Table 4.11: Analysis of response to Question 4

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	14	2.3	2.3	2.3
Disagree	45	7.3	7.3	9.6
Undecided	63	10.3	10.3	19.9
Agree	271	44.2	44.2	64.1
Strongly Agree	220	35.9	35.9	100.0
Total	613	100.0	100.0	

Table 4.11, above shows that about 9.6% of the respondents disagree that the auditor is responsible for detecting all fraud, 19.9% of the respondents are undecided while about 64.1% of the respondents agree that the auditor is responsible for detecting all fraud.

Table 4.12:Analysis of response to Question 5

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	38	6.2	6.2	6.2
Disagree	56	9.1	9.1	15.3
Undecided	90	14.7	14.7	30.0
Agree	295	48.1	48.1	78.1
Strongly Agree	134	21.9	21.9	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.12 above, shows that about 9.6% of the respondents disagree that the auditor is responsible for maintaining accounting records, 30% of the respondents are undecided while about 78.1% of the respondents agree that the auditor is responsible for maintaining accounting records.

Table 4.13: Analysis of response to Question 6

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	32	5.2	5.2	5.2
Disagree	31	5.1	5.1	10.3
Undecided	130	21.2	21.2	31.5
Agree	242	39.5	39.5	71.0
Strongly Agree	178	29.0	29.0	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.13 above, shows that about 10.3% of the respondents disagree that management has the responsibility for producing the financial statements, 21.2% of the respondents are undecided while 71% of the respondents agree that management has the responsibility for producing the financial statements.

Table 4.14: Analysis of response to Question 11

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	72	11.7	11.7	11.7
Disagree	85	13.9	13.9	25.6
Undecided	80	13.1	13.1	38.7
Agree	236	38.5	38.5	77.2
Strongly Agree	140	22.8	22.8	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.14 above, shows that about 25.6% of the respondents disagree that the auditor is unbiased and objective, 13.1% of the respondents are undecided while about 71% of the respondents agree that the auditor is unbiased and objective.

Table 4.15: Analysis of response to Question 8

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	23	3.8	3.8	3.8
Disagree	35	5.7	5.7	9.5
Undecided	113	18.4	18.4	27.9
Agree	260	42.4	42.4	70.3
Strongly Agree	182	29.7	29.7	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.15 above, shows that about 9.5% of the respondents disagree that the auditor does not exercise judgment in the selection of audit procedures, 18.4% of the respondents are undecided while about 71% of the respondents agree that the auditor is unbiased and objective.

Table 4.16: Analysis of response to Question 9

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	51	8.3	8.3	8.3
Disagree	79	12.9	12.9	21.2
Undecided	160	26.1	26.1	47.3
Agree	193	31.5	31.5	78.8
Strongly Agree	130	21.2	21.2	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.16 above, shows that about 21.2% of the respondents disagree that the user can have absolute assurance that the financial statement contain no material misstatements, 26.1% of the respondents are undecided while about 31.5% of the respondents agree that the user can have absolute assurance that the financial statements contain no material misstatements.

Table 4.17: Analysis of response to Question 10

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	34	5.5	5.5	5.5
Disagree	69	11.3	11.3	16.8
Undecided	141	23.0	23.0	39.8
Agree	242	39.5	39.5	79.3
Strongly Agree	127	20.7	20.7	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.17 above, shows that about 21.2% of the respondents disagree that the user can have absolute assurance that the financial statement contain no material misstatements, 26.1% of the respondents are undecided while about 31.5% of the respondents agree that the user can have absolute assurance that the financial statements contain no material misstatements.

Table 4.18: Analysis of response to Question 11

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	14	2.3	2.3	2.3
Disagree	70	11.4	11.4	13.7
Undecided	98	16.0	16.0	29.7
Agree	241	39.3	39.3	69.0
Strongly Agree	190	31.0	31.0	100.0
Total	613	100.0	100.0	

Table 4.18, above shows that about 13.7% of the respondents disagree that the auditor should make 100% examination in audit procedure, 16% of the respondents are undecided while about 70.3% of the respondents agree that the auditor should make 100% examination in audit procedure.

Table 4.19:Analysis of response to Question 12

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	8	1.3	1.3	1.3
Disagree	21	3.4	3.4	4.7
Undecided	72	11.7	11.7	16.5
Agree	281	45.8	45.8	62.3
Strongly Agree	231	37.7	37.7	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.19 above, shows that about 4.7% of the respondents disagree that the extent of assurance given by the auditor is clearly indicated, 11.7% of the respondents are undecided while about 45.8% of the respondents agree that the extent of assurance given by the auditor is clearly indicated.

Table 4.20: Analysis of response to Question 13

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	7	1.1	1.1	1.1
Disagree	17	2.8	2.8	3.9
Undecided	122	19.9	19.9	23.8
Agree	289	47.1	47.1	71.0
Strongly Agree	178	29.0	29.0	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.20 above, shows that about 3.9% of the respondents disagree that the financial statements gives a true and fair view, 23.8% of the respondents are undecided while about 47.1% of the respondents agree that the financial statements give a true and fair view.

Table 4.21: Analysis of response to Question 14

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	9	1.5	1.5	1.5
Disagree	13	2.1	2.1	3.6
Undecided	94	15.3	15.3	18.9
Agree	301	49.1	49.1	68.0
Strongly Agree	196	32.0	32.0	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.21 above, shows that about 3.6% of the respondents disagree that the organizations a Nigeria are not free from fraud, 15.3% of the respondents are undecided while about 49.1% of the respondents agree that the organization in Nigeria are not free from fraud.

Table 4.22: Analysis of response to Question 15

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	13	2.1	2.1	2.1
Disagree	41	6.7	6.7	8.8
Undecided	108	17.6	17.6	26.4
Agree	288	47.0	47.0	73.4
Strongly Agree	163	26.6	26.6	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.22 above, shows that about 8.8% of the respondents disagree that auditors' skills contribute to audit expectation, 17.6% of the respondents are undecided while about 47% of the respondents agree that auditors' skills contribute to audit expectation.

Table 4.23: Analysis of response to Question 16

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	17	2.8	2.8	2.8
Disagree	41	6.7	6.7	9.5
Undecided	139	22.7	22.7	32.1
Agree	255	41.6	41.6	73.7
Strongly Agree	161	26.3	26.3	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.23 above, shows that about 9.5% of the respondents disagree that structured audit methodologies affect an audit expectation, 22.7% of the respondents are undecided while about 41.6% of the respondents agree that structured audit methodologies affect the audit expectation.

Table 4.24: Analysis of response to Question 17

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	9	1.5	1.5	1.5
Disagree	15	2.4	2.4	3.9
Undecided	72	11.7	11.7	15.7
Agree	322	52.5	52.5	68.2
Strongly Agree	195	31.8	31.8	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.24 above, shows that about 8.8% of the respondents disagree that auditors' independence contributes to audit expectation, 11.7% of the respondents are undecided while about 52% of the respondents agree that auditors' independence contributes to audit expectation.

Table 4.25: Analysis of response to Question 18

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	9	1.5	1.5	1.5
Disagree	22	3.6	3.6	5.1
Undecided	141	23.0	23.0	28.1
Agree	286	46.7	46.7	74.7
Strongly Agree	159	25.3	25.3	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.25 above, shows that about 8.8% of the respondents disagree that public knowledge on the auditor's role does not contribute to audit expectation, 23% of the respondents are undecided while about 46.7% of the respondents agree that publics knowledge of the auditor's role does not contribute to audit expectation.

Table 4.26: Analysis of response to Question 19

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	5	.8	.8	.8
Disagree	7	1.1	1.1	2.0
Undecided	91	14.8	14.8	16.8
Agree	335	54.6	54.6	71.5
Strongly Agree	175	28.5	28.5	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.26 above, shows that about 2% of the respondents disagree that then scope of the audit contributes to the audit expectation, 14.8% of the respondents are undecided while about 54% of the respondents agree that the scope of audit contributes to the audit expectation.

Table 4.27: Analysis of response to Question 20

	Frequency	Percent	Percent	Cumulative Percent
Strongly Disagree	5	.8	.8	.8
Disagree	36	5.9	5.9	6.7
Undecided	76	12.4	12.4	19.1
Agree	336	54.8	54.8	73.9
Strongly Agree	160	26.1	26.1	100.0
Total	613	100.0	100.0	

Source: Researcher's Computation (2020)

Table 4.27 above, shows that about 6.7% of the respondents disagree that higher users' needs do not contribute to the audit expectation, 19.1% of the respondents are undecided while about 54.8% of the respondents agree that higher users' needs do not contribute to the audit expectation.

ANALYSIS OF VARIANCE (ANOVA)

The study used analysis of variance (ANOVA) in order to find out if there exists significance in the perception among the financial statement preparers, auditors and users of financial statements.

Table 4.28 ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	13.245	2	6.623	5.590	.004
EFFORTS Within Groups	722.719	610	1.185		
Total	735.964	612			
Between Groups	22.237	2	11.118	6.699	.001
SKILLS Within Groups	1012.393	610	1.660		
Total	1034.630	612			
Between Groups	12.913	2	6.457	4.567	.011
KNOWLEDGE Within Groups	862.395	610	1.414		
Total	875.308	612			
Between Groups	13.516	2	6.758	5.638	.004
NEEDS Within Groups	731.237	610	1.199		
Total	744.754	612			
Between Groups	7.630	2	3.815	4.331	.014
INDEPENDENCE Within Groups	537.264	610	.881		
Total	544.894	612			
Between Groups	3.661	2	1.831	2.449	.087
SCOPE Within Groups	456.039	610	.748		
Total	459. 700	612			

Source: Researcher's Computation

Table 4.28 above, shows the result from the analysis of variance that EFFORTS with a calculated F-value of 5.59 (p-value < 0.05) indicates that there exists a significant difference in the perception of the auditors' skill in contributing to the expectation. KNOWLEDGE with a calculated F-value of 4.56 (p-value > 0.05) indicates that there exists a significant difference in the perception of public knowledge of the auditor's role in contributing to the audit expectation. INDEPENDENCE with a calculated F-value of 4.33 (p-value < 0.05) indicates that there exists a significant differences in the perception of the auditor's independence in contributing to the audit expectation. SCOPE with a calculated F-value of 2.44 (p-value > 0.05) indicates that there exists no significant difference in the perception of preparers, auditors and users of the scope of the audit in contributing to the audit expectation. NEEDS with a calculated F-value of 5.59 (p-value < 0.05) indicates that there exists a significant difference in the perception of preparers, auditors and users of users' needs in contributing to the audit expectation.

CORRELATION

Table 4.29: Spearman Rank Correlation Matrix

The result from the spearman rank correlation results is presented below:

	Audit Expectation	Efforts	Skills	Knowledge	Needs	Independence	Scope
Age	1	-.230**	-.273**	-.221**	-.310**	-.263**	-.225**
	.	0	0	0	0	0	0
	613	613	613	613	613	613	613
Effort	-.230**	1	.215**	.388**	.328**	.270**	.158**
	0	.	0	0	0	0	0
	613	613	613	613	613	613	613
Skills	-.247**	.215**	1	.226**	.359**	.172**	.316**

	0	0	.	0	0	0	0
	613	613	613	613	613	613	613
Knowledge	-.221**	.388**	.226**	1	.480**	.622**	.388**
	0	0	0	.	0	0	0
	613	613	613	613	613	613	613
Needs	-.310**	.328**	.359**	.480**	1	.468**	.513**
	0	0	0	0	.	0	0
	613	613	613	613	613	613	613
Independence	-.263**	.270**	.172**	.622**	.468**	1	.451**
	0	0	0	0	0	.	0
	613	613	613	613	613	613	613
Scope	-.225**	.158**	.316**	.388**	.513**	.451**	1
	0	0	0	0	0	0	.
	613	613	613	613	613	613	613

Researcher Compilation 2020

Table 4.29 above, shows that co-efficient of correlation of a variable with respect to itself is 1.000. This indicates that there exists a perfect correlation between a variable with respect to itself. There exists an inverse relationship between the audit expectation and efforts of the auditor with a value of 0.23 which means the strength of relationship between them is about 23%. This shows a weak relationship between AEG and EFFORTS. There exists a relationship the audit expectation and knowledge of the auditors with a value with a value of 0.221 which means the strength of the relationship between them is about 21%. This shows a weak relationship between AEG and KNOWLEDGE. There exists a relationship between the audit expectation and independence of the auditors with a value of 0.26 which means the strength of relationship between AEG and INDEPENDENCE is about 26%.

REGRESSION ANALYSIS

Table 4.30: Original Logistic Regression Result

Variable	Coefficient	Std. Error	z-Statistic	Prob
NEEDS	-0.151330	0.054248	-2.789609	0.0053**
SKILLS	-0.095626	0.050593	-1.890088	0.0587*
EFFORTS	-0.044114	0.059275	-0.744227	0.4567
KNOWLEDGE	-0.180530	0.057338	-3.148544	0.0016**
INDEPENDENCE	-0.122642	0.048188	-2.545102	0.0109**
SCOPE	-0.052150	0.053607	-0.972805	0.3307
imit Points				
LIMIT_2:C(7)	0.104417	0.279045	0.374194	0.7083
LIMIT_3:C(8)	0.739182	0.268215	2.755927	0.0059
LIMIT_4:C(9)	1.401203	0.268806	5.212694	0.0000
LIMIT_5:C(10)	2.808932	0.281064	9.993932	0.0000

Pseudo R-squared	0.576344	Alkaline info criterion	2.202615
Schwarz criterion	2.274693	Log likelihood	-665.1015
Hannan-Quinn criter	2.230646	Restr. Log likelihood	-720.0750
LR statistic	109.9469	Avg. log likelihood	-1.084994
Prob(LR statistic)	0.000000		

Researcher's Compilation 2020

Table 4.30 above, shows the Pseudo R-square with a value of 0.57 indicates that efforts and skills of the auditor, needs of the users, public knowledge on the auditor's role, independence and scope of the audit could explain about 57% of the changes in the audit expectation. This implies that about 43% of the total systematic variation in the audit expectation (AE) was left unaccounted for by the model hence it was captured by the stochastic error term. This implies that other factors not included in the model accounts for the audit expectation.

On the basis of the overall statistical significance of the model, it was observed that the Log Likelihood Ratio value of 109 is significant at 5% level significance. The ordered logistic regression result shows that an effort of the auditor (EFFORTS), knowledge of the public (KNOWLEDGE) and independence of the auditor (INDEPENDENCE) reduces audit expectation. EFFORTS, KNOWLEDGE, INDEPENDENCE with calculated x-values of 2.7, 3.14 and 2.54 are greater than the critical z-values of 1.96 at 5% level of significance under the two tailed test, while SKILLS, NEEDS and SCOPE had no significant influence on the audit expectation in Nigeria since their calculated z-values of 1.89, 0.74 and 0.97 respectively are less than the critical z-values of 1.96 at 5% level of significance. Thus, auditors' effort, auditors' skills, public knowledge on the auditor's role and auditors; independence are the major on business performance and audit expectation in Nigeria.

DIAGNOSTIC TESTS

In order to test for the presence of multicollinearity in the model, the variance inflation factor (VIF) was carried out, the while Heteroskedasticity test was conducted while the Breusch-Godfrey LM test was conducted to test the presence of Serial correlation in the model. The results are shown below:

Table 4.31: Variance Inflation Factor

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.038293	35.02427	NA
EFFORTS	0.001596	23.73072	1.248786
SKILLS	0.001408	22.28109	1.237156
KNOWLEDGE	0.001920	26.18839	2.108260
NEEDS	0.001783	25.66080	1.862485
INDEPENDENCE	0.001269	15.95927	1.951108
SCOPE	0.001601	23.60922	1.511928

Source: Researcher's Computation (2020)

Table 4.31 above, shows that all the variables in the regression model are relevant to the study since the VIF factors are all below the benchmark of 10. This indicates the absence of multicollinearity in the models.

Table 4.32: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	5.439186	Prob. F(2,604)	0.2346
Obs*R-squared	10.84514	Prob. Chi Square(2)	0.2044

Source: Researcher's Computation (2020)

Table 4.32 above, shows that the F-statistic and Obs*R-square values of 5.43 and 10.84 respectively indicate the absence of autocorrelation in model since the F-statistics and Obs*R-square with p-values of 0.23 and 0.20 are greater than the critical values at 5% level of significance. Thus, we can conclude that there is no presence of autocorrelation in the model.

Table 4.33: Heteroskedasticity Test: Breusch Pagan-Godfrey

F-statistic	4.96371	Prob. F(6,606)	0.4324
Obs*R-squared	7.6359	Prob. Chi Square(6)	0.4319
Scaled explain SS	1.1138	Prob. Chi Square(6)	0.4231

Source: Researcher's Computation (2020)

Table 4.33 above, shows that the F-statistic and Obs*R-square with p-values of 4.96 and 7.63 respectively indicate the absence of heteroskedasticity in the model since the F-statistic and Obs*R-square with p-values of 0.43 and 0.43 are greater than the critical angle of 5% level of significance. Thus, we can conclude that there is no presence of heteroskedasiticity in the model.

III. DISCUSSION OF FINDINGS

The perception of respondent group of the existing duties and responsibilities of auditors revealed the following outcomes. The auditor's responsibility towards detection of fraud in the financial statements was 45% of auditors agreed while 55% of the auditors disagreed with the statement. Therefore, this shows that among the auditors, it is not clear whether they know for a fact that it is not their primary objective to detect fraud in the financial statement. On the other hand, in relation to the public, it is clear that they believe auditors are supposed to detect all frauds in the financial statements. This shows that there is an expectation in relation to the detection of the fraud by auditors. This confirms the findings by Best, Buckby and Tan (2011) who discovered a similar expectation in Singapore. Again, it was found that 45% of auditors disagreed that the auditor is responsible for the soundness of the internal control structure of the entity as against 50% who agreed. This means that auditors believe that they are responsible for the soundness of the internal control structure of the entity they audit. With respect to stockbrokers, it was split response as 35% agreed that the auditor is responsible for the soundness of the internal control structure while another 35% disagreed. It can, therefore, be said that there exists an expectation between auditors. This also confirms the findings of Best, Buckby and Tan in 2011.

Also, it was found that 80% of auditors agreed that the audit performed by the auditor is to ensure fairness and completeness of the financial statement presentation as against 20% who disagreed. It can be said that auditors are clear about this responsibility. In relation to stockbrokers, 95% agreed that the audit is to ensure fairness and completeness of financial statement presentation. It can be seen that there is no expectation in relation to this responsibility by the auditor as confirmed by (Bogdanoviciute, 2020).

There is evidence that both auditors and stockbrokers are clear that it is not the duty or responsibility of an auditor to maintain accounting records. This is confirmed by 85% and 80% disagreement by auditors and stockbrokers respectively on the responsibility of the auditor to maintain records. This is contrary to the findings by Best, Buckbyand Tan (2011). Moreover, there is evidencethat there is no expectation among auditors and stockbrokers on the responsibility of management in producing finanacialstatement. This is backed by 95% of auditors and 85% of stockbrokers. This also confirms the findings by Best, Buckby and Tan (2001. More so, it was found that there is no expectation between auditors and stockbrokers in relation to the auditor not exercising judgment in the selection of audit procedures. This was confirmed by 75% disagreement that the auditors do not exercise judgment in the selection of audit procedures by auditors and 65% disagreement by stockbrokers. This is contrary to the findings by Best, Buckby and Tan in 2011. Again, there is difference in the responsibility of the auditors being unbiased and objective. This is backed up by 95% agreement by auditors and 70% agreement by the public. This confirms the findings of Best, Buckby and Tan (2011).

The level of auditors' effort was measured using the percentage time dedicated specifically to fraud detection. Low auditors' effort contributes to a high audit expectation while high auditors' effort directed towards detecting fraud lead to a reduced audit expectation.Zikmund (2020) identified some of the reasons behind performance expectation which are linked to auditors' effort which include over reliance on clients representation close personal relationship with clients, and laziness on the part of the auditor i.e., a desire not to know. When the risk of material misstatement is high, more persuasive evidence is required together with individual auditors' judgment. The researchers found a significant relationship between the degrees of risk of misstatement have an effect on the auditor's effort. In this study, auditor's effort was found to have a significant influence on the audit expectation.

The study showed that lack of auditors' skills to detect frauds significantly influenced the audit expectation. The level of auditors' skill was measured using the number of auditors who possessed forensic auditing skills. Lack of auditors' skill in fraud detection contributes to a high audit expectation while high auditors' skill on detection of frauds may lead to a reduced audit expectation. Zikmund (2020) reported that some of the reasons why auditors may fail to identify red flags during an audit include unawareness of or failure to recognize an observable condition indicating fraud inexperience and failure can be summarized as lack of appropriate skills to detect frauds on the part of the auditors.

These studies revealed that only a small percentage of auditors possess forensic audit skills. Result of this study agreed with Zikmund's (2020) who found out that audit skills have some effect on performance expectation which is component of the audit expectation . Lack of structured audit methodologies does not significantly contribute to a high audit expectation. Boritz et al. (2007) concluded that structured audit methodologies do not necessarily lead to better lead to better intra firm consensus. Purvis (2007) further revealed that the use of structured and semi-structured audit procedures in the process of carrying out an audit engagement may not essentially be beneficial to the audit firms. Likewise, this study observed that structured audit methodologies do not influence the audit expectation. This implied that structured audit methodologies were not a determinant of the audit expectation.

Auditor's independence was measured using the level of interference by management in auditors' work especially when it comes to fraud detection issues. Lack of auditors' methodologies does not significantly contribute to a high audit expectation. Sweeney (2007) listed audit independence as one of the areas where differences in expectations between auditors and the public arise. Salehi et al. (2019) stated that upholding auditors' independence is vital for the users of the financial statements. He further explained that the more independent an auditor appears, the greater the confidence in his work and opinion. He finally concluded that audit independence is a key factor in reducing the audit expectation since the investor and others expect more from the author.

The level of public knowledge was measured using the level of sensitization performed on accounting information users on what to expect from the auditor. Lack of public knowledge of an auditor's role in fraud detection contributes to a high audit expectation while public knowledge of the auditor's role in matters of fraud detection may lead to a reduced audit expectation. Bailey et al. (2003) carried out a study and found out that more knowledgeable users conferred reduced responsibility on auditors as compared to less knowledgeable users in the USA. Similar conclusions were made by Monroe and Woodliff (2014) who reported that the differences in perceptions between sophisticated or knowledgeable users and auditors were smaller than those of unsophisticated users. The situation is not any different in Kenya since the result of this research agrees with Monroe and Bailey's observation that public knowledge or knowledge by users of accounting information influences the audit expectation.

The audit scope was mainly measured using the fraction of audit report that specifically addresses fraud issues. The scope of audit work, whether narrow or broad, does not significantly lead to a high or low audit expectation. ISA 200 articulates that an auditor's opinion on the financial statements usually deals with whether the financial statements are prepared in all material respects, in agreement with the applicable financial reporting framework. The applicable financial reporting framework in Nigeria consists of the International Accounting Standards, International Financial Reporting Standards and the Companies and Allied Matters Act (2004). Most auditors try their best to provide reasonable assurance based on the financial regulatory framework. The audit scope does influence the audit expectation and hence expansion or reduction of the audit scope may have much effect on the audit expectation as expressed by a number of researchers.

The level of accounting information of users was mainly measured using the level of reliance they place on the financial statements. High users' needs contribute to a high audit expectation while low users' needs may lead to a reduced audit expectation. ISA 200 on the overall objective of an independent auditor clearly indicates that "the auditor is not expected to, and cannot, reduce risk to zero and cannot therefore, obtain absolute assurance that the financial statements are free from material misstatement due to fraud or error". This is because there are inherent limitations of an audit which result in most of the audit evidence on which the auditor draws conclusions and bases the auditor's opinion being persuasive rather than conclusive. This means that those relying on financial statements prepared by the management should not have reasonable expectations or rely on the reasonable assurance provided by an independent auditor.

IV. CONCLUSIONS

In view of the appraisal of the impact of budgeting and planning on organization performance, the following conclusions can therefore be drawn from the findings revealed in this study.In one of the findings it was discovered that membership of the budget committee of some organization is highly restrictive, since it comprises mainly of a few selected executive officers and high ranking management staff. It can therefore be concluded that the management of most some business are yet to fully comprehend and appreciate the importance and advantages of involving every relevant stakeholder within the internal structure of the organization, particularly the branch and operation managers, and in some exceptional cases customers and clients of the organization, at the planning stages of their budgetary programmes, so as to obtain vital inputs. This is because from analysis carried out, despite the fact that only a few selected personnel package the budgetary programmes, excluding relevant officials such as the branch and operation managers, these same excluded officers are eventually saddle with the responsibility of implementing the programmes of the budget. This condition, it was deduced produces unintended consequences and create a dysfunctional situation, which financial can ill-afford. It is therefore necessary that wide spread consultations, within and outside the organization be made before major policy decisions are taken especially as it relates to budgeting and planning. This is of great importance because every organization must function as a single system, in which all its constituent units are intimately interlinked.

The broad objective of this study was to empirically examine the determinants of auditor's expectation in Nigeria. The key role of the auditor is to provide objective assurance as to whether the books of accounts and the resulting financial statements represent a true and fair view of the state of affairs of the organization. In other words, the auditors are supposed to confirm to the shareholders and other users of accounting information that the financial statement presented by the management are free from any material misstatements. Public users of accounting information however, have a high expectation from the auditors as compared to their actual role thus giving rise to the audit expectation. From the empirical analysis, it was observed that public knowledge and users' needs are some of the reasonable expectation. The study concluded that the audit expectation exists in Nigeria and there is a difference between the public expectations of the auditor's role and the actual performance by auditors. The major determinants of the audit expectation in Nigeria are public knowledge, users' expectation and audit skills.

V. SUMMARY OF FINDINGS ON AUDIT

From the empirical analysis, the findings of the study can be summarized as follows:

i. The result showed that there exists a significant positive relationship between auditors' effort and the audit expectation in Nigeria.
ii. There exists an inverse/positive relationship between the skills of the auditor and the audit expectation.
iii. Users' need has a significant influence on the audit expectation.
iv. The independence of the auditor is a major determinant of the audit expectation in Nigeria.
v. Public knowledge has a significant influence on the audit expectation in Nigeria.
vi. The scope of the audit is a major fact of the audit expectation in Nigeria.

VI. RECOMMENDATION

From all the issues that have been brought under review in this study and based on the findings presented from the analyzed data, it is importance to reaffirm that budgeting and planning remains a veritable tool, which should not be dispensed with the management of business, but rather utilized as a tool of constant appraisal and improvement of overall performance and productivity within the business. Thus the need to constantly resolve the contending issues associated with budgeting and planning in some business, and subsequently harmonize and synchronize it as a result oriented instrument for increasing the performance of business is of paramount importance. In the light of this, the following recommendations are suggested.

i. A necessary and sufficient condition for the effective performance of business and synchronization of budgeting and planning activities is deliberate and faithful implementation, by all responsible officers. This rests on the existence of a mental picture of the present state of affairs, vis-a-vis the future expected state of affairs, within the organization.

ii. Adopt a budgetary system of adequate planning with strict adherence to implementation that cuts across the finance, production, administration, marketing etc.

iii. All Branch Managers, Operations Managers, as well as Head of Finance departments/units within the organization, should be involved, both at the planning and implementation stages of budgets.

iv. Also business should constantly identify unique needs within the Nigerian economy, and design its programmes to effectively meet these needs as a way of gaining advantages over competitors, rather than engaging in unwholesome activities and unethical practices.

v. Also experts in strategic management and budgetary system should be engaged and subsequently trained, both within and outside the organizational sub-sector in other to guarantee effective performance, and to ultimately ensure that budgeting and planning programmes remain result oriented.

vi. Also widespread consultations are very essential and the whole structure of the business needs to function as a single system in which all its constituent unit is intimately interlinked.

vii. As the environment is dynamic, budget should be reviewed and adjustment mad from time to time, where necessary.

clauses clearly showing that is not a certificate or guarantee of the financial soundness of the audited.

vi. Upholding audit independence is also very essential in reducing the audit expectation since investors and other except more from auditors. An auditor should be seen and perceived as independence. He should be independent in mind and appearance. This is because the more independence an auditor appears the greater the confidence in his work and opinion.

vii. Elements of Auditing and financial reporting should be introduced as a course in all management disciplines in higher institutions. This will help to reduce the financial statement expectation as graduates from school will be equipped with the issues, so that when they become director of companies or entrepreneurs, they will be knowledgeable to know indispensable role of audit function.

REFERENCES

[1]. Accounting Standards Board (2001). Conceptual framework for the preparation and presentation of financial statement
[2]. Adams, C.A. & Evans, R. (2004).Accountability, Completeness, Credibility and the Audit Expectations. Journal of Completeness and Creditability, 14, 97-115.
[3]. Adeyemi, S.B. &Uadiale, O.M. (2011).An Empirical Investigation of the Audit Expectation in Nigeria. Africa Journal of Business Management (5)19, 7964-7971
[4]. Anderson, E.W., Fornell, C., & Lehmann, D.R. (1994). “Customer Satisfaction, Market Share, and Profitability, Findings from Sweden.” in: Journal of Marketing, Vol. 48(3), pp.53-66.
[5]. Anderson, L.R. & Anger, J.W. (1978) Analysis of Variance in Small Group Research, Personality and Social Psychology Bulletin, 4.
[6]. Anderson, R.E (1993). Can State-gate System Deliver the Goods? Financial Executive Vol. 9.Pg.
[7]. Anderson, S W., &Lannen, W.N. (1999).Economic Transition, Strategy and the Evolution of Management Accounting Practices: the Case of India.” in: Accounting, Organization and Society, Vol.24(5/6), pp. 379-412.
[8]. Agbonifoh, B.A. &Yomere, G.O. (1999).Research Methodology in the Social Science and Education Center Piece Consultants Benin City Nig. Ltd.
[9]. Ajibolade, S.O. (2008). A Survey of the Perception of Ethical Behavior of Future Nigeria Accounting Professionals. The Nigerian Accountant, 41(3), 54-59.
[10]. Atkinson, A.A. Banker, R.D., Kaplan, R.S., & Young, S.M. (2001).Management Accounting, Prentice-Hall, 3rd edition.
[11]. Atu, O.O.K. &Atu, E.R. (2010).Auditing: The Journey so far and its Expectation.Nigeria Accountants.April/June 43 (2) 46-52 Lagos-Nigeria.
[12]. Bailey, K.E., Bylinski, J.H. & Shields, M.D. (1983). Effects of Audit Report Wording Changes on the Perceived Massage, Journal of Accounting Research, (21) Spring, 355-370.
[13]. Banker, R.D., Potter, G., &Srinivasan, D. (2000). “An Empirical Investigation of an Incentive Plan Based on Nonfinancial Measure”, in: The Accounting Review. Vol. 75(1). Pp. 65-9475(1), pp. 65-94.
[14]. Baulmer J.V. (1967). Defined criteria of performance in organization control. Administrative science quarterly 340-49.

[15]. Beck, G.W. (1974). Public Accountants in Australia-Their Social Role, Melbourne: Australia Accounting Research Foundation.
[16]. Becker, S.W., & Green, D. (1962). "Budgeting and Employee Behavior", in: Journal of Business. Vol. 35, pp. 392-402.
[17]. Best,P., Buckby, S., & Tan, C. (2001). Evidence of the Audit Expectation in Singapore, Managerial Auditing Journal, 16(3).134-144.
[18]. Bailey, K.E., Bylinski, J.H. & Shields, M.D. (1983). Effects of Audit Report Wording Changes on the Perceived Massage, Journal of Accounting Research, (21) Spring, 355-370.
[19]. Berry, A.J.D.T Otley (1975). The Aggregation of Estimates in Hierarchical Organizations.Journal of Management Studies 175-93.
[20]. Birnberg, J.G., & Shields, J.F. (1989). "There Decades of Behavioral Research: A Search for Order.", in: Behavioral Research in Accounting, Vol. 1, pp. 23-74
[21]. Bogdanoviciute, V. (2011). An Empirical Study of Audit Expectation: The Case of Lithuania", Master Thesis, Lithuania: University of Aarhus.
[22]. Boritz, J.E., Gabor, B.J. & Lemon, W.M. (1987).An Experimental Study of Review of Preliminary Audit Strategies by External Auditors, Canadian Academic Accounting Association, Canada.
[23]. Brownell, P. (1982). A field study examination of budgeting participation and locus of control. The Accounting Research: 177-203.
[24]. Brownell, P. (1982b). "The Role of Accounting Data in Performance Evaluation, Budgetary Participation, and Organizational Effectiveness", in: Journal of Accounting Research, Vol. 20(1), pp 12-27
[25]. Brownell, P. (1985). "Budgeting Systems and the Control of Functionally Differentiated Organizational Activities", in: Journal of Accounting Research, Vol. 23(2), pp. 502-512
[26]. Brownell, P. & Dunk, A.S. (1991). "Task Uncertainty and its Interaction with Budgetary Participation and Budget Emphasis: Some Methodological Issues and Empirical Investigation", in: Accounting, Organization & Society, Vol. 16(8), pp. 698-703.
[27]. Brownell, P., &Hirst, M. (1986). Reliance on Accounting Information, Budgetary Participation, and Task Uncertainty: Test of a Three-way Interaction", in: Journal of Accounting Research, Vol. 24(2), pp. 241-249.
[28]. Brownell, P., &Mclnnes, M. (1986). Budgetary Participation, Motivation, and Managerial Performance", in: Accounting Review, Vol. 61(4), pp. 587-600
[29]. Brownell, P., & Merchant, K.A. (1990). "The Budgetary and Performance Influences of Product Standardization and Manufacturing Process Automation", In: Journal of Accounting Research, Vol. 28(2), pp. 388-397.
[30]. Bruns Jr., W.J., & Waterhouse, J.H. (1975). "Budgetary Control and Organization Structure", in: Journal of Accounting Research, Vol. 13(2), pp 177-203
[31]. Cohen, J. (1988). Statistical Power Analysis for the Behavior Sciences, Hillsdale, NJ, Lawrence Erlbaum.
[32]. Companies and Allied Matters Act, 2004 Princeton Educational Services Ikeja Lagos-Nigeria.
[33]. Cockburn, L. (1980). The Expectation between users' and auditors' Materiality Judgment sin Denmark, paper presented at the second Asian pacific interdisciplinary research in accounting Conference 4-6 August, Japan.
[34]. Dixon, R., Woodhead, A.D. &Soliman, M. (2006). An investigation of the expectation Manager. Audit J.,21(3):293-302. Egypt.
[35]. Ebimobowei, A. (2010). An evaluation of audit expectation: issue and challenges International Journal of Economic Development Research and Investment, (1) 3 129-141.
[36]. Ellis, P., & Shelly, I., (1998). The quality of accruals and earnings: The Role of Accrual Estimation Error. The Accounting Review 77 (Supplement), 35-39
[37]. Fazdly, M. and Ahmed, Z. (2004). Audit expectation: The case of Malaysia Managerial Auditing Journal, 19(7), 897-915. Malaysia
[38]. Frank, K.E., D.J. Lowe and J.K. Smith (2001). The expectation: Perceptual differences between auditors, jurors and students; managerial auditing Journal. 16(3): 145-149.
[39]. Gruner, J. (1999). Is it the professional duty of an accountant to expose corruption. The Nigeria Accountant, 32 (2), 37-38.
[40]. Haniffa, R. &Hudaid, M. (2007). Locating audit expectations within a cultural context: The case of Saudi Arabia. Journal of International Accounting. Auditing and Taxation, 16, 179-206.
[41]. Hayes, R.S., Schilder, A., Dassen, R., Wallage, P. (1999). Principles of auditing: An international perspective, McGraw-Hill Publishing Company, London.
[42]. Hian, C.K. (2000). The audit expectation in Singapore: An empirical study of company audit objectives. Asian Review of Accounting, (8)1 83-105 Singapore.