

Audit expectation gap: a comprehensive literature review

Audit
expectation
gap

Aluthgama Guruge Deepal

*Department of Accountancy, Faculty of Management and Finance,
University of Ruhuna, Matara, Sri Lanka, and*

Ariyaratna Jayamaha

*Department of Accountancy, Faculty of Commerce and Management Studies,
University of Kelaniya, Kelaniya, Sri Lanka*

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Abstract

Purpose – This paper reviews a substantial body of scholarly work on the audit expectation gap (AEG) for many years and aims to construct a new synthesis of the existing knowledge of the AEG discovered by numerous scholars in the world.

Design/methodology/approach – A broad search of the literature was conducted using a few AEG related keywords in the Google Scholar search engine and two databases of Scopus and Emerald from 1974 to 2021. Only the articles published in reputable journals concerning the AEG were selected after applying some selection criteria.

Findings – The concept of AEG is a multidimensional concept. Different causes for the AEG were identified, and several strategies were summarized into major promising strategies for narrowing it. It was found that the AEG cannot be eradicated entirely from society.

Practical implications – This review of the literature will be of interest to auditors, financial statement users, regulatory agencies, and policymakers, among other parties. Further, this AEG synthesis may be useful in understanding misperceptions and determining how they differ across diverse stakeholders.

Originality/value – There is a dearth of literature review studies incorporating all the facets of AEG. Hence, this study incorporates all those facets, namely research methods and instruments and dimensions used along with causes and mechanisms to narrow down the AEG while addressing the gaps and highlighting the themes for future research. Finally, a fresh, yet more straightforward definition was generated as a result of the comprehensive review of the literature, adding novelty to the extant literature.

Keywords Audit expectation gap, Auditing, Literature review

Paper type Research paper

1. Introduction

The financial fiascos and downfalls of corporate giants such as Enron, World Com, Arthur Andersen, and Xerox radically boosted the public outburst regarding dishonourable corporate reporting. As a result, related authorities came up with new rules and regulations on corporate reporting and auditing practices to protect and enhance public confidence in the auditing profession (Lin, 2004). However, Salehi *et al.* (2009) claim that reporting the reality in financial statements is expected by the financial statement users, comprising the shareholders and the general public. Nevertheless, Porter (1993) argues that the users might be disappointed if the financial information provided by auditors do not reflect reality. Hence, in most instances, financial statement users feel that the auditor's report is unclear (Jayasena *et al.*, 2019). Thus, it is evident that there is a gap in expectations between financial

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statement users and auditors. This gap is broadly explained as the Audit Expectation Gap (AEG) (Chowdhury *et al.*, 2005). It is evident in the literature in auditing that most of the scholars (Liggio, 1974; Cohen, 1978; Humphrey, 1991; Power, 1998; Salehi *et al.*, 2009) have mainly suggested the disparity between the services obtained and the expected services offered by the auditors as the AEG. As a result, the presence of AEG between the auditor's view and that of audit report users has been explicitly acknowledged in the extant literature (see, for instance, Best *et al.*, 2001; Cohen, 1978; Humphrey, 1991; Liggio, 1974; Porter, 1993; Power, 1998; Ruhnke and Schmidt, 2014; Salehi, 2016; Siddiqui *et al.*, 2009).

Liggio (1974) initially presented the concept of expectation gap to the literature in auditing and further defined it as “the difference between the levels of expected performance as envisioned by the independent accountant and by the user of financial statements” (Liggio, 1974, p. 27). It is also clear that some of the scholars, such as Jennings *et al.* (1993), Humphrey (1991), bear the same notion as defined by Liggio (1974) and Cohen (1978), and have attempted to elaborate, adding some of the aspects of the audit profession. Empirical studies on the existence of AEG and the causes of that gap have been conducted extensively concerning the private sector context in many developed and developing countries all over the world, and different conclusions on different aspects/dimensions have been derived. The extant literature indicates that the very few literature review studies pertaining to the AEG have focused mainly on the findings, causes, and/or mechanisms to minimize the AEG in private sector perspectives. Subsequently, there is a dearth of literature review studies incorporating all the facets of AEG, namely research methods and instruments and dimensions used along with the causes and mechanisms to minimize the AEG. Furthermore, we attempt to incorporate the literature pertaining to the public sector AEG as well into this study. Hence, this study integrates all the facets, addresses the gaps, and highlights the themes for future research. Moreover, the evaluation is carried out from the start of the concept of AEG in 1974 up to the most recent time period (2021), thus encompassing a substantial period of time. Finally, a fresh, yet more straightforward definition is generated as a result of a comprehensive review of literature, adding novelty to the extant literature. Hence, the main objective of this study is to construct a new synthesis of the existing knowledge of the AEG, discovered by numerous scholars around the world. Moreover, we attempt to accomplish the following specific objectives:

- (1) To explain the meanings of the AEG derived from existing definitions.
- (2) To explore the research methods used in empirical studies by numerous researchers.
- (3) To identify the target groups engaged in exploring the AEG.
- (4) To explore the dimensions used to measure the AEG by different researchers.
- (5) To investigate the causes of the AEG and identify the mechanisms to reduce the gap recommended by numerous researchers.

The rest of the paper is arranged as follows, as per the structure recommended by Fisch and Block (2018). The second section briefly explains the research process applied, and then the synthesis and interpretation of the literature review findings are presented in the third section. The final section of the paper presents the conclusion with a discussion of the practical implications of the findings and possible future research directions.

2. Research process

Ramdhani *et al.* (2014) assert that a literature review summarizes the available literature on a particular subject or field. This study is motivated by theoretical consequences that pursue a straightforward process, leading to conclusions derived from the reviewed literature. Hence, it is emphasized that this research paper is built on a review of the literature. In today's world,

computers and electronic databases are the most frequently used tools for literature searches, and it is necessary to determine which databases are relevant to the subject (Cronin *et al.*, 2008). We performed a comprehensive literature search using the keywords “audit expectation gap”, “audit expectations gap”, “audit expectation-performance gap”, and “expectation gap” combined with “audit” or “auditor” in the Google Scholar search engine and two databases of Scopus and Emerald from 1974 to 2021 as in Quick (2020). This starting point seems justified since the formal definition of AEG comes from Liggio’s study in 1974, while the ending point is considered the most recent year. Subsequently, we restricted our search to “titles, abstracts, and keywords” since they represent the areas of publications that are most likely to contain keywords in their text. Ramdhani *et al.* (2014) suggest that it is usually preferable to consult primary sources wherever feasible. Cronin *et al.* (2008) recognize “articles published in reputable journals” as primary sources and argue that journal articles are more updated than books as information sources. Therefore, only the articles published in reputable journals concerning the AEG were selected, whereas books, book chapters, conference papers, working papers, and published doctoral theses were excluded in the review of the related literature following Quick (2020). Furthermore, the journal articles not in English were excluded from the review to avoid translational issues and language limitations. These delimitations seem to be justified when considering the objectives of the study outlined. Surveys could be considered the predominant research method (Quick, 2020), and Tables I and II of Appendix I provide a comprehensive overview of the survey-based literature review on the AEG. We discovered a total of 57 directly related articles that were relevant for this literature review study. Hence, it is believed that this study brings together and advances the literature on the AEG from its conception. The list of cited references has been provided at the end.

3. Synthesis and interpretation of findings

3.1 Definitions of the audit expectation gap

In achieving the first objective, it is necessary to compare and contrast the meanings of the AEG manifested from the existing definitions. Different researchers and some prominent professional accounting bodies have provided numerous definitions, and the most widely used definitions of the AEG are presented in Table I of Appendix I. Fisch and Block (2018) point out that tables and figures could be used to show how the numerous studies have changed over time, as well as which themes have received the most significant study attention. Thus, we present the definitions of AEG in chronological order, which clearly shows how the definitions have changed over time.

As far as the definitions given in Table I of Appendix I are concerned, most of the definitions are referred to as; (1) discrepancies between what people anticipate of auditors and what auditors actually deliver; (2) differences in perceptions between auditors, the audit profession, accountants, and their responsibilities and financial statement users. The definitions given by Liggio (1974) and Cohen (1978) are believed as too myopic by Porter (1993), and she introduces the concept of “Audit Expectation-Performance Gap” instead of “Audit Expectation Gap” for the first time in history by adding substandard performance as a part of the auditor’s role. As far as all these definitions are compared and contrasted, it is observed that most of the definitions do not illustrate the significance of “sub-standard performance”.

The majority of the scholars argue that the AEG has grown as a result of the auditing function’s unrealistic expectations (Chapman, 1992; Lin, 2004; Tidewell and Abrams, 1996). Moreover, it is evident that the focus of most of the recent studies has been targeted at analyzing (a) society’s and auditor’s views; (b) accountants’ and auditors’ perceptions; and (c) investors’ and auditors’ perceptions at the same time (Salehi, 2011). Further, it is believed that

definitions given by numerous authors on the concept of AEG have been centred on common themes such as audit profession (Jennings *et al.*, 1993; Masoud, 2017; Salehi, 2011), auditor's performance (Ebimobowei and Kereotu, 2011; Liggio, 1974; Porter, 1993; Porter *et al.*, 2012), and the auditor's duties and responsibilities (Guy and Sullivan, 1988; Monroe and Woodliff, 1993; Ruhnke and Schmidt, 2014). In addition, ACCA (2021) perceives the AEG as a collection of three gaps, namely the "knowledge gap", the "performance gap", and the "evolution gap", and the evolution gap can be introduced as a newly identified gap by the ACCA. Moreover, when the different dimensions used to measure the AEG are considered in different studies, slight differences can be identified in AEG definitions. However, it could be concluded that most of the definitions have been centred around Porter's (1993) basic definition pertaining to the expectation-performance gap. Astolfi (2021) expresses his dissatisfaction with Porter (1993) for failing to acknowledge the importance of accounting standards in his study on AEG. Despite this, International Financial Reporting Standards (IFRS) might play a critical part in an auditor's work since accounting standards currently result in regulations and financial statements that are more complicated and subjective.

3.2 Research methods and instruments used in empirical studies

It is evident that the quantitative research approach has been prominent in the studies on AEG, and the questionnaire surveys have been the most common means of gathering data. The extent of literature confirms the similarities of the research instruments deployed in numerous studies to examine the AEG and its causes. Subsequently, it is extensively evident that the Mann–Whitney U test, a kind of non-parametric test, has become the most widely used statistical analysis technique among researchers (for example, Akther and Xu, 2020; Best *et al.*, 2001; Dixon *et al.*, 2006; Ebimobowei and Kereotu, 2011) when examining the significant differences in perceptions in different interested groups (Please refer Table II of Appendix I). In contrast with the questionnaire method used in many studies in the quantitative approach, it is observed that Salehi *et al.* (2020) have applied a statistical technique to examine the possible implications of the characteristics of the auditor on the AEG among the financial report users in Iran. Since stock price fluctuations are considered an important component in determining the current AEG, this study might be regarded as one of the significant studies that used a unique measurement compared to all other studies. Subsequently, empirical studies according to more advanced statistical instruments such as multivariate analysis (Coram and Wang, 2020), logistic regression (Salehi and Arianpoor, 2022), structural equation modelling methodology (PLS-SEM) (García-Hernández *et al.*, 2021), and Wilcoxon Signed Rank test (Ruhnke and Schmidt, 2014; Nguyen and Nguyen, 2020) have also been applied to confirm whether the broad generalizations might be drawn from survey data on the perspectives of various groups. On the other hand, fewer studies are carried out using the qualitative approach (Chowdhury and Innes, 1998; Dewi *et al.*, 2021; Conteh and Hamidah, 2021). Moreover, conducting studies on the mixed method (for example, Ellul and Scicluna, 2022; Haniiffa and Hudaib, 2007) may allow for a more thorough interpretation of the object of the study by complementing or describing data.

3.3 Target group used in the previous studies

The existing literature has proved the presence of the AEG, which has adopted a variety of samples for the various investigations that have been conducted. External auditors have represented the "auditor" side in the majority of the selected studies, whereas internal auditors have been engaged in a few selected studies (for example, Ebimobowei and Kereotu, 2011; Dewi *et al.*, 2021). Subsequently, the majority of the studies conducted to examine the AEG have selected the "audit firms" to represent the external auditor without considering the size of the audit firm (Akther and Xu, 2020; Fadzly and Ahmad, 2004; Lin, 2004; Olojede *et al.*, 2020;

Onulaka and Samy, 2017; Porter, 1993), whereas only the Big Four audit firms have been selected in some studies (Baron *et al.*, 1977; García-Hernández *et al.*, 2021; Nguyen and Nguyen, 2020). As far as the studies on expectation gap related to the public sector are concerned, it is evident that the auditor side has been represented by the Comptrollers and Auditor General (Chowdhury *et al.*, 2005) and the members of the National Audit Office of related countries (Ellul and Scicluna, 2022; Oluoyombo and Okunola, 2018).

AEG has been examined using different samples for the “society” perspective in numerous countries worldwide. Table I of Appendix I demonstrates widely used samples representing the society used by the various authors in literature from 1977 up to date. It is observed that the studies conducted on AEG in the public sector have used different types of respondent groups, such as politicians, members of parliament, government regulators, members of the public accounts committee, secretaries of the departments, and delegates representing the international financial agencies such as the World Bank and the Asian Development Bank (Chowdhury *et al.*, 2005; Ellul and Scicluna, 2022; Oluoyombo and Okunola, 2018). There is a wide range of discrepancies in how the researchers identify the target groups for the study, even if they exclude the general public as a target group for analyzing perceptual disparities in the AEG by the researchers. Hence, it could be generalized that the target groups used in the previous studies examining the AEG are significantly diverse, and no unique group has been targeted.

3.4 Dimensions used to measure the AEG

The AEG concept is considered a highly complicated phenomenon (Quick, 2020), and extant studies demonstrate that different scholars have used different dimensions to explain and define AEG. As far as the elements and components related to the concept of AEG are concerned, the extent, structure, and composition of the concept have been altered and modified subject to the association between the profession of auditing and the perceptions of the general population (Porter and Gowthorpe, 2004). Column 5 in Table I of Appendix I demonstrates the “scope of concern”, representing the areas of AEG that many researchers have extensively examined in the literature since 1977. As a foundation study, Porter (1993) identifies the “audit expectation performance gap” under the dimension of “auditor’s duties” (using 30 suggested duties). She further classifies two main components of AEG as “reasonableness gap” and “performance gap”, in which the latter is further broken down into “deficient standard gap” and “deficient performance gap”. The reasonableness gap is defined as “the gap between what society expects auditors to achieve and what they can reasonably be expected to accomplish”. In contrast, the performance gap is clearly defined as “the gap between what society can reasonably expect auditors to accomplish and what they are perceived to achieve” (Porter, 1993, p. 50). Meanwhile, Salehi (2016) explores that the debate on AEG has continuously been centred on three main components, namely, the nature and importance of the audit report’s messages, prior signalling on the corporate failures by the auditors, and the responsibility of the auditor in the detection and reporting of fraud. Subsequently, Akther and Xu (2020) deploy many dimensions to measure AEG, such as the auditor’s liability towards detecting fraud, the objective and worth of the auditor’s report, undertaking non-audit services, and the accountability of the auditor in reporting ongoing concerns. In contrast, Oluoyombo and Okunola (2018) suggest different dimensions under the components of the knowledge gap, reasonable expectation gap, regulation gap, and actual performance gap.

Under the public sector audit perspectives, Chowdhury and Innes (1998) and Chowdhury *et al.* (2005) use performance auditing, Auditor General’s reporting, competency of auditor, accountability, audit materiality, independence of auditor, audit evidence, and true and fair view in measuring the AEG. Azad *et al.* (2021) assert that materiality is required by those who

utilize financial statement information since it is considered one of the most critical factors used by managers, accountants, and auditors when making decisions about reporting. As a consequence of the discussion summary depicted in Table I of [Appendix I](#), different types of AEG dimensions have been applied for measurement purposes up to and including the year 2021. Hence, (a) the auditor's duties and responsibilities (particularly in detecting fraud), (b) the auditor's independence, skills, and performance, (c) form and content, and the message conveyed by the audit report, as well as (d) factors related to the audit profession, should be the most commonly used dimensions for measuring AEG, according to the evidence gathered from the literature.

3.5 Causes for AEG and mechanisms to reduce the AEG

[Füredi-Fülöp \(2015\)](#) asserts that the identification of the root causes of AEG is crucial since issues coming from various sources need different remedies to be implemented. Potential solutions to reduce the AEG can only be identified when the AEG and its causes in a particular society have been discovered and quantified accurately. As shown in Table I of [Appendix I](#), researchers have extensively discovered several causes that contribute to the AEG, and they have recommended some mechanisms to reduce the gap. [Füredi-Fülöp \(2017\)](#) argues that the AEG is often caused by an accumulation of shortcomings in several areas, such as unrealistic expectations, misperceptions, and poor performance, and it is necessary to take actions in all of the affected areas since the gap in expectations will continue to exist unless effective and timely remedies are delivered.

It has been discovered via several studies that the AEG cannot be eradicated entirely from society but that a proportion of the AEG will always be associated with the audit function. [Füredi-Fülöp \(2017, p. 15\)](#) asserts that "although valid general conclusions cannot be drawn from the obtained research results because of the economic, religious, and regulatory differences and derogations in specific societies, some typical, common components can be identified". The [Association of Chartered Certified Accountants \(ACCA\) \(2021\)](#) emphasizes the necessity of reducing the AEG for the betterment of the public interest and recommends employing a comprehensive approach in minimizing the AEG in the areas of fraud and going concern, whereby all stakeholders are expected to engage in critical functions in bringing about significant changes. Accordingly, [ACCA \(2019\)](#) suggests three different strategies to reduce the AEG: (1) agreeing with all parties involved in the auditing process to educate the public in a fair, unbiased, and comprehensible manner on audit rules and auditing standards (for the knowledge gap); (2) avoiding standard-setters in developing requirements that induce judgement biases or are challenging to execute objectively (for the performance gap); and (3) the importance of having a wide-ranging conversation about how the audit profession should change to stay relevant and meet the public's needs (for the evolution gap).

After an extensive analysis of the existing literature, we summarized all the promising strategies suggested to minimize the AEG into four main categories: (1). Providing education and training ([Astolfi, 2021](#); [Azagaku and Aku, 2018](#); [Dang and Nguyen, 2021](#); [Dewi et al., 2021](#); [Ellul and Scicluna, 2022](#); [Fulop et al., 2019](#); [Kunz and De Jager, 2019](#)); (2). Expanding audit report ([Behzadian and Nia, 2017](#); [Conteh and Hamidah, 2021](#); [Ellul and Scicluna, 2022](#); [Okafor and Otolor, 2013](#); [Olojede et al., 2020](#)); (3). Enhancing communication ([Akther and Xu, 2020](#); [Conteh and Hamidah, 2021](#); [Dang and Nguyen, 2021](#); [Xu and Akther, 2019](#)); and (4). Making regulatory changes ([García-Hernández et al., 2021](#); [Nguyen and Nguyen, 2020](#); [Okoro et al., 2019](#); [Salehi, 2016](#)). However, certain constructive criticisms may be made about those promising strategies and their implementation. [Quick \(2020\)](#) strongly argues that the feasibility of implementing education as a strategy is hampered since it appears to be impossible to teach "millions of stakeholders" simultaneously. Furthermore, [Coram and Wang \(2020\)](#) believe that reducing the AEG is not something that could be accomplished

simply by increasing the amount of information disclosed in audited financial statements. Furthermore, it could be argued that the publication of information such as key audit matters (KAM) in audit reports might establish new gaps unless the information is sufficiently communicated and perceived well by the users. Moreover, establishing regulatory adjustments may not be as simple as it appears because regulators must determine which stakeholder category they need to align legislative activities to account for the differences in cultural, economic, social, and legal components among different countries (Quick, 2020). Subsequently, ACCA (2019) firmly believes that reducing the gap cannot be accomplished only by profession.

4. Conclusion, implications, and future research

AEG is now being extensively addressed in the auditing literature by numerous scholars. Various researchers have presented different views on the existence and causes of AEG under different perspectives. With the expansion of society's knowledge, people are becoming increasingly aware of auditing, and their expectations are also continuously increasing at an accelerated pace. Ultimately, it leads to the expansion of the gap. With the aim of reviewing the literature on AEG, this study focused on five main objectives.

To accomplish the first objective, we compared and contrasted the meanings of the AEG as reflected by existing definitions. In defining the AEG by different researchers, slight differences were observed when AEG was measured based on different dimensions such as the auditor's role, audit report, duties and responsibilities, and independence. Nevertheless, most of the definitions have been centred around Porter's (1993) basic definition of audit expectation-performance gap. The concept of the AEG presented by academics has undergone significant modification over time, and it is still evolving. Despite the fact that Porter's (1993) notion is widely acknowledged as the foundational definition, the emphasis of this study has shifted away from it, towards discovering the nature, structure, and causes of the AEG and providing viable solutions for bridging the gap. Eventually, by referring to all the definitions presented by the numerous scholars in the extant literature, we came up with a fresh yet simpler definition for the AEG as "the difference between what the society as a whole expects auditors to do and what auditors actually do when performing an audit in practice". In terms of achieving the second objective, we concluded that the quantitative method, as part of the positivistic approach, has dominated the exploration of the AEG. Subsequently, the Mann-Whitney U test has emerged as the most commonly used analytical technique in research where data has been gathered most widely via questionnaire surveys. It is found that qualitative studies are significantly lower than quantitative studies in AEG. Ratzinger-Sakel and Gray (2015) assert that qualitative research methods are commonly utilized to investigate policy creation and implementation challenges in fields other than accounting and auditing. Further, Oler *et al.* (2010) claim that accounting and auditing journals call for excessive study heterogeneity, yet qualitative research is less likely to get published. Accordingly, we encourage future researchers to conduct their studies using triangulation design under the mixed-method approach to compare quantitative statistical findings with qualitative results straightly and validate or integrate quantitative research findings with qualitative data. This paper reviewed the samples selected (target groups) by numerous scholars to achieve the third objective of this study and concluded that the target groups used throughout the studies on the AEG had varied substantially. Accordingly, it appears that there is no clear answer to the question of whom the exact target groups are concerning the AEG studies. The dynamic nature of the concept of AEG was addressed in achieving the fourth objective of this study and we concluded that AEG is a multidimensional concept. Consequently, there is a potential for combining different dimensions if appropriate evidence and justifications are provided and explored through the notion of AEG. As a result,

numerous researchers have come up with different causes for the AEG. Finally, different approaches for reducing the AEG have been recommended, and these have been summarized into four major promising strategies, even though specific constructive criticisms have been levelled at those strategies.

The research work published under the AEG over the last 4 decades provides a solid platform on which additional advancements in the scope of the AEG can be established. As the overall conclusion, the findings of global investigations into the AEG cannot be extrapolated directly to a particular country without conducting thorough studies. This is due to the fact that the economic, social, and legal components of a specific state can have a significant impact on study findings and can even be used to manipulate the results of studies.

This comprehensive review of the literature is subject to certain specific limitations. The articles published in reputed journals were searched as primary sources, but books, book chapters, conference papers, working papers, or published or unpublished doctoral theses were not referred. Our review was also restricted to publications with AEG-related terminology in the title or abstract, with non-English journal articles omitted due to language restrictions.

According to the existing research findings, there are implications for future researchers. A literature review paper is an essential technique for gaining access to knowledge that can improve social work practice (Strandberg and Simpson, 2020). Accordingly, this review of the literature will be of interest to auditors, financial statement users, regulatory agencies, and policymakers, amongst other parties. At least narrowing the AEG is essential right now for the sustainability of the auditing profession. Thus, this AEG synthesis may be useful in understanding misperceptions and determining how they differ across diverse stakeholders. Furthermore, the definitions, dimensions, causes of AEG, and potential techniques to reduce AEG synthesized in this study provide insights into establishing a more exhaustive theoretical foundation for AEG-related studies in the future.

As a potential future study subject, it is possible to distinguish between the AEG's relative significance of audit and accounting standards. Thus, scholars could further investigate the impact of new accounting standards, such as IFRS 16 or/and 17, on the AEG since those standards may enhance the complexity of financial statements. Future research might examine the impact of big data and artificial intelligence in determining the magnitude to which the AEG could be decreased via innovation. Subsequently, further investigations of the shift in the gap between auditing academicians and practising groups might be interesting to recognize whether the gap between audit practice and audit research is "converging or diverging" over time (Ratzinger-Sakel and Gray, 2015). Cross-cultural, multicultural, and inter-religious studies on AEG should be conducted to investigate whether there is a perceptual divergence on audit expectations and the impact on the AEG.

It is observed that the AEG pertaining to the public sector has received minimal attention in the literature. As a result, researchers could concentrate on the existence of AEG, the causes of AEG, and mechanisms to reduce AEG in the public sector. There have only been a few studies undertaken on the AEG in the public sector, and most of them have been primarily focused on the financial audit perspective. The AEG relevant to performance audit, value-for-money (VfM) audit, and compliance audit have thus far been understudied, and they represent a promising avenue for future investigations. Subsequently, numerous codes of best practice on corporate governance, listing rules on stock exchanges, and many rules, acts, regulations, directives, and standards have been introduced from time to time. Even though there is a dearth of studies analyzing the impact of those on mitigating the gravity of AEG, the studies can also be focused on those avenues for future research. Moreover, future research should also examine the perspectives of different stakeholder groups about key audit matters (KAMs), as well as the impact of including different forms of KAMs in audit

reports (Coram and Wang, 2020). Information technology is crucial to modern accounting and auditing disciplines, with computer-assisted auditing techniques (CAATs) being one of the most extensively employed digital techniques. There may be more forensic accounting and analysis performed with the help of CAATs, and people who work for and with the company may have unrealistic expectations about the ability of digital tools to find fraud and errors in financial transactions. To better understand AEG, we finally suggest that researchers and practitioners devote more attention to this, as it will be a promising avenue for future research on AEG.

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Appendix I

Repository link to Appendix I is as follows: https://drive.google.com/file/d/1xIx4vM4ybISZ-q-CbePTmfG7GUj_Ke4P/view?usp=sharing

Corresponding author

Aluthgama Guruge Deepal can be contacted at: deepalguru@mgt.ruh.ac.lk

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