Auditor's Legal Responsibility and Its Impact on Accounting Profession

OGUJIOFOR MAGNUS NKEMJIKA[1], ASHIBOGWU NZE KINGSLEY, PHD[2], OMOKOH MACMILLAN OMOMA[3], MONYE OSITA[4]

[1] Novena University Ogume, Delta State.

Abstract- ***The study examines auditor's legal responsibility and its impact on accounting profession. A survey research design was adopted in the course of the study. The study used a sample size of 49 which was selected from a total population of 89 using Ali, Eyo and Sowande (2000) sample size selection technique. The total population from which the samples size was derived are the population who are legally registered accountants with institute of charted account (ICAN). Questionnaire was the main data collection instrument used for the collection of field data from the respondents. Field data were collected from respondent in three different Geo-political zones (South west, south south and South East) which formed the area for the study. The field data collected from the respondent were all presented in tables and analysed using Regression analysis. The finding shows that auditor's legal responsibilities such as detection of fraud, prevention of fraud and error etc have positive effect on accounting profession. The result also indicated that auditors play vital role in auditing financial record of organization in other to balance financial account, check and detect financial fraud and also authenticate the correctness of financial information passed to it end users as one of the functions of the legal responsibilities of auditors in accounting profession. It is recommended in the research that auditors should be conscious of their legal responsibilities in accounting profession during auditing activities, it was also recommended that auditors should be free from the influence of internal or external factors which could affect their profession negatively, hence, auditors should always authenticate financial statements in order to be credible in accounting profession.***

Indexed Terms- ***Auditor's Legal Responsibility, Impact on Accounting Profession***

1.1 Background to the Study

Auditing is a systematic examination of books, accounts, documents and vouchers of an organization to ascertain how far the financial statements present a true and fair view of the concern. It also ensures that the books of accounts are properly maintained by the concern as required by law. Auditing is defined as a systematic and independent examination of data, statements, records, operations and performances (financial or otherwise) of an enterprise for a stated purpose. In any auditing the auditor perceives and recognizes the propositions before him/her for examination, collects evidence, evaluates the same and on this basis formulates his/her judgment which is communicated through his/her audit report [www.wikipedia.org]. Auditors' auditing of a financial record provides third party assurance to various stakeholders that the subject matter is free from material misstatement. The term is most frequently applied to audits of the financial information relating to a legal person. Other areas which are commonly audited include: internal controls, quality management, project management, water management, and energy conservation. As a result of an audit, stakeholders may effectively evaluate and improve the effectiveness of risk management, control, and the governance process over the subject manner. That an auditor has the responsibility for the prevention, detection and reporting of fraud, other illegal acts and errors is one of the most controversial issues in auditing, and has been one of the most frequently debated areas amongst auditors, politicians, media, regulators and the public (Gay *et al*, 2013). This debate has been especially highlighted by the collapse of both small and big corporations across the globe. The auditing profession in Nigeria has caught the media's attention following financial scandals in some of the Nigerian banks such as Intercontinental Bank, Oceanic Bank, Afribank, and Bank PHB among others.

Organisations' management has control over the accounting systems of the organisation and is not only responsible for the financial reports to investors, the owners of the organisations, but also has the authority to determine the precise nature of the representations that go into the reports. It is the responsibility of the management of the organisation that is vested with the preparation and presentation of the financial statement of the organisation to the stakeholders, which may need such information to guide them in their decision making (Chukwuncdu, 2009). To increase the confidence of investors and creditors in financial statements, they are provided with an independent and expert opinion on the fairness of the reports. This expert opinion will be initially provided by one or more stockholders, who will be designated by the other stockholders to perform the task as representatives of the rest of the stockholders. This mark the beginning of the auditing profession as it quickly emerged to meet market needs for their services. It became necessary that legislation will be soon required to permit persons other than stakeholders to perform the audits, giving rise to the formation of auditing firms. These developments resulted in demand for the services of specialists in bookkeeping and in auditing. Thus the institutionalization of audit as a profession will be then merely a matter of time. Unfortunately, the spate of corporate failures, financial scandals and audit failures has led to an increase and significant criticism and litigation against the auditing profession (Maccarrone, 2011, Dan *et al*,2007). Audit is a formal examination, correction, and official endorsing of financial accounts, especially those of a business, undertaken annually by an Accountant. The accounting profession in Nigeria has been under intense pressure due to rising public expectations which is as a result of series of financial failures that occurred during the recessionary years of the late 80's and the early 90's (Ekwueme, 2000:14). These financial failures happened too quickly after an unqualified' audit report was issued by the external auditors. Koh and Woo (2012), noted that in recent years, some spectacular and well-publicized corporate collapses and the subsequent implication of the reporting auditors have highlighted the audit expectation gap. In reality, the unqualified opinion is wrongly seen as a certification that the firm or enterprise is solvent, liquid and has the capacity to adapt to the dynamics of the environment. Any subsequent failure of business resulting from management misjudgement, fraudulent practice, economic instability, inconsistency in micro and macroeconomic policies etc are viewed as failures of auditors (Adeniji, 2011:510).that is why this study examines the opinion of auditors, clients and users of financial statement on their various understanding of the legal responsibilities of auditors or audit reports in Nigeria and the consequences on the accounting profession.

1.2 Statement of Research Problem

Auditing standards are important to the user of accounting reports such as banks, host community, shareholders, government, creditors etc. The standards explain the legal responsibility and independence of the auditor from the point of view of management and shareholders. International standards have been formulated to harmonize auditing practices between different nations and are to be applied where there are no local standards. In Nigeria, the International Standards on Auditing (ISA) are mandatory for the companies quoted on the Nigeria Stock Exchange (NSE) where Nigerian Auditing Standards do not exist. In both public and private sector an increased interest in audit, inspections and oversight of the public sector is noted by many scholars(Gendron *et al.*, 2007; Hood *et al.*, 1999;Guenin- Paracini & Gendron,2010). This increase is not merely driven by efficiency considerations but also by confidence that external audit of the public sector which also contributes to the overall legitimacy of the democratic society. But due to the peculiarity of the Nigerian environment on July, 2006 nine (9) Nigerian Standards on Auditing (NSA) were issued. These claimed priority over the ISAs in the Nigeria context. The objective of the audit of financial statements is to enable the auditor to express an opinion on whether the financial statements were prepared, in all material respects, in accordance with an identified financial reporting framework. The auditor's opinion is intended to enhance the credibility of the financial statements which is a legal responsibility of an auditor. To achieve these objectives there are legal responsibility such as auditor independence, objectivity, integrity, confidentiality and technical standard required that should be satisfied according to the International standard of accounting and NSAs. It has been asserted that many Nigerian auditors are not complying with the general auditing standard, legal responsibility, field work standards, reporting standards and that there is a need for guidelines for applying the broad concept of these legal auditing responsibility requirement to Nigerian circumstances. Against this backdrop, the paper is therefore to examine auditor's legal responsibility and it effect on accounting profession.

1.3 Objectives of the Study

In order to effectively arrive on sound and reliable research, the main objective of the study is to ascertain the legal responsibilities of auditor and the effect it will have on accounting profession. Other specific objective that guides the study is to examine the extent.

1. Auditor's expression of opinion on financial statement affect accounting profession.
2. Auditor's independence affects accounting profession.
3. Auditor's detection of fraud affects accounting profession.
4. Auditor's detection of error affects accounting profession.
5. Auditor's prevention of fraud affects accounting profession.
6. Auditor's prevention of errors affects accounting profession.

1.4 Research Questions

In other to gather relevant responses from the respondent the following research questions are posed guild the study as follows:-

1. How does auditor's expression of opinion on financial statement affects accounting profession?
2. To what extent do auditor's independence affect accounting profession?
3. To what extent do auditor's detection of fraud affects accounting profession?
4. To what extent do auditors detection of error affect accounting profession?
5. To what extent do auditor's prevention of fraud affect accounting profession?
6. To what extent do auditor's prevention of errors affects accounting profession?

1.5 Research Hypotheses

$H_{01:}$ Auditor's expression of opinion on financial statement do not significantly affects accounting profession.

$H_{02:}$ Auditor's independence during auditing do not significantly affect accounting profession

$H_{03:}$ Auditor's detection of fraud do not significantly affects accounting profession

$H_{04:}$ Auditors detection of error significantly does not affect accounting profession.

$H_{05:}$ Auditor's prevention of fraud do not significantly affect accounting profession.

$H_{06:}$ the prevention of error by auditor's significantly do not affects accounting profession.

1.6 Scope of the Study

The scope of this study covers the appraisal of auditor legal responsibilities and the consequences on the accounting profession. The main concern of this research is to establish whether those areas of concern, (areas that brought about the creation of misunderstanding of the legal responsibilities of auditor s and the audit profession) could be identified and measures could be taken to either eliminate them or reduce them to the barest minimum.

This study also focus on professional Accountants from all the recognized accounting bodies including practicing and non- practicing accountants in Anambra State, Awka Ibom state and Lagos state.

1.7 Significance of the Study

The research findings of this study are of immense benefit to public and private firm. It will be of help in understanding of the statutory objectives of internal audit in order to reduce any unreasonable expectations of the external auditor. The research is also significant since it will help to maintain public confidence in financial statements and protect public interests on accounting profession. The research on the other hand, will also help accounting profession to redefine the role of auditors because of the changing nature of the business environment and it will establish the relationship between auditor's responsibility and the impact it will have on accounting profession. The finding of the research will serve as a source of reference for fellow researcher and enable governmental and non-governmental sectors to value the role play by auditors in accounting profession.

II. REVIEW OF RELATED LITERATURE

2.1 Concept of Auditing

Auditing according to Anakudo,(2007) may be defined simply as the independent examination of the financial statements of an organization with view to expressing an opinion as to whether these statements give a true and fair view and comply with the relevant statutes. This opinion must be expressed in the form of a report.

Auditing is a systematic examination of books, accounts, documents and vouchers of any organization to ascertain how far the financial statements present a true and fair view of the concern (Lee *et al.*,2009). It also ensures that the books of accounts are properly maintained by those concerned as required by law. It is also an independent examination of data, statements, records, operations and performances (financial or otherwise) of an enterprise for a stated purpose(Dan *et al.*, 2017). In any auditing the auditor perceives and recognizes the propositions before him/her for examination, collects evidence, evaluates the same and on this basis formulates his/her judgment which is communicated through his/her audit report.

According to Porter *et al.* (2018; p.3), auditing is a systematic process of objectively gathering and evaluating evidence relating to assertions about economic actions and events in which the individual or organisation making the assertions has been engaged, to ascertain the degree of correspondence between those assertions and established criteria, and communicating the results to users of the reports in which the assertions are made.

This summarises that auditing is about collecting and evaluating sufficient audit evidence to satisfy themselves that management's presentation of the financial statements fairly presents the reality and therefore can be relied upon by the users of the information. (Porter *et al.* 2018) The users are all actors who have a financial interest in the company such as banks, employees, shareholders, customers, suppliers, government, etc. Every one of them relies on the professional auditing to detect material irregularities that may give a misleading impression of the company's position and/or its performance. (Porter *et al.* 2018)

The main assignment for an auditor is to determine whether the financial statements, including the balance sheet, income statement and cash flow statement, of an organisation/company fairly present the operations and the financial position of the organisation/company (Cosserat and Rodda, 2009). The management of the company is supposed to present the annual report to the auditor and the auditor will then examine the financial statement to ensure that they are fairly presented according to the existing rules. (Munro *et al*, 2011).

2.2 Conceptual Framework

Generally speaking, the word 'audit' is derived from the Latin word, 'audire' which means 'to hear' (CED: 1988). Therefore at the beginning, the word 'audit' was meant 'to hear' and auditor literally meant a "hearer". The hearing function by the auditor was then aimed at declaring that the accounts prepared by the management and the financial statements published by them were 'true and correct'. The auditor's function was therefore, to give assurance against fraud and intentional mismanagement. With time, the hearing function of the auditor was transformed into the function of verification. This will mean that the principal purpose of independent auditing is to form an opinion on the accuracy, reliability and fairness of representations in the financial statements of organisations, and to make this information available to external users.

Auditor's legal responsibility refers to the expression of auditor's opinion on whether management has fairly presented the information in the financial statements. To do so, the auditor collects evidence to obtain reasonable assurance that the accounts are free of material misstatement. (http://www.corplaw.ie/blog/bid/337442/). According to Dan *et al.*,(2017) auditors legal responsibility is defined as the legal standard of auditing standard that an auditor have to follow in other to ensure fair financial statement.

The legal responsibility of an auditor according to Lee and Ali, (2008:23) can also be defined to be role of to refocus on public interest, redefine the audit relationship, ensure the integrity of financial reports, separate non-audit functions and other advisory services.

Furthermore, the main objective of audit is also transformed, thus making the auditor declare that the accounts prepared by the companies as revealed by their financial statements were "true and fair." Littleton (2010) was of the view that early auditing was designed to verify the honesty of persons charged with fiscal, rather than managerial responsibilities. In the nineteenth century, the roles of auditors have been directly linked to management's stewardship function, with stewardship being regarded in the narrow sense of honesty and integrity (Flint 2017). But the verifying function was on sampling basis because of the burgeoning volume of business activity. The International Auditing Practices Committee (IAPC: 1980) defines auditing as " the independent examination of financial information of an entity, whether profit oriented or not, irrespective of its size or legal form, when such an examination is conducted with a view to expressing an opinion thereon." According to Chow (2018), controlling the conflict of interests among firm managers, shareholders and bondholders is a major reason for engaging auditors.

Unfortunately, the spate of corporate failures, financial scandals and audit failures has led to an increase and significant criticism and litigation against the auditing profession (Maccarrone 2013, Dan *et al.*, 2017). Transmile Group for instance, overstated its revenue by RM 622 million for the years 2012 to 2006; Megan Media Holding reported a whopping net loss of RM1.l4 billion for the fourth quarter ended April 2007 as a result of accounting fraud at its subsidiary. Furthermore scandals can be seen by the over statement of the assets of Southern Bank Bhd of Malaysia worth RM160 million in 2011, TRI was discovered to have issued fictitious invoices totalling nearly RM260 million in 2008 and 1999. To sum up Lee *et al.*, (2009) cited the criticism on the work of the accountant by the NST (2007) as "Investors have asked the authorities to take tough action against those who helped cook the books of Transmile group. They (investors) also want them (authorities) to examine the role of the auditors (Messrs Deloitte and Touche) and whether they (external auditors) have performed their duties well in scrutinizing the numbers". Lim (20l3) asserts that the blame should not be placed on the auditors' shoulders alone as the nature and objectives of auditing are perceived differently by different parties.

Woolf (2015) believes that auditors as a breed has not become more negligent. The real problem is related to the palpable gap between our own perception of auditing and that of the public whom we serve. Sidek (2018) further commented on the liability of the auditors as 'it would only take a few scandals to crash the stock market.

The auditors' role is to facilitate investment, therefore if auditors underperform, investors will go away. Hence it is the responsibility of the regulators to examine the role played by the auditors and to take speedy action to bring those faults to task. Due to the aforementioned litigations Lee *et al.,* (2009) observed that whatever will be the outcome of the litigations in court against the auditors, auditing professions' image has been dented. This can also be seen in the comment of Godsell (1992) who opined that the phenomenon of increasing litigation against the auditor and the auditing profession may be due to common beliefs that the stakeholders of the company should be able to rely more on its audited accounts as a guarantee of its solvency, propriety and business viability.

Therefore, the understanding of the nature and objective of what auditing is all about may have been misconstrued. It should be noted that, the role of the auditor is generally understood by the general public to be the detection of fraud and en-or in the financial statements.

This is because it is the auditor that comes to light in any matter that affects the investigation of fraud or misappropriation in companies. Not until 1989 when the LJ Lopes of the appeal court stated in the case of Re Kingdom cotton mills (1896) that the auditor was a watchdog not a bloodhound. Clearly, this decision brought to light the primary role of the auditor to exclude the decision of fraud detection. Therefore, the definition of what an audit is by the users of financial statements, the general public and the auditors, is what cumulates to bring about the term "audit expectation gap". The concept can better be understood when we have a close look at the following issues: The audit profession's expectation of an audit; the auditor's perception of an audit; and the general public/users of financial statements perception of the audit.

Pierce and Kilcommins (2016) using the auditors as their bench mark as against the bench mark of the audit profession tried to define the audit expectation gap. To them when the external auditors' understanding of their role and duties is compared against the expectations of user groups and the general public then we expects to see audit expectation gap. Liggio (1974), on the other hand, defined the audit expectation gap as the difference between the levels of expected performance as interpreted by the independent accountant and the user of financial statements. On the other hand, where we try to look at the expectation gap with the audit profession in mind or as bench mark, there will be less subjectivity in the understanding and definition of the expectation gap and which will narrow the expectation gap.

Much has been written about the possibility of an audit expectations gap. The attempt to address the problem especially as to do with the role and responsibilities of auditors, have led to the establishment of several government and professional investigations, which form an important part of the expectation gap literature. These include the Cohen Commission (1978); Metcalf Committee (1976); and Treadway Commission (1987); in the United States, the Cross Committee (1977); and Greenside Committee (1978); in the United Kingdom and the Adams Committee (1977) and MacDonald Commission (1988) in Canada.

While Cohen Commission in 1978 considered whether a gap might exist between what the public expected and what auditors could reasonably expect to accomplish, Poter (2013), in his empirical study of the audit expectation gap, sees the definition of the gap as failing to mention the possibility of substandard performance by auditors. It is against this backdrop that it is imperative to study the issue of expectation gap in Nigeria.

2.2.1 Auditors independence

The term "independence" can briefly be explained as an expression of professional integrity of the individual. Independence requires avoidance of situations which would tend to impair objectivity or permit personal bias to influence delicate judgment. (Hemraj, 2003)

International Standard on Quality Control (ISQC 1) is applied in South Africa and deals with the audit firm's responsibilities to establish and maintain its system of quality control for audit engagements. ISQC 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements, including those pertaining to independence.

In the case of audit engagements, it is in the public interest and therefore required by the CPC that members of audit teams, firms and network firms are independent from audit clients. (SAICA, 2010). According to the South African Institute of Chartered Accountants (SAICA) independence is explained in two major areas, independence of mind and independence in appearance. Independence of mind implies the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, exercise objectivity and professional scepticism (SAICA, 2010). Independence in appearance means the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, considering all specific facts and circumstances, that a firm, or a member of the audit assurance team's, integrity, objectivity or professional skepticism has been compromised. (SAICA, 2010).

Previous research in the context of auditor independence categorizes independence from three angles. First, it argues the concept of independence includes honesty, integrity, objectivity and responsibility. It also states that in order to be independent, the auditor should avoid all relationships, even unconscious ones, which can affect their objectivity and independence. Thirdly, for independence an auditor should avoid relations outsiders might be seen as conflicts of interest, which means even apparent independence plays an important role whether the auditor will presumed to be totally independent. (Vanasco *et al*, 1997).

2.1.2 Issues of auditors independence

Richard (2006) splits the term independence into two main types of independence: the visible independence and the actual independence. The visible independence means the auditor must be independent in the eyes of others and the actual independence is explained as the auditor considers himself or herself as independent. The problems that arise from conceptual categorization is, even though the auditor considers himself or herself independent, i.e. the auditor is in fact independent, an auditor still has to prove to the public that he or she is independent to become visibly independent. (Richard, 2006).

Regarding the relation auditors have with their clients Vanasco (1997) stresses the distinction between the relation to the audited company and the relation to the audited company's stakeholders. The relation the auditor has with stakeholders is to be regarded as virtually non-existent. In contrast, an auditor with a commitment of an audit engagement already has created a relationship with the company in question. The reason the auditor's relationship with stakeholders can be seen as non-existent is because they rarely or never have contact with stakeholders such as suppliers, customers, creditors, etc. (Vanasco, 1997)
A study by Richards (2006) investigated both the management and owners' attitude to the company's auditor. By interviewing both parties comparisons are made between their views. Interestingly, neither the owners nor the management perceived a problem in a very close relation with the auditor and that this would affect the auditor's independence. Company management believes a close relation with the auditor is important and the auditor should make time for the company and satisfy their needs. The owners emphasize a good relation with the auditor is important and an auditor who works mechanically is not desirable. Instead, they stress the importance of a good and open relation going forward and good communication is seen as a key to an effective cooperation.

The auditor's relation to the company should be divided into a professional and a private role. If both parties are professional their relation should also be professional. Richard (2006) points out that professional cooperation between the parties does not stop a private relation from arising. Since the parties have close cooperation, which often lasts for several years, there is a risk that a relation of a more private character will arise. When the auditor has largely been responsible for building trust, a private relationship is however seen as a threat to independence. (Richard, 2006)

2.1.3 Auditor's Integrity

Auditor's integrity is a prerequisite for all those who act in the public interest. It is essential that auditors act, and are seen to act, with integrity, which requires not only honesty but a broad range of related qualities such as fairness, candour, courage, intellectual honesty and confidentiality. Integrity requires that the auditor is not affected, and is not seen to be affected, by conflicts of interest. Conflicts of interest may arise from personal, financial, business, employment, and other relationships which the audit engagement team, the audit firm or its partners or staff have with the audited entity and its connected parties (Richard, 2006).

It is important that the directors and management of an audited entity can rely on the auditor to treat the information obtained during an audit as confidential, unless they have authorised its disclosure, unless it is already known to third parties or unless the auditor has a legal right or duty to disclose it. Without this, there is a danger that the directors and management will fail to disclose such information to the auditor and that the effectiveness of the audit will thereby be impaired.

2.1.4 Auditors Objectivity

Objectivity is a state of mind that excludes bias, prejudice and compromise and that gives fair and impartial consideration to all matters that are relevant to the task in hand, disregarding those that are not. Like integrity, objectivity is a fundamental ethical principle and requires that the auditor's judgment is not affected by conflicts of interest. The need for auditors to be objective arises from the fact that many of the important issues involved in the preparation of financial statements do not relate to questions of fact but rather to questions of judgment. For example, there are choices to be made by the board of directors in deciding on the accounting policies to be adopted by the entity: the directors have to select the ones that they consider most appropriate and this decision can have a material impact on the financial statements. Furthermore, many items included in the financial statements cannot be measured with absolute precision and certainty(Porter, B. Simon, J. Hatherly, D. 2008). In many cases, estimates have to be made and the directors may have to choose one value from a range of possible outcomes.

When exercising discretion in these areas, the directors have regard to the applicable financial reporting framework. If the directors, whether deliberately or inadvertently, make a biased judgment or an otherwise inappropriate decision, the financial statements may be misstated or misleading.

2.1.5 Auditor Legal Responsibilities

The role of audit in this era is to refocus on public interest, redefine the audit relationship, and ensure the integrity of financial reports, separate non-audit functions and other advisory services. Also, audit methods need to be focused on risk attention, fraud awareness, objectivity and independence, increased attention to the needs of financial statement users (Lee and Ali, 2008:23). Since the primary purpose of external audit is not to detect fraud, investigating fraud requires the combined skills of a well-trained auditor and a criminal investigator.

Fraud auditing is a relatively new discipline that emerged from the criminal and regulatory statutes involving business, financial crimes ranging from embezzlement, investment fraud, giving and accepting bribe and computer fraud to mention a few. Auditing for fraud and statutory audit are parallel in nature.

The former is a means of identifying irregularities in accounting practices, procedures and controls. However, the latter is a means by which auditors uncover material deviations and variances from standards of acceptable accounting and auditing practice. Auditing for fraud involves looking beyond the transaction figures even though a statutory auditor is likely to become suspicious of an attempt made to disguise or cover up a transaction (Bologna and Lindquist, 1995:27-33). There may be some cases where the auditor's work will lead to the detection of fraud. In such a situation the auditor is responsible for considering the potential effect on the financial information. In addition, the auditor should perform more procedures bearing in mind the type of fraud, other irregularities or errors, risk of their occurrences and likelihood that a particular type of fraud or error could have a material effect on the financial statements.

2.3 Theoretical Review

- Auditors In Ascertaining The Going Concern Status Of A Company And Accounting To Profession

The bane of criticism by the public when a company fails usually stems from the fact that an unqualified audit report was issued by external auditors shortly before the failure occurred. It is no surprise that corporate failure is synonymous to audit failure (Asein, 1999:12). Until recently, it was often taken for granted that the accounts of ·a company could be prepared on a going concern basis unless there were obvious indications to the contrary (Adeniji, 2011 :275).

Auditors are required to carry out procedures to provide them with assurance that the going concern basis used in the preparation of the financial statements is appropriate and there are adequate disclosures regarding that basis in the financial statements in order that they give a true and fair view (Adeniji, 2011:276).

Users however perceive that a clean audit reporting is a going concern (Manson and Zaman, 2000: 15). In their study, the ability of a company to remain a going concern is linked with the value of their investment. On the part of auditors, it seems to avoid litigation, they are careful to explicitly disclose the going concern position of a company.

- Reliability Factor And Accounting Profession

The main purpose of audited financial statements is to ensure that information provided to investors is accurate (Colley, Doyle, Logan and Stettinius, 2003:233). Also, the opinion given by an auditor is expected to be constant throughout (Adeniji, 2011:510). However, this may not hold given some circumstances surrounding the issuance of an audit opinion. These communication assumptions may make the user more expectant than is needed.

Some of these assumptions are an unqualified audit opinion is a clean bill of health, auditors guarantee the continuing existence of firms, auditors issue financial statements after the audit exercise and all fraud should be discovered by statutory audit (Adeniji, 2011:5 11). Financial statements are used by a variety of persons for different purposes which are share valuation and acquisition, divestment, mergers, dividend policy, diversification of portfolios, assessment of the worth of the firm, credit worthiness, etc. However, there is need for detailed analysis of any data provided in financial statements before they are relied upon. Audit is carried out to examine the financial books of a company and establish that they conform to Generally Accepted Accounting Principles (GAAP), present a true and fair view of the company's financial position, ensure that the financial statements are free from material misstatements and conform to statutory regulations. This infers that the audit report is not a financial analysis upon which investment decisions should be predicated, (Asein, 1999:13).

2.4 Theoretical Framework

- Agency theory

This study is anchored on agency theory which were propounded by Jensen and Meckling, (1976) Agency theory analyses the relationship between two parties: investors and managers. The agent (that is, managers) undertakes to perform certain duties for the principal (that is, investors) and the principal undertakes to reward the agent. According to this theory, the role of the auditor is to supervise the relationship between the manager and the owners. A gap expectation occurs when the distribution of the responsibility is not well defined. The responsibility of every part is well defined in the regulation. The manager and the owners have to realize that the auditor does not have responsibility of the accounting, but only see that the auditing is done properly (Andresson and Emander, 2005). It is argued that in a corporation in which share ownership is widely spread, managerial behaviour doesn't not always maximize the returns of the shareholders (Donaldson and Davis, 1991). The degree of uncertainty about whether the agent will pursue self-interest rather than comply with the requirements of the contract represents an agent risk for an investor (Fiet, 1995). Given that principals will always be interested in the outcomes generated by their agents, agency theory demonstrates that accounting and auditing have an important task in providing information and this task is often associated with stewardship, in which an agent reports to the principal on the companies' events (Ijiri, 1975).

2.5 Empirical Review

Epstein & Geiger (2014) using simple regression analysis and 350 questionnaire in his study noted that many users of audited accounting information misunderstand the nature of the attest function, especially in the context of an unqualified opinion. Some users believe that an unqualified opinion means that the entity has fool proof financial reporting. Some feel that the auditor should not only provide an audit opinion, but also interpret the financial statements in such a manner that the user could evaluate whether to invest in the entity. There are also users who expect auditors to perform some of the audit procedures while performing the attest function like penetrating into company affairs, engaging in management surveillance and detecting illegal acts and/or fraud on the part of management. It is these high expectations on the part of users of financial statements that create a gap between auditors' and users' expectations of the audit function. Various studies have confirmed the existence of the audit expectation gap. Prior literature in audit expectation gap evinces that the expectations gap between auditors and financial statement users has existed for the past hundred years.

Many have recognized the changes in the audit function as an effort by the auditing profession to ensure that the profession remain relevant to its constantly changing environment. Flint (1988), Power (2014; 2000), Epstein and Geiger (2014) and Petland (2000) share that view as they are of the opinion that the progression in the practice of auditing was basically in response to a perceived need of the public who seek information or reassurance about their conduct or performance of their business that they have placed on the stewardship of the management. However, Fogarty *et al.* (1991), Sikka (2008; 2012), Humphrey *et al.* (2013), Lee (1995) and, Sikka *et al.* (2008) are of the opinion that the progression of the audit function was a direct result of the 'political games' of the audit profession to ensure it maintain the power of self-regulation. In this context, the audit profession seeks to shift 'the preferred meanings about the nature, practice and/or outcomes of auditing', in other words leading to the varying definition and perception of the function of the auditor thereby resulting to a gap between the services received versus the expected services provided by the auditors, which is generally termed the audit expectation gap in the literature. There are several attempts to account for why is the audit expectation gap among researchers in the auditing profession. Humphrey *et al.* (2013) and Porter and Geiwthorpe (2012), for example, have argued that the gap exists due to a deficiency in auditor's performance and auditing standards. Pierce and Kilcommins (1996), Boyd *et al*., (2010) and; McEnroe and Martens (2010), argue that the gap exists due to misinterpretations and misunderstanding of the meaning of auditing by the users. These studies suggest that the users do not understand the audit functions and the role of auditors. Consequently, they have unrealistic expectations of auditors. Earlier, research by the Canadian Institute of Chartered Accountants (CICA, 1988) and Porter (2013) established the deficient performance, deficient standards and unreasonable expectations as the components of the audit expectations gap. However, a recent empirical study conducted by Porter and Gowthorpe (2012) has shown that these components have changed over time although the perceptions of pessimism as to the audit functions have not been eliminated. The audit expectations gap centres on several issues, most notable among them are; the auditor's roles and responsibilities as opined by Porter, (2013); Fazdly and Alunad, (2012); and Dixon *et al.*, (2006). The nature and meaning of audit report messages opined by Monroe and Woodliff, (2014); and Gay *et al.*, (2008). Audit independence as opined by Sweeney, (2013); Lin and Chen, (2012); and Alleyne *et al*, (2006). Furthermore, Humphrey (2013) classified the issues on the audit expectations gap into four main areas: audit assurance, audit reporting, audit independence and audit regulation. While most of the researches conducted in the area of the expectation gap are based on the private sector, the research in the public sector has received little attention by researchers. Pendlebury and Shreim (1991), Chowdhury and Innes (2008) and Chowdhury *et al.* (2011) are some of the prominent researches conducted in the area of public sector. Just as the private sector, research has indicated that the audit function in the public sector also changes over time. Jee *et al*, (2009) opined that the public sector audit was concerned with regularity, legality and probity of government expenditures. The focus is to see that the budgetary allocations to the various government agencies are expended according to the purpose to which they have been set up and that the accounts prepared by such agencies were properly presented in conformity with the provisions of the law. Glynn, (1985); Pollitt *et al*., (1999); and Lee *et al* (2009) are of the view that the traditional audit functions have been expanded to include wider monitoring functions over government agencies. They contended that 'the auditors' task now, is to examine whether programmes implemented by government agencies have been implemented economically, efficiently and effectively. This is widely known as Performance Audit or Value for Money (VFM) audit'. Guthrie and Parker, (1999) further opined that the objective of the auditors work is to ensure that the government agencies are accountable not only for the resources they used but also for the effectiveness with which they used those resources. Accordingly, the public sector audit is now concerned with terms such as 'accountability', 'output', 'efficiency', and 'value for money. Although studies have been documented in the area of expectation gap for both the public and private sectors in the developed economies, there is the absolute scantiness and inadequacy of such literature documented for the developing economics. It should be noted that, while in the developed economics there is a developed system in the public sector auditing, the composition of public sector administration in the developing economies is still in its infancy.

Kaufinann, (2013); Gray and Kaufmann, (2008); Sandholtz and Koetzle, (2000) further identified the problem of the possibility of fraud, corruption and economic mismanagement in the public sector in developing countries as compared to the developed economies.

Similarly, as for the private sector, the developed economies have more developed, integrated and independent private sector as when we compared with what is obtainable in the developing economies. Patel *et al.*, (2012), among others, argued that the adoption of accounting and auditing systems of developed countries in developing countries might face many cultural obstacles such as in the interpretation of standards, audit procedures and codes of conduct. Among the possible cultural factors are the level of transparency (Gray, 1988), conservatism and collectivism (Gray, 1988; Schwartz, 2014) and power distance (Hofstede, 2010; Ding *et al.*, 2011; Ali, 1999). In a high power distance · society, for example, researchers such as Patel *et al.*, (2012), Hofstede, (2010) and Ding *et al.* (2011) suggest that individuals would respect and value the views or orders of ciders, superiors and authority. Consequently, they would accept a hierarchical order in which everybody has a place which needs no further justification' (Salter and Frederick: 1995). Thus, it is possible this factor will significantly influence the perceptions of the users and auditors on the functions of performance audit and auditors work.

All these factors can certainly change the outcome of research conducted in the developed economies as compared to the developing economies like Nigeria.

Apart from the scantiness of the research in the area of audit expectation gap in the developing countries, the term as it is may be detrimental to the financial reporting and auditing process. Lee and Ali (2008) opined that audit expectation gap is detrimental to the financial reporting and auditing process, as the public may perceive the work performed by auditors as unsatisfactory. Therefore, the audit expectation gap is crucial to the audit profession as they determine the value of auditing and the reputation of auditors in modern society.

2.6 Summary of Literature Review

The legal responsibilities of auditors have been characterized by some irregularities or gaps. The gaps are two dimensional- communication gap and performance gap. Communication gap arises from the inability of investors to accept the legal definition of an audit. Performance gap on the other hand arises as a result of many factors including lack of independence, sheer greed and hostile corporate and macro environment that constrain the work of the auditor. For instance, Akinbuli (2010) provided an x-ray as to the literature on the problem of auditing expectation gap. His study centred on providing theoretical explanation of the term and the implication of the problem of the expectation gap, such as the high rate of litigation that awaits the audit profession and an alarming increase to the liability against the auditor. The study finally recommended that the auditor improve his performance to reduce the audit expectation gap. His study and the present studies are related in that both study are focused on auditing but differs in that his study was looking at the expectation gaps in auditing while this current studies is looking at the legal responsibility of auditors and it impact on accounting profession. Chukwunedu (2009) in his study also presented the opinion of a small number of members of professional accounting bodies on the problem of expectation gap. Unfortunately his study used a small size number as the sample size, apart from the restriction of the sampled respondents to only one part of the stakeholders on the problem, the study also used a weak tool for the analysis of the data collected. His study too is related to this current study due to the fact that both study is aim at auditing in accounting profession but this current study differs from his study in that this study look at the impact of legal responsibility of auditors on accounting profession and utilized a very strong analytic tool such as correlation, while his study focused on the opinions of accounting professionals on auditing and at the same time used a weak analytical tool like simple mean. Okoye and Okaro (2011) studied the accounting academics on the issue of whether the injection of forensic accounting techniques, on a cost benefit basis, in an audit is capable of increasing the ability of the auditor to discover fraud and thus help in bridging the audit expectation gap in Nigeria. Again the analysis in the study was weak and restricted to only accounting academics. The current study is also related to the study of Okoye and Okara, in that both studies are aimed at auditing. But on the other hand, both his study looked at accounting academics while this current study focused more on the legal responsibility of auditors and it impact on accounting profession.

It is on this background that this study tends to find out what the rank and file of the members of professional accounting bodies in Nigeria perceive as the auditor legal responsibilities and the impact it will have on accounting profession in order for the gap in knowledge to be closed and established.

III. RESEARCH METHODOLOGY

This chapter presents the procedures that were adopted in the course of the research. The procedures that were adopted and discussed; are research Design, Area of study, Population of the study, Sample and sampling techniques, Instrument of data collection and method of data analysis

3.1 Research Design

The researcher adopted a Descriptive survey research design. According to Sekaran and Bougie, (2010), the use of survey design enable for an easy collection of data from the respondents. Hence, we used this research design so as to enable easy collection of data. Primary source of data was used in the research and was collected from accounting firms in South East and South South Geo-political zones.

3.2 Area of the study

In order to effectively carry out the research, the area that was used in the study are the Enugu state, Anambra state and Akwaibom state all in South east and South South Geo-political Zone.

Sample Frame A: Geo-political Zone Used for Study Area

States	Geo political Zone	Number of Accounting Firms
Anambra	South East	29
Enugu	South East	35
Akwa Ibom	South South	25

3.3 Population of the study

The population of the study was made up of 89 accounting professionals (Source; http://www.vconnect.com/anambra/list-of-accountants_c246) from accounting firms in the Geo-political Zones.

3.4 Sample size and Sample Techniques.

The total of 49 was used as the sample size of this study. According to Ali, Eyo and Sowande (2000) if the population size is small or larger, a small percentage should be selected and studied entirely; therefore the researcher used the entire population without sampling, since the number is not large.

3.5 Instruments of Data Collection

Questionnaire was the main data collection tool used in the collection of field data from the respondent. According to Sakaran and Bougie (2010), questionnaires are most useful as a data collection method, especially when large numbers of people are to be reached in different geographical region. These give credence to the use of this collection tool as means of collecting field data. The questionnaire contains twelve (12) question items and was structured in a way that the first section sort respondent personal data while the remaining questions focused on the topic under investigation. The questionnaire was distributed to the respondents using a probability cluster method. In doing this, the researcher labelled each area of the study into three clusters and labelled the first cluster as sample cluster 'A' for Anambra state, Enugu state as sample cluster 'B' and Akwa Ibom state as sample cluster 'C'. The researcher then distributed 19(38%) copies of the questionnaire to respondents in Anambra state,16(33%) to respondents in Enugu state while 29(14%) was also distributed to respondent in Akwaibom state.

3.6 Method of Data Analysis

Field data that was collected from the respondents was presented in tables and the mean and standard deviation(SD) was used in giving answers to the questions posed while one way analysis of variance(ANOVA) was used in giving answers to the hypotheses posed. The data collected was analysed using Minitab 17 software.

- Discussion Rule

Null hypothesis will be accepted when $P<0.05\%$ while it will be rejected when $P>0.05\%$.

3.7 Reliability of the Instrument

The reliability of the instrument was established using test re-test method. Copies of the questionnaire for the study was administered to 10 (40) respondents the reliability test. The same instrument was administered to the same respondents after two weeks of main field data collection in order to ascertain the reliability of their responses. The coefficient of reliability for their responses was tested using Pearson product moment correlation coefficient analysis.

3.8 Measurable variables (operational definition of variables)

The measurable variables for this research were the independent variables and dependable variable. The dependent variable is accounting profession (ACP). While the independent are auditor's expression of opinion on financial statement (AEOFS), auditor's detection of fraud(ADF), auditor's detection of error(ADE) Auditor's independence (AI), auditor's prevention of fraud error(AFE), auditor's prevention of error(APE).

- Regression Model specification

Model specification that was used is a function of the legal responsibility of auditors in relation to the impact it has on accounting profession. This regression model is as follows.

ACP. = F(AEOFS + ADF + ADE + AI+ APE+ AFE)---1

This model can be expressed as follows.

$Y = B0 + B_{1*}$ AEOFS + B_2ADF + B_3ADE + B_4AI + B_5APE + B_4AFE+ E.------------------------2

Accounting profession = ACP

B0 = constant.

Auditor's expression of opinion on financial statement = AEOFS).

Auditor's detection of fraud =ADF.

Auditor's detection of error =ADE

Auditor's independence =AI

Auditor's prevention of fraud error=AFE

Auditor's prevention of error =APE.

E = Error term.

- Data Presentation and Analysis

This chapter present the data collected from the field during the course of the study and the data are all presented in table and analysed.

Out of the total number of forty Nine (49) copies of the questionnaire distributed 3 copies of the questionnaire were not adequately filled. Hence, a total of 47 copies of the questionnaire were used by the researcher. Result of coefficient of reliability test indicates that the responses of the respondents at P<0.05 is reliable.

Table 4.1 Responses Rate of Primary Data instrument

Participants	% No. of Questionnaire administered	% No. of Questionnaire returned	% No. of Questionnaire not returned
Registered Members of ICAN	100%%	96%	4%

Table 4.1.2: Gender Distribution of Respondent

Category	Percentage (%) Responses
Male	42
Female	58
Total	100

Table 4.1.2 shown above indicates that 42% of the participants surveyed in the research are male respondent while 58% are female respondents. This implies that the study surveyed both male and female genders who are registered members of ICAN.

Table 4.2.2: Age Distribution of Respondent

Category	Percentage (%) Respondent
25 -30	17%
31-35	22%
35-40	17%
41-45	25%
46-50	11%
51-55	30%
Total	100

In respect to age categories of the respondents, result in table 4.2.2 indicates that 17% of the respondents are within the age bracket of 25-30 years, 22% are in the age range of 31-35 years of age, 17% are in age category of 35-40 years, 25% are in age range of 41-45 years of age,11% are in age category of 46-50 years of age while 30% of the respondent are in age category of 51-55 years of age.

Table 4.2.3: Marital Status of Respondent

Category	Percentage (%) Respondent
Single	47%
Married	53%
Total	100

Result in table 4.2.3 shows that 47% of the respondents are single while 53% are married. This indicates that the study surveyed different categories of respondent both married and unmarried respondents.

Table 4.2.4: Educational Status of Respondent

Category	Percentage (%) Respondent
B.Sc	56%
B.A	28%
HND	8%
M.Sc	4%
PhD	1%
MBA	3%
Total	100

In respect to educational status of the respondents**,** table 4.2.4 indicates that 56% of the respondents are B.sc holders, 28% are B.A holders,8% are HND holders, 4% are M.sc holders 1% are PhD holder while 3% are MBA holder. These qualifications of the respondents are in addition to ICAN qualification attained by the respondents.

Table 4.2.5: Auditing Experience of Respondent

Category	Percentage (%) Respondent
2-4 years	61%
5- 8 years	25%
9-12 years	14%
Total	100

Table 4.2.5 indicate that the participants who are surveyed have various years of auditing experiences. The result shows that 61% of the respondents have 2-4 year experience in auditing, 25% have 5 – 8 years while 14% of the respondents have auditing experience of 9-12 year. This implies that the respondent who are registered members of institute of charted accountants of Nigeria (ICAN) possess some level of experience in auditing as accounting profession.

- Research Question 1: How Does Auditor's Expression of Opinion on Financial Statement Affects Accounting Profession?

Respondent Responses to Research Question 1 Presented in Table 4.2.6:

Table 4.2.6:

Category	Percentage (%) Respondent
To a very high extent it affect accounting profession Positively	67%
Moderately affect accounting profession positively	17%
Has no effect on accounting profession	16%
Total	100

In respect to research question 1, result shown in table 4.2.6 indicated that 67% of the respondents agreed that the expression of auditors opinion to a very high extent affect accounting profession,17% responded that it is to a moderate extent that it affect the profession while 16% responded that there is not effect at all. From the responses of the respondents, the percentage responses of those who responded that the expression of auditor opinion have positive effect is high among other respondent. Hence, it implies that when auditors give their opinion on financial statement it has an effect on accounting profession. This address the question posed in research question one.

Research Question 2: To what extent do auditor's independence affect accounting profession?

Respondent Responses to Research Question 2 Presented in Table 4.2.7:

Table 4.2.7:

Category	Percentage (%) Respondent
Very High extent	42%
High extent	39%

Moderate extent	11%
Low extent	8%
Total	100

Result in table 4.2.7, in addressing question 2 shows that 42% of the respondents agreed that auditor's independence affect accounting profession, 39% agreed and responded that it is to a high extent,11% responded that it is to moderate extent while 8% said it is to a low extent. The responses among the respondent is a clear indication that the independence of an auditor really have an effect on accounting profession as indicated in table 4.2.7 above.

- Research Question 3: To what extent do auditor's detection of fraud affects accounting profession?

Respondent Responses to Research Question 3 Presented in Table 4.2.8:

Table 4.2.8:

Category	Percentage (%) Respondent
High extent	56%
Very low extent	44%
Total	100

In regard to question raised and posed in research question three, result in table 4.2.8 shows that 56% of the respondent agreed that auditor's detection of fraud affect accounting profession to high extent. While 44% responded that it is to a very low extent. The positive high responses noted among those who agreed to a high extent is an indication that fraud detection in auditing have a positive effect on accounting profession. This means that when an auditor detects fraud, it positively contributes to the credence of accounting profession.

- Research Question 4: To what extent do auditors detection of error affect accounting profession?

Respondent Responses to Research Question 4 Presented in Table 4.2.9:

Table 4.2.9:

Category	Percentage (%) Respondent
High extent	56%
Moderate extent	28%
Low extent	17%
Total	100

Responding to research question 4, result in table 4.2.9 depict that 56% of the respondent agreed that detection error by auditors have high extent effect on accounting profession while 28% responded that it to a low extent. From the responses of the respondent, it is evident that the detection of error by auditors have effect on the profession. This implies that the ability of an auditor to detect and isolate error in financial statement is an evidence that accounting profession is significant in any given society.

- Research Question 5: To what extent do auditor's prevention of fraud affect accounting profession?

Respondent Responses to Research Question 5 Presented in Table 4.2.10:

Table 4.2.10:

Category	Percentage (%) Respondent
High Extent	78%
Low Extent	22%
Total	100

In answer to research question 5, table 4.2.10 shows that 78% of the respondents agreed that auditor's prevention of fraud in auditing financial to high extent have effect on accounting profession while 22% responded that it is to a low extent. The responses of the respondents are clear indication that auditor's prevention of fraud contribute positively to accounting profession.

- Research Question 6: To what extent do auditor's prevention of errors affects accounting profession?

Respondent Responses to Research Question 6 Presented in Table 4.2.11:

Table 4.2.11:

Category	Percentage (%) Respondent
Very High extent	42%
High extent	39%
Moderate extent	11%
Low extent	8%
Total	100

Result in table 4.2.11, in addressing question 6 shows that 42% of the respondents agreed that auditor's prevention of error affects accounting profession, 39% agreed and responded that it is to a high extent,11% responded that it is to moderate extent while 8% said it is to a low extent. The responses among the respondent inferred that prevention of error in financial statement account for excellent positive effect in accounting profession.

V. HYPOTHESIS TESTING

Hypothesis One : Auditor's expression of opinion on financial statement do not significantly affects accounting profession(H_{01}).

In testing hypotheses one, analysis of variance result in appendix B indicated that P<0.05%. Hence, at this level of probability null hypotheses which is stated in hypotheses one is rejected. This means that the auditor's expression of opinion on financial statement is significant therefore, contributing positively to accounting profession.

Hypotheses Two : Auditor's independence during auditing do not significantly affect accounting profession(H_{02})

Analysis of variance result shown in appendix B for hypotheses testing 2, showed that the calculated probability level is less than 0.05% (P<0.05). This therefore, indicated that null hypotheses stated in respect of research question 2 do not hold. Hence, a null hypotheses is rejected at this level of probability. Invariably, it implies that auditor's independence have a significant role in accounting profession.

Hypotheses Three: Auditor's detection of fraud do not significantly affects accounting profession(H_{03}) .

Analytical result in Appendix B showed that that result of the respondent in respect to research question 3 posed is significant at P<0.05%. Therefore, null hypotheses is rejected at this level of probability. This indicates that auditor's detection of fraud is significant in accounting profession.

Hypotheses Four: Auditors detection of error significantly does not affect accounting profession(H_{04}).

In testing hypotheses four, result in appendix B number 4; proved that the responses of the respondent to research question 4 is significant at P<0.05%. Therefore, null hypotheses stated is rejected at this level. This implies that auditor's detection of error is highly significant in accounting profession and contributes positively to the profession.

Hypotheses Five: Auditor's prevention of fraud do not significantly affect accounting profession(H_{05}).

The test result in appendix B number 5; shows that the responses of the respondent in regard to research question 5 is significant at P<0.05%. Hence, at this level of significance null hypothesis posed in respect to research question 5 is rejected.

Hypotheses Six : The prevention of error by auditor's significantly do not affects accounting profession(H_{06}).

At P<0.05% the results obtained in respect of research question 6 is significant as indicated in appendix B number 6. Therefore, a null hypothesis is rejected at this level of probability.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

Participant in the research are made up of male and female respondent who are of various age categories with different educational qualification and are ICAN certified. The respondents are both married and unmarried participant from south east zone, south south and south west zones.

It was noted that most of the respondent have some years of experience in auditing as an accounting professional. Findings of the study showed that auditor's expression of opinion ion financial statement plays a significant role in accounting profession and that has effect on the profession. This could be due to that fact that the expression of an auditor enables the end users of a financial statement to have full knowledge of the position of a financial account. This finding agrees to Sidek (2008) according to his findings auditors responsibility in auditing if not properly carried out takes a few scandals to crash the stock market and such also affect accounting profession and for such, expression of auditor opinion in financial statement is necessary. Findings also showed that auditor's independence has positive effect on accounting profession. This is because their independence will enable them to be fair in the auditing procedure.

It was also noted in the findings that detection of fraud by auditor's will contribute positively to the credence of accounting profession. This result may be due to the fact that when a fraud is detected on it can be correct to prevent economic break down. In like manner it was also noted that auditors detection of error will enable a fair and just accounting statement that will enable it users have a clear picture of the true financial statement and be able to work with it. The prevention of fraud by auditors also, was seen to have a high positive effective on accounting profession as it give positive credence to accounting profession in Nigeria. The findings also showed that the prevention of error by auditor also a have positive link in giving credence to accounting profession. This may be due to the fact that auditing has enabled most establishments to fore see impending danger in their organization due to accounting error.

This findings agrees to what Woolf (1985) said, according to woolf auditors as a breed has not become more negligent but the real problem is related to auditor's own perception of auditing during auditing and that of the public whom the serve and such perception affect accounting profession either positively or negatively. The finding also agrees to what Izedonmi (2000:83) said. According to him, auditors carrying out his or her legal responsibility in auditing without bias and undue influence, be it internal or external influence will contribute positively to accounting profession.

5.2 Conclusion

It is evident from this research that auditors play significant role in auditing financial account since they authenticates the correctness of financial information that is passed to the end users, which is done based on auditor's professional code of ethics and regulation(legal responsibility). It is worthy of note that auditors occupy the central role in accounting profession in bridging the communication gap between the management of an enterprise, and the end-users of the published financial reports. It is worthy of note too that auditors attitude in carrying out their responsibility in auditing has effect on accounting profession be it a positive or negative attitude being displayed. Hence, good or excellent attitude among auditor in auditing has a power influence on auditor's credibility and in accounting profession thereby having great significance in auditing process. Therefore, it can be clearly concluded that auditor's responsibility in auditing actually have impact on accounting profession.

5.3 Recommendations

Financial records of any organization needs to be audited over a period to ascertain the financial position of the organization. For this to be actualized, it is the duty of accounting professional to audit and authenticate the correctness of financial report. The attitude of auditors in carrying out these responsibilities in the course of auditing has impact on their credibility and on accounting profession. Based on this, it is recommended that.

- Auditors should be conscious of their legal responsibility as accounting professional during auditing activities.
- They should be free from the influence of internal or external factor which could affect their profession.
- Auditors should be independent and have excellent or good attitude in auditing which is needed in accounting profession.
- Adequately authenticate financial statements in order to be credible in accounting profession.

REFERENCES

[1] Abiodun, E. (2008), "*How shareholders' association Terrorise quoted Companies"*, This Day, 1(112):4638 *Accessed: 15 February 2010.*

[2] Adeduro, A.A. (2012): "*An investigation into frauds in banks*". An unpublished thesis of University of Lagos.

[3] Anakudo N.E(2007) Auditing and investigates ugo press, Achara layout Enugu Pp17

[4] Adeniji, A. (2011): *Auditing and Investigation*. Lagos, Value Analysis Publishers the jurisdiction of accounting in the United Kingdom. Accounting, *Organizations and Society*, 20: 547-581.

[5] Aderibigbe, P. (2013): *Auditing:* Conceptual Emphasis. Ibadan, Lyons Ltd

[6] Aderibigbe, P. and Dada, S. O. (2007): Microauditing Principles. *Lagos ICAN Students Journal*, 11 (1): 23.

[7] Adeyemi and Uadiale (2011)The impact of structure, environment and interdependencies on the perceived usefulness of management accounting systems. *Accounting Review*, 61:16-35.

[8] Ahmad, M. C. (2008)," Distress in Banks, a general overview of the role of Directors and Auditors, *NDIC Quarterly*, 8 (12): 58-79.

[9] Ajayi, (2013). Management accounting in companies adapting to structural change and volatility in transition economies: a South African study. *Management Accounting Research*, 12: 299-320.

[10] Akinbuli (2010) Reflections on a contingent view of accounting. Accounting, Organizations and Society, 22 (2):189-205.

[11] Ali(1999)The accountability and audit of governments: A comparative study. Manchester: Manchester University Press.

[12] Alleyne, P. & Howard, M. (2005): An exploratory study of auditors' responsibility for fraud detection in Barbados. *Managerial* Auditing Journal. 20(3):284-303.

[13] Alver, J., Alver, L., Bailey, D., Christiansen, M., Mackevicius, J., Paupa, V.(1996) *Managing Accounting Change in the Baltic States*. In British Accounting Association National Conference, Cardiff.

[14] Alver, J., Alver, L., Bailey, D., Christiansen, M., Mackevicius, J., Paupa, V(1996). Managing Accounting Change in the Baltic States. In British Accounting Association National Conference, Cardiff,

[15] Ariyo, A. C. (2011), "Management Advisory Services and Audit Independence: A Cost Benefit Appraisal" Nigerian Accountant,17 (2):25.

[16] Asein, A. (2007), "*Mandatory Rotation of External Auditors*, Nigerian Accountant. 20-23Pp.

[17] Asein, A. (2013), "Managing Audit Risks", Nigerian Accountant,

[18] Bajomo, F. (2012), "*We don't need another regulatory agency in the Accountancy Profession"*, Guardian, 9 September, 58-59Pp

[19] Bologna and Lindquist,(1995). Accounting control systems and business strategy. *Accounting, Organizations and Society*, 12 (4):357-374.

[20] Bostley R. and Dover C.B. (2009): Sheldon's practice and law of banking, 10th ed, London, Macdonald and Evans.

[21] Bowerman, B. L, 0 ' Connell, R. T and Hand, M, L. (2010), Business Statistics in Practice (2nd edn), New york, McGraw-HilIJIrwin

[22] Boynton, W., Johnson, R. & Kell, W. (2005). *Assurance and the integrity of finanCial reporting. 8th edition*. New York: John Wiley & Son, Inc.

[23] Brandon (2003) Accountability in the Public Sector: Lessons from the Chal-lenger Tragedy, *Public Administration Review*, 47: 227-238.

[24] Brink, V.Z. & Witt, H. (1982), Internal Auditing. New York, John Wiley & Sons:

[25] Bundt (2000).Auditor regulation and economic crime policy in Sweden, 1965-2000. *Accounting, Organization and Society*, 30:127-144.

[26] Burnes, N. (2012), "*Accounting in Crisis"*, Business week, January, 39-54Pp.

[27] Business Week (2012), "*who else is hiding debt*", 1:39-54

[28] Byington, R., Sutton, S. & Munter, P. (1990). A Professional Monopoly’s Response: Internal and External Threats to Self-Regulation. *Journal of Corporate Accounting and Finance*, 1: 307-316.

[29] Byington, R.J., Sutton, S. & Munter, P. (1990). A Professional Monopoly’s Response: Internal and External Threats to Self-Regulation. *Journal of Corporate Accounting and Finance,* 1: 307-316.

[30] CAMA (1990), Lagos: *Federal Ministry of Information.*

[31] CANAN, 2011).*Population record of accounting professionals.*

[32] CED(1988).Original title: *Wirtschaft und Gesellschaft. Grundriss der verstehenden Soziologie. English translation: G. Roth & C. Wittich (Ed.), Economy and Society. An outline of interpretive sociology.* Berkeley and Los Angeles: University of California Press.

[33] Chow (2018)Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation. *Academy of Management Journal*, 1: 25-41.

[34] Chowdhury, R., Innes, J. & Kouhy, R. (2005). The public sector audit expectation gap in Bangladesh. *Managerial Auditing Journal*. 20(8):893 - 905.

[35] Chukwuncdu, (2009). Athenian Democracy after 403 B.C. *The Classical Journal*,75: 305-323.

[36] Colley, Doyle, Logan and Stettinius(2003). Accounting for East-West joint ventures: Tanbrands experience in the Ukraine. *Management Accounting Research*, 5:167-184.

[37] Company and Allied Mattcrs Act (1990) *As Amended. Lagos: Lawlords Publication*.

[38] Cullinan, C. & Sutton, S. (2002). Defrauding the public interest: A critical examination of reengineered audit processes and the likelyhood of detecting fraud. *Critical Perspectives on Accounting*, 13: 297-310.

[39] Dan *et al.*, (2017)Budget use and managerial performance. *Journal of Accounting Research*, *Spring.*

[40] Derek, (2006). *The philosophy of auditing. Iowa City:* American Accounting Association.

[41] Dest, P.., Buckby, S. and C. Tan (2010). Evidence of the Audit Expectation Gap in Singapore. *Managerial Auditing Journal*, 16(3): 134-144.

[42] Ding (2011). *Holding Power to Account. Accountability in Modern Democracies. Basingstoke:* Palgrave Macmillan.

[43] Dixon, R. & Woodhead, A. (2006). An investigation of. the expectation gap in Egypt. *Managerial Auditing Journal*. 21(3):293-302.

[44] Doupnik (1991),Considerations on representative government. Kitchener: Batoche Books,

[45] Dye, K. and Staphenhurst, R. (1998). Pillars of Integrity: *The Importance of Supreme Audit Institutions in Curbing Corruption.* Washington DC: The Economic Institute of the World Bank.

[46] Egbiki, H. (2006), "*Whistle Blowing Culture Imperative for Anti-corruption crusade*", The Guardian, 17 July, Pp56-57.

[47] Ekwueme (2000) Reliance on budgetary control, manufacturing process automation and production sub-unit performance: a research note. *Accounting, Organizations and Society*, 17:185-239.

[48] Ekwueme, (2000). Management accounting: a German perspective. Management Accounting: European Perspectives. Oxford: Oxford University Press *Influencing contingencies on management*p. 100:122.38