FACULTY OF COMMERCE

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The relationship between audit engagement workload and audit quality.

The case of KPMG Harare.

BY

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Approval Form

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Dedication

This research is dedicated to my beloved parents, siblings and their families namely Mr and Mrs Gumbo; Farai and family; Keith and Primrose and family. I love you all.

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I thank Jehovah for his love and mercies that never end. Without the Lord, this project would not have been a success. Jehovah was my source of strength from beginning to the end.

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Abstract

The audit failures and fraud scandals in the corporate world have raised alarm and the growing awareness in audit firms for delivery of quality audits. This research study was on the relationship of audit engagement workload and audit quality at KPMG Harare. KPMG is a Big Four Audit Firm that provides audit, advisory and tax services. In light with its external audit client's fiscal year ends, they tend to get clustered and the researcher observed that the audits performed during that period are likely to be of low quality. The objective of the study was to explore the factors that affect audit quality and find remedies to manage the audit quality factors. Literature was reviewed on the definition of audit quality, direct and indirect factors. A descriptive research design was adopted and the target population was the KPMG staff which was selected by stratified random sampling and convenience sampling. A cross sectional research design was used through questionnaires and interviews to gather primary data and the results were analyzed and presented in tables, pie charts and graphs. The measure of central tendency that was incorporated by the researcher was the mode to do an overall analysis of the data collected. The researcher found out that audits performed at year end are normally of low quality and recommended that management implement an employee retention strategy so as to maintain an adequate firm capacity, provide sufficient resources for the audit team and encourage them to do goal setting at the early stages of an audit.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter states the background of the study and the statement of the problem. Main research question, sub-research questions and the research objectives have been outlined. The beneficiaries of the project are identified, limitations encountered and delimitations are also listed. The assumptions made in the research and all the abbreviations used are stated at the end of the chapter.

1.1 Background of the problem

In the auditing profession there is a rise in expectations by the stakeholders and the ever-changing regulations in the business environment which then makes it imperative to implement the International Standard on Quality Control 1 (ISQC1), as it provides a sustainable structure for the firm's quality control. ISQC1 allows firms to raise the quality of their work holistically. There are six key elements that on which the ISQC1 is laid on which are leadership responsibility for quality in audit firm, relevant ethical requirements, acceptance and continuance of client relationships, human resources, engagement performance and monitoring of audit quality.(www.ifac.org)

This study investigates the effects of performing external audits where the client's year ends are clustered and without compromising on the quality of the audit on the financial statements. From my practical experience at KPMG a Big Four Audit Firm where I was an intern on placement I got to deduce that audits carried out with tight deadlines at year end (the busy period) are likely to be of lower audit quality when compared to audits performed under normal work conditions during the year.

At the Big Four Audit Firm one works for approximately 60-80 hours/week rather that the standard 37.5 hours/week during the busy period. KPMG clients are clustered that require

external audit services at almost the same time. It then poses a risk of using sample sizes which do not match the client's volumes of transactions as the audit team will be in a deem to meet the client's deadline. There is then a cause for concern on how to control audit quality when there is so much work to do in light of audit sampling.

Table 1.1: KPMG external audit client year end

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2013	13%	14%	12%	6%	7%	6%	6%	4%	4%	5%	11%	12%
2014	9%	10%	10%	12%	4%	8%	7%	9%	6%	6%	10%	9%
2015	10%	14%	17%	8%	3%	7%	8%	5%	2%	7%	11%	7%

Primary Source : KPMG Harare external audit department client planner(2013-2015)

The Table 1.1 above depicts a trend from 2013 to 2015 that most assurance clients have their year end from November to March the following year where about 10 to 17% of the clients are being audited during this time. It also shows that during the year from around April to Oct there is little audit work being carried out, client engagements range between 2 to 9% of KPMG's overall number of external audit clients. During my placement I got to observe that clients are clustered around December and it is the trend of the business and management is concerned about having the job done for all their clients.

Table 1.2:KPMG External audit execution hours comparison

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013												
Actual hrs	28600	29100	27400	12000	13650	12000	12000	8500	8500	9000	26000	27800
Standard hrs	26000	27000	25000	11000	13000	11500	11500	8400	8400	8500	24000	25000
Adverse Variances	(2600)	(2100)	(2400)	(1000)	(650)	(500)	(500)	(100)	(100)	(500)	(2000)	(2800)
2014												
Actual hrs	20700	21750	21750	23000	8000	17500	16000	18800	15000	15000	21750	20700
Standard hrs	18000	19500	20000	21000	7500	17000	15500	18100	14500	14500	19500	18500
Adverse Variances	(2700)	(2250)	(1750)	(2000)	(500)	(500)	(500)	(700)	(500)	(500)	(2250)	(2200)
2015												
Actual hrs	24000	28000	31000	13850	6050	13000	13850	8750	2400	13000	25000	13000
Standard hrs	22000	26500	28500	12000	5000	12800	13750	8650	2300	12800	23000	11500
Adverse Variances	(2000)	(1500)	(2500)	(1850)	(1050)	(200)	(100)	(100)	(100)	(200)	(2000)	(1500)

Primary Source : KPMG external audit timesheet schedule

The Table 1.2 above illustrates a trend from 2013 to 2015 where there are larger margins of adverse variances in the standard hours and actual hours spent to carry out external audit engagements within the range of 2000 to 2700 hours from November to March the following year. During the year the audit hours variances are as low as 100 to1050 hours from the months

May to October for the years 2013 to 2015. The busy period is characterised by the large adverse variances in the standard and actual hours spent on audits. These have been the same auditing patterns for client distribution and auditor workload from 2013-2015 which prompted the researcher to investigate the effects of the clustered audit client's year ends.

Audit quality is complying with auditing and accounting standards and applying a broad and deep understanding of the clients' operations and financial environments in which they are established using the auditors' expertise to flag and resolve issues as they arise (www.pwc.com). Wilkins,et al. (2014) stated that the most common threads running through all of these audit firms are discussions that relate to morale, workload, and audit quality.

1.2 Statement of the problem

Audit firms have challenges that most of their big clients tend to have their financial year ends at almost the same time which is in December. In an effort to meet all of their client's demands and pressures to meet deadlines it then puts the audit engagement team members under tight deadlines. The audit partners are concerned with client relationship continuance and they would push to fulfil all their client's needs. ISQC 1 suggests that is it is the responsibility of those charged with governance to ensure that a functional quality control system is in place and ethical practice is being maintained in auditing. Auditing pressure tends to arise during the busy period up to the engagement partners. This has motivated the research to be undertaken.

1.3 The Main research question

The relationship between audit engagement workload and audit quality. A case of KPMG Harare.

1.4 Sub-research questions

i) What is the role of leadership in audit quality control?

ii) To what extent is there compliance with the ethical requirements?

iii) What are the processes followed on client engagement and continuance?

iv) What is the capacity of the human resources available and the skills they possess?

v) What procedures are followed to supervise audit work on a client engagement?

vi) What would be the best practise to promote audit quality?

1.5 Research Objectives

i)To establish the role of leadership in terms of quality control.

ii) To establish the ethical requirements that should be complied with.

iii) To establish the auditing processes on client engagement and continuance.

iv) To analyse the capacity and skills possessed by the current human resources available.

v) To establish the supervision process to be followed when auditing.

vi) To establish the best practise that promotes audit quality.

1.6 Significance of the study

To the researcher

This research is a partial fulfilment of requirements of the researcher's Bachelor of Commerce Honours Degree in Accounting with Midlands State University.

To the audit firm (KPMG)

This research will be used to give recommendations to management for adoption on the best practices that promote audit quality.

To the university (MSU)

This research will be an addition to the university's library to provide literature for other researchers who are to research on related topics.

1.7 Limitations of the study

i) Accessibility of the auditors- The researcher found it difficult to get hold of the auditors so as to interview them due to their many work commitments. Communications were then made through phone, electronic mail and Skype.

ii) Financial constraints- There were inadequate financial resources to fully fund the research for printing, transport and phone calls. The researcher had to use electronic mails to aid

communication. She had access to the school free internet and some financial sacrifices were made to make the study a success.

1.8 Delimitations of the study

This research is limited to KPMG office in Harare. It covered the period from January 2013 to December 2015.

1.9 Assumptions

In this research the following assumptions were made:

i) All the respondents to the questionnaires gave truthful responses adequate enough to make reasonable inferences.

ii) The regulatory environment in which the research was undertaken did not change.

iii) The researcher had access to all developments in audit quality accounting and auditing standards.

1.10 Abbreviations

ISQC1	-International Standard of Quality Control 1
IAASB	-International Auditing and Assurance Standards Board
EQCR	-Engagement Quality Control Reviewer
CAAT	-Computer Assisted Audit Techniques
KPMG	-Klynveld Peats Marwick and Goerdler
MSU	-Midlands State University
PCAOB	-Public Company Accounting Oversight Board
IAS	-International Accounting Standards
IFAC	-International Federation of Accountants
GAAP	-Generally Accepted Accounting Principles
IFRS	-International Financial Reporting Standards
CPD	-Continued Professional Development

1.11 Summary

In this first chapter, the researcher was outlining the background of the problem, statement of the problem and the main research question. The research is structured in such a way that it outlines the sub-research questions and the research objectives. Therefore the research seeks to find the relationship of audit engagement work load and audit quality and be able to come up with feasible recommendations to offer audit firms and literature for other scholars. The limitations, delimitations and assumptions made are stipulated. Chapter two will be on literature review by other experts on the problem being researched.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter serves as an evaluation of the literature by other scholars on the research topic. It covers the audit quality definition, role of leadership in audit quality control, ethical requirements to be complied with to achieve audit quality and the auditing processes on client engagement and continuance. The chapter also covers an analysis of the capacity and skills possessed by audit staff, supervision processes followed when auditing and the best practises that promote audit quality.

2.1 Audit Quality Definition

Audit quality has been defined as the likelihood to discover and report a material misstatement by the auditors due to their technical capabilities, as cited by DeAngelo (1981). The functions of the definition are detection of material misstatements (technical capabilities) and reporting the material misstatement (auditor independence).Abubakar, et al.(2005) supports the notion that auditors should always maintain their independence in providing high quality audits as it enhances credibility of the financial information to be relied on. Treasury (2010) also suggests that lack of auditor independence impairs auditor's ability to exercise objectivity and affects the credibility of the overall audit process. In an article by (Manita and Elommal , 2010) they argue that audit quality should be measured in terms of the audit process not the "auditor quality".

The other function of the definition of audit quality focuses on knowledge and capabilities of the auditors and these factors are directly related to audit quality Hai (2016).In a study by Wooten (2003) Auditor technical capabilities play a vital role in discovery of errors in the audit process. Audit quality is the degree of assurance that accounting standards are being applied faithfully to show the true value of a client's underlying economic activities and it requires competent auditors to analyze and conclude Gunny and Zhang (2013). The FRC Audit Quality Framework (2008) identifies some of the audit quality attributes to be the effectiveness of audit process and the skills and personal qualities of the audit team.Chadegani (2011) is of the opinion that the

purpose of auditing financial statements is to provide assurance on the financial statements; audit quality is the probability that financial statements are free from material misstatements.

2.1.1 Audit Quality measurement

Bing et al (2014) is of the opinion that audit quality falls into two broad categories- direct and indirect definitions. Sulanjaku and Shingjergji (2015) indicate their support for the categorization and their further list the factors that fall under direct and indirect measures. Direct factors are related to the entity being audited like their financial reporting as per the IAS's, company performance, earnings quality and quality control reviews. The indirect factors relate to the auditing factors and focuses on audit firm size and characteristics, auditor tenure, industry expertise, audit fees, auditors' reputation, auditors' dependence and provision of non audit services.

Direct Measurement

i) **Financial reporting process as per IAS's**

DeFond,et al. (2010, cited in Bing,et al.) suggested that an audit of high quality is as per the auditing standards to provide reasonable assurance and that the financial statements are free from any material misstatements. Clinch (2010) is in support of the opinion since he supported stating that audit quality is part of the accounting information disclosed quality.

ii) **Company performance**

Al –Khaddash, et al.(2013) stated that the effectiveness of an entity's internal control has a bearing on a company's performance and it is the responsibility of management to design such a system so as to provide reasonable assurance. Krishnan (2005) further analyses that internal controls are a purview of audit committees and that the relationship between audit committee quality and internal control effectiveness should be investigated. Another opinion in support of the direct audit qualities for company performance by Fornelli, et al. (2016) is that company bankruptcy can be used to measure audit quality if a going concern qualification had been issued by the auditors prior to the bankruptcy.

iii) Earnings quality

Sulanjaku and Shingjergji (2015) opined that most companies in developing countries want to avoid paying so much income tax, if a company shows profits that are close to reality means that the auditors are efficient and professional in their duty execution. The higher the presumptions of a quality audit the higher the client earnings being reported and there is also a perception that the lower the earnings being reported the audit is thought to be of poor quality.

However there are some exceptions (Manita and Elommal,2010) argue that audit quality should be measured in terms of audit processes and emphasis should be placed on examining the different stages of the audit process. They also claim that the indicators of the audit process may not be as obvious as those of the auditors.

i) Audit firm size

DeAngelo (1981) theory proposes that the quality of an audit increases as the size of the audit firm increases as they will be having more equipment. Al-Khaddash (2013) is of the idea that large audit firms are more resistant to client management pressures hence they do not compromise on audit quality. Hosseinniakani, et al. (2014) says that large audit firms provide continuing professional development to their employees therefore they can perform high quality audits as they possess higher technical knowledge. On the other hand Mohammed and Habib (2013) argue that there is no difference in small or large audit firm with regards to audit quality for they can reach the same level of audit quality.

ii) Industry expertise

Wooten (2003) has a view that an audit firm with multiple clients in the same industry and having serviced the clients for long allows them to enjoy the benefits of having in-depth understanding of a particular industry and its audit risks. Audit quality is positively related to auditor industry expertise and audit firms consider it an incentive to invest in expertise and desire industry-based clients Hussein and Hanefah (2013)

iii) Auditor tenure

According to Stanley and Todd (2007) during the first years of audit tenure the client might not be able to benefit from the auditor's expertise as they will be still getting to understand the client's business and the audit might not be of good quality. However, Ghosh and Moon (2005) argues that long serving auditors may surrender their independence so as to maintain a good relationship with their clients and it may pose negative association with audit quality

iv) Audit fees

Hay and Davis (2004) suggest that greater audit fees are normally charged by large audit firms as they have more qualified auditors and most clients prefer them because they believe they capture higher quality audits. Hosseinniakani et al (2014) also says that in terms of brand names large audit fees want to maintain their market credibility and they hire skilled qualified personnel who are expensive to pay and during engagements they perform all the relevant audit procedures to achieve quality audits. However, for audit firms to protect their reputation they do not have to receive high audit fees as a condition to conduct high quality audit work as suggested by Svansberg and Ohman(2013).

v) Auditor's reputation

Hosseinneiakani (2013) asserts that large audit firms have a reputation to maintain, they also wish to enhance it by presenting more accurate audit reports which may have an effect on the audit fees they charge. Whereas on the contrary Defond, et al. (2002) says that high audit fees charged for the brand name may have an adverse effect on the auditor's independence and so their reputation.

vi) Auditor's dependence and provision of non audit services

Sulanjaku and Shingjergji(2015) posits that if an auditor offers other different services to their audit client for extra revenues caution has to be taken as it may threaten auditor independence. Ghosh, et al(2009) further elaborates that large audit firms have chances of getting hired to provide non-audit services as they are considered to be competent and have the capacity to do so, in some cases audit quality is compromised.

2.1.2 The Audit Quality Framework

The International Auditing and Assurance Standard Board (IAASB) have developed a framework in the public interest which aims to contribute in matters related to audit quality in practice (www.ifac.org accessed 22/8/2016: 17:05). Chadegani (2011) also supports that audit quality can be presented as an input-process-output system and bearing all the factors that affect audit quality as structured by the IAASB. To increase the consistency of performing high quality audits the framework is structured with a number of factors which are inputs, outputs, contextual factors and interactions. The primary responsibility for quality audits rests with the auditor however audit quality is best achieved in an environment with support from all stakeholders in the financial reporting chain.(www.pcaobus.org accessed 22/07/2016: 12:24). According to the audit quality framework discussion in the PCAOB meeting (may 15-16 2013) they stated that audit quality activities occur at different levels, including the engagement team, office or region, affiliate firm and global firm levels.

Fig 2.1 Audit quality framework elements
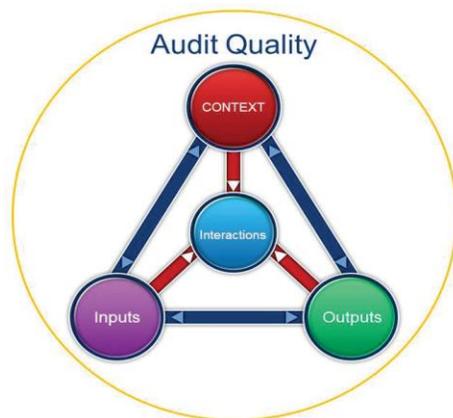
Source: Adopted from the IAASB Audit Quality Framework (2013,p19)

a) **Inputs**

   The inputs are grouped in the categories values, ethics and attitudes of auditors, the knowledge and experience of the auditors and their allocated time to finish the audit and the effectiveness of the audit process and quality control procedures. Within those categories further attributes are further organized into those that apply at the engagement level, audit firm level and at the national level indirectly for all audits undertaken in the countries the audit firms operate in.

b) **Outputs**

These are often influenced by the context, including legislative requirements. It is in the manner that some stakeholders can influence the nature of the outputs where others have less influence. Some stakeholder in the case of listed companies, the auditor report is the primary output and is currently standardized.

c) **Interactions among Key stakeholders**

Each and every stakeholder in the delivering of high quality financial reporting in this chain every one of them has a critical role to play, the way they interact has a bearing on the quality of the audit. The communications could either be formal or informal by the context an audit is performed and allows for dynamic relationships to exist between inputs and outputs.

d) **Context**

Contextual factors, including legislative and regulatory requirements also shape the interactions between stakeholders. The factors have an impact on audit risk, the nature and extent of audit evidence required and the efficiency of the audit process.

The IAASB also developed a system for quality control which has been in place since May 2003 which is outline in the ISQC1. The issuance of the Quality standard was to clarify on the responsibilities of partners and engagement partners in relation to the overall audit quality both at firm and engagement level. The quality control system is addresses the following elements in its policies and procedures manuals which are leadership and responsibilities in the firm, ethical requirements, human resources, engagement performance, client acceptance and continuance, engagement quality control review and supervision.

2.2 The role of leadership in audit quality

Krohmer and Noel says that in the global business environment leadership has the responsibility to deal with all the intensifying expectations from the stakeholders and they are being faced with challenges. The Center of Audit Quality is of the opinion that audit quality reporting is influenced by the "tone at the top in an audit firm", this notion outlines that leadership has the responsibility to develop, implement and operate the firm's quality control system. The approach followed by the "tone at the top" is as follows:

a) Strategy

An audit firm's strategy may include statement on firm values that portray their strive to deliver services of excellence, development of their employees and the development of systems that enhance client value (www.ifac.org 22/08/2016: 16:47). The case with Big Four Audit Firms is that they explicitly state that in safeguarding their reputation they are guided by principles. Geiger and Rama (2006) also observed that Big Four audit firms render higher quality services than other institutions. Emphasis is placed on integrity, honesty and objectivity for the engagement team to follow the principles so as to ensure audit quality is achieved. Audit firms also embed values statements, audit training, global code of conduct and internal communications to accomplish quality audits for their assurance clients. Beattie et al (2013) suggests that it is the partnership's responsibility to maintain a high level of technical and service quality for their assurance clients.

b) Communication of Firm's Strategy

The firm's leadership at all levels through its consistent emphasis and action messages of the importance of audit quality creates an internal quality-oriented culture (www.ifac.org accessed 22/8/2016 14:54). A constant reminder always has to be given to the audit teams by management to perform their work as per the legal, professional and regulatory requirements. To reinforce the firm's view on audit quality such actions and messages can be communicated through meetings, training seminars, formal or informal dialogue, mission statements, newsletters or briefing memorandums.(ISQC1).Citing Sulumain (2011) auditors themselves are not sure of the level of audit quality they are supposed to produce this would not be an issue if expectations were properly communicated. In some situations auditors engage in dysfunctional behavior which has an effect on audit quality and is a result of factors under leadership's control that could have been prevented if all the necessary communications had been made. Svansberg and Ohman (2013)

c) Job Description

It is useful that management have quality elements formally documented in audit personnel's job descriptions. There is an understanding that audit firm reputation is directly affected by

the actions of an individual audit junior, manager or partner hence, emphasis is placed in the partnership agreements and employments contracts on the acceptable conduct. Al-Khaddash et al (2013) supports the notion and further states that high quality audits and excellence are achieved through consistency in providing quality audits and the firm can indicate in employee contracts how they value quality audits. Auditor reputation for audit quality is valuable and it is the duty of all personnel to safeguard and enhance it (www.icaew.com 22/8/2016: 13:23) .Management stipulates the need for competence in execution of tasks, commitment to firm strategy, continued professional development and performing high quality audit work to set an example for subordinates (www.ifac.org 21/8/2016: 15:05).

d) Performance Appraisal

According to ISQC1 a positive tone in the firm is set if the appraisal system in place outlines a direct and clear link between rewards and quality performance. There has been a recommendation that when promotions decisions are being made considerations should be made on the performance of personnel on an engagement. There is need to identify if an individual had in-depth understanding of client business and risks, responsiveness to unexpected conditions during the audit, development of innovative audit approaches, professional skepticism and knowledge of accounting principles and practices (www.ifac.org).

e) Monitoring

To ensure that the policies and procedures established by the firm's leadership are operating effectively and being complied with in practice, regular monitoring is required. Morris (2014) supports that management is responsible for setting and maintaining the tone in the audit firm as they are responsible for influencing the decision making style of their subordinates during audits. The quality control system should be well documented in the policies and procedures manual, tested, get feedback from individuals, the results should be documented and where necessary modifications can be effected. In setting the tone at the top ISQC1 requires that an effective control environment be set in the firm to ensure that all the employees understand their responsibilities, authority and the commitment to act ethically.

Undoubtedly, audit firm leadership will always set the tone for a delivery of high quality audits through the development of new strategies, investments in training people, enhancement of a monitoring process and the creation of communications of their personnel.

2.3 Compliance with ethical requirements for audit quality.

The IESBA has a code of ethics that it has established which auditors in public practice are required to adhere to.(www.ifac.org accessed 22/8/2016: 13:45) ., Auditors are governed by the IESBA code which has the fundamental principles as integrity, objectivity, professional competence and due care and professional behavior.

2.3.1 Compliance with ethics at engagement level

According to the IAASB Audit quality framework during an audit the engagement partner has the responsibility for performing a quality audit; he then has a critical role in ensuring that the engagement team exercise values, ethics and attitudes necessary to support a quality audit. Moeinnadin et al (2013) supports the notion and further states that it is a requirement of the law to perform quality audits. The key attributes are :

i)   The engagement team to recognize that the audit is being performed in the wider public interest. The audit team needs to perform the audit for the wider interest of the entity's stakeholders hence reasonable appropriate judgments have to be made. According to Mohamed and Habib (2013) and auditor's independence could be judged based upon the auditor's appearance (external assessment made by the public) if there are no potential conflict of interest.

ii) Engagement team to exercise professional skepticism. Unless auditors are prepared to challenge management assertions they would not be able to evaluate the results obtained in planning stage and during the audit and reach the appropriate conclusions. Hai (2016) supports that to achieve quality audits when the auditor has less confidence in their client or where there are abnormalities the auditor needs to exercise professional skepticism and perform additional procedures.

iii) Engagement team to exhibit professional competence and due care. It is a requirement that all the audit team members maintain an appropriate level of professional knowledge and acting thoroughly on a timely basis. Hai (2016) noted

that there is a positive relationship between audit quality and the auditor's knowledge and capabilities.

iv) Engagement to team to demonstrate its objectivity and integrity. Al-Khadhash(2013) supports that Audit quality is achieved in an environment where management and audit staff exercise integrity. Auditors are required by these principles not to compromise their professional judgment because of bias or conflict of interest.

v) Independence of the engagement team. Independence is a prerequisite to all those in audit practice both in mind and appearance so that they can act with integrity and objectivity in their audit work. Moeinaddin, et al.(2013) suggests that if Non-Assurance Services (NAS) are provided the consulting fees have an effect on auditor independence and audit quality. Lin and Tepalgul (2015) support the idea that NAS are more profitable and the partners may end up neglecting the actual audit work and compromising audit quality. There are some threats that the auditor can face before or during the audit of self-interest, self-review, advocacy, intimidation and familiarity threats.

2.3.2 Compliance with ethics at the Firm level

The Audit Quality framework of the IAASB (2013) states that an audit firm culture has a great impact on the ethics, values and attitudes of the engagement team members and audit partners because the environment they work can affect their mindset and way they discharge their duties. The key attributes to create a culture where audit quality is valued are:

i) A firm that promotes personal characteristics essential to audit quality. It is important that partners and staff are appraised and promoted based on the quality of their audits.

ii) Financial considerations are not drivers of making decisions that may have a negative effect on audit quality. Implementing cost cutting measures for the number of partners in the firm compromising audit quality, winning clients at the expense of audit quality and marketing non-audit services to clients to the detriment of audit quality is not acceptable. Svansberg and Ohman (2013) discuss that the bidding of audit contracts gives rise to potential conflict between

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controlling audit quality and the costs as there will be time budgets. Swiney and Pierce(2006) also highlight the cultural norm in audit firms that overtime is normally not paid for to cover for unattained time budgets.

iii) Audit firm encourages audit members to consult where they are faced with difficult matters. Auditing often requires complex judgments and decisions to be made, it is vital that the leadership encourages a culture of consultations so that matters are fairly dwelt with as they arise.

iv) Emphasis is placed on having high-quality technical support access for all partners and staff. The firm has a responsibility to keep their employees up-to-speed with developments in financial reporting, ethics and auditing standards, corporate and tax laws and regulations. Chen, et al.(2009) states that compliance with the Generally Accepted Auditing Principles is closely related to the auditor's capabilities and knowledge of which the firm has a responsibility to continually educate its staff.

2.4 Audit process in client engagement and acceptance

According to the ISQC1 the audit firm should establish policies and procedures for client continuance and acceptance where they are to provide reasonable assurance only if :

i) Hai(2016) states that the integrity of the client has to be assessed and the firm should get satisfied that they comply with the relevant applicable accounting standards for financial reporting. To assess the integrity of an entity one has to first analyze the business reputation of the owners and those charged with governance. The audit firm should also understand the business environment in which the client operates and the practices they follow and their general attitude toward application of accounting standards on their internal controls.(www.kpmg.com accessed 2/8/2016: 16:27) Information relating to these can be obtained through background searches on the client, references from third parties and communications with the previous auditors.

ii) The resources required to perform the engagement are available and it is competent to do so. Beattie et al (2013) states that the firm needs to asses if they have the knowledge of the relevant industry, experience with the regulatory

requirements of the industry and that there is sufficient staff with the skills required. With quality in mind they need to also consider if the reporting deadline can be met, availability of an expert where needed and availability of the EQCR if they deem necessary.

iii) The firm has the ability to comply with ethical requirements especially independence. Considerations to made if accepting an engagement may give rise to a conflict of interest directly or with its existing clients, a decision has to be made if it's appropriate to accept the client. Carey and Sminett (2006) stated that long relationships with clients may cause familiarity and affect auditor's independence hence due care has to be taken before continuance with client engagement. The decision to continue with a client engagement is based on considerations from significant matters that might have arisen in the current or previous audits. Vanstraelen (2000) is of the opinion that threats may arise in practice if the auditors get to know that the client is considering switching them and might end up issuing a clean audit report so as to retain the client which might compromise audit quality. In other cases where a client engagement had been accepted and the firm then obtains information that would have caused them to decline the engagement if the information had been known earlier certain procedures will have to be followed. Assessments need to be carried out if there is legal responsibility to report to the regulatory authorities or if it's possible to withdraw from the engagement.

2.5 The capacity of audit personnel available and skills possessed

2.5.1 Time, knowledge and experience of audit personnel-engagement level

Audit engagement partner has the responsibility for being satisfied that the engagement team has the competences and sufficient time to obtain audit evidence before issuing an audit opinion. DeAngelo (1981) states that audit quality is the probability that an auditor will discover and report an error or misstatement. It takes a certain level of skill to be able to detect the errors Al-Khaddash (2013) then supports that there is a direct relationship between audit quality and the auditor's skills. The key attributes that need to be assessed are that:

i) Partners and staff have the required competences. According to Morris (2014) technical capabilities such as work experience, certification type increases audit remuneration and perceived audit quality. While not all the member of the engagement team may not possess the same level of competences it the duty of the engagement partner to ensure that the team has the right composition of skills. In some situations there could be need for the work of an expert in Information technology or taxation which may be obtained within the firm or from external sources.

ii) The engagement team understands the business of the client. It is vital in the audit process to understand the risks associated with a client so as to determine the risk of material misstatements and identify areas where there will be need for intensive audit procedures. The auditor needs to have industry knowledge, relevant regulations in the industry and accounting issues that can arise for that particular client. This stance is supported by Hammersley (2006) who states that if an auditor has an expertise in a certain industry it increase his likelihood to detect errors.

iii) Partners and engagement team members make reasonable judgments. In general auditing is a profession that requires one to exercise integrity, objectivity and professional skepticism to reach any decision based on judgment. There is need to identify the matter, apply knowledge of business, research on the topic, evaluate alternatives available ,in reaching a conclusion consider if appropriate audit evidence has been obtained and conclude and document. Moenaddin,et al. (2013) says that audit quality is directly influenced by the quality of the audit process hence in applying all principles in the process quality is attained.

iv) Active involvement of the engagement audit partner in risk assessment, planning, supervision and review of work performed. The structure of the new audit report now requires the name of the engagement partner which provides a greater sense of personal accountability.(www.ifac.org accessed 23/7/2016: 17:16) As engagement partners may not make time to be available and help with the planning, evaluation of audit evidence and reaching conclusion they now have an obligation to pay attention.

v) The partners and staff should have sufficient time to carry out the audit engagement in an effective manner. The setup in an audit firm is that many entities are audited

concurrently and at times under challenging timetables. It is very important for the management to plan to ensure that adequate resources will be available to gather appropriate and sufficient audit evidence. Palmrose (1986) investigated audit effort based on the actual audit hours and found that Big Four audit firms use more hours as they conduct quality audits. Audit engagement partners are accountable for the audit fees and if they are restricted by management it puts pressure on the engagement team to reduce testing. This in turn, threatens the quality of the audit.

2.5.2 Time, knowledge and experience of audit personnel-Firm level

An audit firm's policies and procedures methodology has a bearing on the required knowledge, expertise and time required to deliver quality audits. The key attributes are that:

i) Engagement teams should be properly structured. In human resources allocation strategic considerations have to be made and not only allocate the experienced staff to the firm's prestigious clients at the expense of the other small clients.(www.accaglobal.com accessed 8/8/2016 :13:24) Allocation of resources should be based on the skills and experience, estimate of time commitments and audit partner rotations for ethical compliance. Leventis and Caramanis (2005) support the position that there should be partner rotation for ethical requirements so as to not compromise on independence as a result of familiarity and affect audit quality.

ii) The staff and partners have adequate time to deal with difficult issues as they are flagged to them. Senior audit staff and partners normally have a number of audits at one time this normally lead to a concentrated periods of activity "busy period". It is crucial that the partners anticipate and manage possible time conflicts and appropriately allocate responsibilities. According to Leventis and Caramanis(2005) exhibited that Big Four Audit firms commanded higher audit fees as well as audit hours which in-turn results in high quality audits in support of the IAASB Framework.

iii) The less experienced staff is provided with appropriate "on-the-job" coaching by the senior experienced staff. Audit firms are concerned about the professional development of their people hence it is necessary to have performance appraisal

programs in the firm to identify where an individual lacks a certain skill. In a firm where the partnership understands the importance of providing effective coaching they cultivate an environment where an individual can develop certain essential skills and competence.

iv) Training should be given to the audit partners and staff on audit, accounting and where necessary on any industry specialized issues. Accountancy bodies such as IFAC have requirements relating to continuing professional development, project management and communication skills being taught that are necessary in delivering quality audits by the audit personnel.

2.6 The procedures followed for supervision and review of audit work

2.6.1 Supervision of Audit work

The audit firm should have policies and procedures that allows for consistency for delivering quality audits. Through supervision and coaching the firm would be able to :

i) Track the engagement team's progress

ii) Analysis of the engagement team's competences if they are properly applying the auditing standards and if they are working as per the audit plan. Suyono (2012) suggests that repeated work in a long time will lead to quality audits being performed by the audit staff and a certain level of monitoring has to be in place to achieve that.

iii) Addressing any significant issues that arise during the audit, where necessary modifying the audit strategy.(www.kpmg.com accessed 6/8/2016 :15:34)

iv) Identification of difficult matters that require consultation from the experienced engagement team members.

2.6.2 Review of Audit work

For all the work done onsite and offsite by the audit juniors has to be reviewed by the senior experienced auditors. The reviewers consider if :

i) The work has been performed as per the auditing and accounting standards and any regulatory or legal requirements.

ii) Further research and considerations have been made for significant matters that would have risen during the audit.

iii) The necessary consultations have been made and documented all conclusions reached.

iv) The objectives of the engagement procedures have been achieved.

2.6.3 Consultation by engagement team members

Consultation allows for individuals to share their thoughts and ideas about any controversial audit matter and reach consensus.(www.deloitte.com accessed 4/08/2016 :12:15) There factor to be considered by the audit firm if their policies and procedures address the following:

i) Sufficient resources are at the engagement team's disposal for effective consultation to take place. In an audit firm where consultation on contentious matters has been made a culture, delivering quality audits is almost a guarantee.

ii) Apposite consultation takes place on matters considered difficult. Consultation can be on technical, ethical or any other matters and could be done internally or externally by the firm. All the firms need to lay down procedures to be followed to consult those with expertise and seniority in the audit firm to the junior audit staff that might need to consult.

iii) Conclusions reached from the consultations are documented and implemented. The results of the consultation include all the decisions made and the basis on which they were made and effected(www.ifac.org accessed 2/8/2016 : 16:26)

2.6.4 Engagement Quality Control Reviewer (EQCR)

In the firm's policies and procedures manual there is a requirement to set out the nature and extent of the EQCR, criteria for appointing an EQCR and the documentation requirements for the EQCR.

i) Quality control reviews for all listed entities have to be carried out. An analysis of the client's significant risks and how they were dealt with by the engagement team and recommendations are given by the EQCR(KPMG Audit manual)

ii) Set out procedures to recognize any other entities that might require EQCR and make sure performance the quality reviews on their audit files. It is up for the firm's consideration to understand the extent it may affect public confidence if audit report is not properly prepared and the number of stakeholders interested in the audit report.

iii) Comments from the EQCR should be implemented with all the recommendations before issuing the audit report. If there are unresolved matters that should cause the EQCR to

conclude that the audit was carried out in accordance with the professional standards those matters need to be addressed first and documented.

2.7 The best practices to promote audit quality

2.7.1 Audit processes and quality control procedures-engagement level

Audits need to be performed in accordance with auditing standards and are subject to an audit firm's procedures of quality control as per the ISQC1 of IAASB. An audit firm's methodology provides a foundation for a disciplined approach to do risk assessment, planning, audit procedures and expressing an opinion. All audit firms have a methodology that guides in performing an audit and it is always tailored to a particular audit. The key attributes are:

i) Engagement team's compliance with the auditing and accounting standards, audit firms quality control processes and any relevant laws and regulations. National laws and regulations require auditors to comply with auditing standards and ethics but there are some areas that are then specified and modified in firm's methodologies to guide their staff. It allows for flexibility in how the audit is executed but due care has to be exercised to carry the audit with efficiency and effectiveness as they are contributory factors to audit quality.

ii) Appropriate audit documentation is filed. International Standards of Auditing require that sufficient and appropriate documentation that any experienced auditor with no previous connection with the entity will be able to understand. The documentation is also used as a basis for quality control review by others who review the quality of audit work.

iii) The optimum use of information technology. The automation of the auditing process by use of Computer Assisted Audit Techniques (CAAT) helps the auditors to perform test of data and record the audit evidence gathered. Increasingly, audit firms are being provided with to the engagement teams to help implement the firm's methodology. However there are risks that over-emphasis will be placed on compliance with the audit software rather than focusing on the unique qualities of the entity being audited. Other disadvantages are that partners will work from remote areas forsaking the opportunities of on the job training to the juniors. New staff will unnecessarily spend too much time trying to learn using the software rather than focusing on understanding audit concepts.

iv) Effective interaction with others involved in the audit such as experts and internal auditors. In the event that there is need to use work of an expert it is necessary that there is effective communication between the expert and the engagement team members. The findings of the work performed should be communicated and the recipients of the information should react appropriately to the findings. For some large organizations they normally have a functional internal audit department. It is then important for both the audit's effectiveness and efficiency to communicate with the internal auditors since they have insight into the entity's operation.

v) Arrangements to be made with the management to achieve audit efficiency. Management is mainly concerned in having a quality audit performed in the least possible time so as to minimize disruption of their daily operations. The auditors need to gather audit evidence and they need to do rigorous planning and meet with management to discuss the timetables and information needs. During the audit timely resolutions of issues as they arise and striving to meet audit deadlines and avoid making duplicate inquiries on the same matter by different team members.

2.7.2 Audit processes and quality control procedures-Firm level

An audit firm's policies and procedures impact the audit process which in-turn affects the audit quality. The key attributes that can help cultivate a quality auditing system:

i) Development of an audit methodology that influences team members to apply professional skepticism and professional judgment. Majority of audit firms' supply with methodologies in form of soft wares that assist staff in achieving effective and efficient audits. The methodologies can generate working papers that can be viewed in remote areas to ensure consistency in the quality of audits performed. However if over-emphasis is placed on the automated methodologies it de-motivates the auditing staff by not giving them the room to make their own judgments.

ii) A methodology that requires effective review and supervision of the audited work. Most of the on-site work may be performed by less experienced staff. It is necessary for the audit seniors to review the juniors' working papers to assess if professional judgment was made. However, offsite review does not help in enhancing certain competences that the

less experienced staff could gain from the coaching or "on-the-job" training from the audit seniors.

iii) The methodology requires sufficient and appropriate audit documentation. Committing to the culture of writing down issues dealt with and actions taken to address the matter provides a basis to justify the thought process of the auditor. Other advantages of documenting is that it helps the audit team to plan, supervision of audit work, individual accountability of work, record for future reference and enables intra-firm quality control reviews.

iv) Effective engagement quality control reviews (EQCR) are undertaken. It allows for an objective evaluation of the conclusions reached in coming up with the auditor's report. These reviews are normally carried out on listed companies and any other companies that they deem necessary. EQCRs' have to be performed by individuals with enough experience, time and authority to do so and with the cooperation of the engagement partners' audit file being reviewed.

v) The audit methodology is implemented from developments in the audit profession and findings from internal and external assessments. Any audit manual of any firm should not be static; expectations are that it should evolve timely and continually.

vi) Rigorous audit quality control procedures should be in place, audit quality being monitored and consequential action is undertaken. Most audit firms have a global network of firms and they use the network to share methodologies that address audit quality matters. At an audit firm internal and external reviews may be carried out and the shortcomings deduced from there should be addressed accordingly and timely so that audit quality is not compromised by issues known.

2.8 Gap Analysis

The literature review has been carried out and authors like Al-Khaddish (2014) ;; Hosseinniakani et al (2014) ; Lin and Tepalagul (2015); Abubakar et al (2005);Hai(2016); Persson (2011) and DeAngelo(1981) all agreed that factors that affect audit quality measurement should be done in two categories direct and indirect factors. The classification further lists that some of the factors that affect quality are audit firm size, auditor reputation, auditor tenure, knowledge and expertise of the auditor, company performance, audit fees and

ethical considerations. On the other side to achieve audit quality management the PCAOB (2013); IAASB quality framework (2013) classifies the factors that affect audit quality mainly into inputs, processes and outputs. Beattie et al (2013) ;Moennaddin et al (2013); Bing et al (2014), (www.accaglobal.com accessed 22/07/2016: 14:32) , (www.thecaq.org accessed 22/07/2016: 17:15) are in support of the structure and application of the audit quality framework as it measures quality in stages that are at engagement level, firm level and national level.The relationship between brand name (Big Four audit firm hourly rates) and its effects on audit quality in the Zimbabwe situation if it threatens independence, potential threats for non auditor retention by client due to the high fees.

2.9 Summary

 An overall analysis has been made on the different dimensions of how an audit quality framework can be structured to help audit personnel understand the subject in discussion. Various articles, publications and journals were consulted to define audit quality and how it can be measured. The research analyzed the role to be played by leadership in audit quality, necessary ethics to be complied with to achieve audit quality and the audit processes to be followed in client engagement and acceptance. The capacity and skills of audit personnel was also dealt with, procedures to supervise and review audit work were outlined, best practices to promote audit quality and the research gap analysis. Chapter three will centre on Research Methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The chapter is on research methods to be used in data collection so as to bring about the objectives of the research. It covers the research design, population size, sampling, data sources, research instruments, type of questions, data validity, data presentation and the data analysis methods.

3.1 Research Design

According to Creswell (2009;3) research designs are plans and procedures for research that covers decisions to be made from extensive suppositions to detailed techniques of data collection and analysis. Kothari (2004;31) also defines research design as the arrangement of conditions to be collected analyzed in a manner that purports to consolidate the study's relevance with economical procedure. The research designs analyzed in the research are exploratory, explanatory and descriptive design.

Creswell (2009) also asserts that there are three main types of research approaches and these are qualitative, quantitative and mixed methods research:

a)Qualitative Research

Creswell (2009) defines qualitative research as a way of investigating and appreciating the meaning a group or individuals ascribe to a social or human problem. Christ (2009) Supports that qualitative research is mainly concerned with assessment of opinions, attitudes and behavior of the research focus group. Kothari (2004) posits that research the method entails data collection in the participant's background, analyzing the data and constructing it from particulars of general themes and making interpretations of what the data denotes.

Merits of qualitative research

According to (www.southalabama.edu, accessed 6/9/2016: 13:04) data gathered is rich in detail as it does not limit the participants to give responses confined to a certain category. Hussein,et al(2014;3) further elaborates that due to the creativity that qualitative research fosters data that is provided is in-depth and has enhanced richness. It supplies the researcher with participant's own experiences in relation to the research problem in question.

Demerits of qualitative research

Data collection and analysis is often time consuming in comparison to quantitative research. Quantitative predictions are difficult to make based on qualitative research (www.southalabama.edu ,accessed 6/9/2016 :13:04).Choy(2014) suggests that at the data interpretation stage the researcher may over-emphasize or develop new theories from the responses obtained which may not necessarily be true.

b)Quantitative Research

Williams (2007) asserts that quantitative research entails the collection of data so that information can be deduced and subjected to statistical treatment so as to support alternative knowledge claims. Locke, et al.(2010;89) is of the perception that if something really exists it must be in some measurable degree or quantity. Choy (2014; 99) defines quantitative research as characterized by the issuing of questionnaires to an identified sample from a defined population.

Merits of quantitative research

According to Choy (2014; 99) the research approach is very useful in carrying out a research where there is existence of a correlation (relationship of independent and dependent variables) and outcome. When quantitative data is analyzed and interpreted the researcher is able to make a comparison on the outcome with previous researches that have been carried out on the topic.

Demerits of quantitative research

According to Hussein,et al.(2014) suggests that for the researcher to come up with accurate results it a necessary to study a large sample of the population. Choy(2014;100) also suggest that

quantitative research does not promote the research to be carried out in a natural setting in comparison to qualitative research.

c) Mixed Methods Research

Creswell (2009) considers mixed methods research to be when the researcher gathers and analyses data, integrate the findings and draws suppositions using both quantitative and qualitative methods in one study. Grafton, et al (2011; 8) supports Creswell (2009) that the key elements in mixed methods research are the integration of qualitative and quantitative methods and outlining the importance of the development of a single research.

Merits of Mixed methods research

Archibald (2016; 228) suggests that it is desirable to use mixed methods research as some shortcoming in qualitative research may be addressed by quantitative approach (this principle is called triangulation). Rice,et al.(2014;264) further elaborates that conducting an interview(qualitative) and administering questionnaires(quantitative)is used for confirmation of the accuracy of data obtained using different approaches to get defined insights and understanding. According to (www.southalabama.edu ,accessed 7/9/2016 :8:10) mixed methods enable the researcher to reach a present their research in a much precise and visually attractive manner by incorporating the use of tables, charts, pictures and words.

Demerits of Mixed methods research

According to (www.southalabama.edu ,accessed 7/9/2016 :8:10) mixed methods research requires the researcher to learn about numerous approaches and methods to effectively mix them. It is generally time consuming and expensive to conduct a qualitative and quantitative research concurrently. Driscoll, et al.(2007;25) points out that the depth and flexibility of information obtained through qualitative research may be lost when it is quantified.

Justification of using mixed methods research

Flick(2006;40) opined that the use of both research methods mutually confirm and support conclusions deduced form the qualitative and quantitative results. Complimentary benefits of using both methods providing the researcher with a fuller picture of the research problem.

The researcher used mixed methods to extend findings beyond those acquired using one method thereby enhancing the confidence in the research.

3.1.1 Exploratory Study

Vaicekauskas and Mackevičius (2014) posit that this type of research is appropriate in addressing a topic that is of high level of ignorance, uncertainty and the subject that is not well defined. Exploratory study is mainly characterized by informality and flexibility. Kothari(2004) supports the idea that it a research carried out in an area where little is known or investigate possibilities of undertaking a certain research study (pilot study).Marshall and Rossman(2006;34) suggest that this type of study is used to generate hypotheses for further research.

Merits of exploratory study

The exploratory research design helps the researcher to attain an increased understanding knowledge of a topic. It also reduces costs of carrying out a research through pre-testing. (www.universalteacher.com accessed 21/8/2016: 16:10), There is a high level of flexibility in the sources where data is collected as it uses secondary data.

Demerits of exploratory study

Exploratory research can only be used when the problems are still in the preliminary stages. Data collected may prove to be difficult to analyze and interpret as it is subjective. According to Grafton, et al (2011)suggest that if exploratory studies are used as final research the users may be mislead in reaching the wrong conclusions.

3.1.2 Descriptive Study

According to Ihantola and Kihn(2011) describe descriptive study as a more precise and valid representation of variable or factors that pertain to a research problem. Kothari (2004) says that descriptive research attempts to systematically describe the phenomenon or problem about say a community and all of their attitudes towards any matter. The aim of descriptive study is to address the what? How? When? Why? Where? How many? questions.

Merits of descriptive study

Information is easy and quick to collect. Respondents are also free to express their opinions which enhance the quality of the data collected. According to (www.southalabama.edu ,accessed 1/9/2016 :8:40) Accuracy of information is also of paramount importance to the research and this research method proves to be helpful in achieving that.

Demerits of descriptive study

Respondents may withhold some information they consider to be personal which affect the information quality. Choy (2014) suggests that researcher bias may affect the quality of the study as the researcher may record what they want to hear and ignore data which may be important because they consider it to be unnecessary for their research.

Justification of descriptive research

This study seeks to establish the relationship between audit engagement workload and audit quality and the research design was rendered appropriate for the study. Data collected heavily relied on primary data, qualitative and quantitative data was used.

3.1.3 Explanatory Study/Causal study

This type of study is structured in nature and sometimes referred to as analytical. Its main purpose is to identify if there are any causal links between the variables or factors that relate to the research problem.(www.uwc.ac.za accessed 17/08/2016 15:30). According to (www.harvard.edu accessed 20/8/2016: 14:06) Explanatory research is meant to seek for reasons of the nature of certain relationships. Kothari(2004) supports the notion that it mainly seek to clarify how and why there is a relationship between two or more aspects of a problem.

Merits of explanatory study

The research approach that is usually adopted is highly structured which eliminates getting any vague responses. Explanatory research may be used in developing research hypotheses. The manipulation of independent variables to analyze how it affects the dependent variable helps in achieving conclusive results.

Demerits of explanatory study

According to (www.reserach-methodology.net accessed 27/8/2016: 01:15) suggest that establishing a cause- and-effect relationship between two variable may be a difficult task to accomplish. In some situations it can prove to be difficult to reach appropriate conclusions based on causal findings due to the impact of a wide range of variables and factors in a social environment. Coincidences in some cases may be considered to be due to the existence of a correlation of variables which may not be the case.

3.2 Population size

Balnaves and Caputi(2001;91) suggest that population is operationally defined by the researcher, they must be accessible, easily quantifiable and directly servicing the purpose of the study. Creswell (2009;148) asserts that the size of the population should be determinable by identifying the individuals that qualify to be part of the population. The research used KPMG Harare external audit department as the whole population however, the question of the availability of the potential respondents was also put into consideration and reference to the sampling frame was used. Black (2005) defines population as a group of individuals that share a set of common attributes.

3.3 Sampling

Sampling is the segment of the total population selected to give a representation of the whole population. Blaxter, et al.(2002;163) asserts that there are mainly two types of sampling and these are classified as probability and no-probability sampling. Probability sampling is the most understood sampling approach whereas non-probability sampling is normally used in a subject where the researcher is not aware of the sampling frame for the population in question.

3.3.1Probability sampling

Simple Random Sampling

Blaxter, et al (2002) the selection of an individual in research is done randomly without following any pattern. Creswell (2009) recommends sample selection based on this method as every individual in the population has an equal probability of being selected.

Merits of simple random sampling

Balnaves and Caputi (2001) say that all the elements in the sample frame stand an equal chance to be selected therefore there is no bias in the sampling method. Black (2005) suggest that if all subjects participate the sampling method is ideal.

Demerits of simple random sampling

By chance, however, the elements that may be selected may represent one group which would not be a true representation of the whole population. Black (2005) says that it is not possible to use the sampling method if the researcher does not have the complete list of the population. The data sample is subject to change. Isolating members form a group may be disruptive.

Stratified sampling

Sample selection is done within a group of the population in question. Balnaves and Caputi (2001) suggest that this sampling system represent each group (strata) proportionately. Black (2005) defines stratified sampling as random sample from clearly identifiable groups.

Merits of stratified sampling

It seeks to get the overall and true representation of all the diversified elements in the different groups. Specific characteristics are represented when sampling with this method in the same proportion which may not be present in the whole population proportion for example (education, income levels and gender)

Demerits of stratified sampling

Marshall and Rossman (2006; 71) suggest that this sampling technique helps to facilitate comparison of responses obtained. If the groups are not clearly defined the sampling method will not be appropriate to use since there is need to acquire homogeneity in responses from each strata for comparison purposes. In some instances it is complex to determine the group classification.

Justification of stratified sampling

The researcher had in possession the KPMG external audit client's planner that lists all the individuals in the department, their job grade and the clients they are planned for. The selection process of the individuals to approach was determined beforehand randomly based on the list that the researcher had.

3.3.2 Non-Probability Sampling

Convenience Sampling

It is a method of sampling those individuals that are most available when carrying out the research. Snelson (2016) says that convenience sampling relies on selection of those that are most likely to respond to the researcher.

Merits of convenience sampling

Archibald,et al.(2015) suggests that convenience sampling saves time, money and effort as one interviews people that are readily available. If the researcher wants to ensure that the desired sample size is reached some respondents may be chosen based on this method to fill in the numbers.

Demerits of convenience sampling

It is carried out at the expense of information credibility as one may interview a person that is knowledgeable in the area of research.

Justification of convenience sampling

When the researcher visited the KPMG offices some of the employees she had planned to approach were tied up with other work commitments hence to save time she had to interview employees that were available to save time.

3.4 Sample Size

Christ (2009) proposes that selecting a large sample increases the reliability of the information to be gathered. On the contrary Tella (2015) says that a large sample is not a guarantee of obtaining accurate information.

The researcher used a sample of thirty individuals (34% of total population) from the KPMG Harare external audit department which has eighty-seven employees

Population Identity(Audit personnel grade)	Size
Audit Partners	1
Audit Senior Managers	2
Audit Assistant Managers	4
Audit Supervisors	5
Audit Seniors	5
Audit Associates	13
Sample Size	**30**

3.5 Types of Data

To effectively carry out a research it is key to collect data, there are mainly two categories of data that can be used to gather information (secondary and primary data).A further evaluation of the data sources was performed by the researcher:

3.5.1 Secondary data

Secondary data is data that was collected prior to the research being undertaken for other or related purposes to the study. In other words (www.businessdictionary.com accessed 27/8/2016: 12:16) secondary data is primary data that was collected by another researcher for a purpose other than the current one. Examples of Secondary data are books, dissertations, journals, International Auditing Standards, internet articles and these were the major sources of data in the study.

Merits of secondary data

Blaxter,et al (2002;171) opined that using secondary data is less time consuming and inexpensive because so much data has been collected before by other scholars. It is also not realistic to conduct a research in isolation to the research that has been carried out before. Boxstaens,et al.(2015) suggests that facts and findings from the literature on the research topic help to confirm, contradict or modify results obtained from the research.

Demerits of secondary data

Data that was accessible may be outdated and not be able to match up with the current position on the topic. The researcher could not access some relevant journals related to the topic on the internet for some journals that had to be purchased. Some of the information obtained by the researcher according to her discretion was not accurate as she could not also acquire the primary data to confirm its accuracy.

3.5.2 Primary Data

Kothari(2004) defines primary data as data that is being collected for the first time. The research used personal interviews and questionnaires to gather primary data. According to (www.businnessdictionary.com accessed 27/8/2016 12:20) primary data is data observed or directly collected by the researcher based on first had experience. Examples of primary data are journals, diaries, interviews and questionnaires and for the purpose of this study only interviews and questionnaires were used.

Merits of primary data

The benefit of data reliance is reserved by the researcher since they collect the data on their own. (www.accountlearning.com accessed 27/8/2016: 00:16) suggest that it is highly possible to collect data that is relevant to the study and exclude any unnecessary data. Maximum accuracy in the data collected and data analysis may be achieved on the first hand data. Some aspects that the researcher gathered through primary data she had not came across them during her secondary data collection.

Demerits of primary data

Balxter,et al (2002) is of the opinion that primary data is very expensive to collect. It takes a lot of time to gather primary data, for instance the researcher had to mail and handout questionnaires and the respondents will not always respond at the time they were asked to. It requires a lot of labour to gather primary data, the researcher had to travel to Harare KPMG offices and issue out questionnaires and set a date to go back for collection as well as conducting personal interviews.

3.6 Research Instruments

During research data collection must be carried out systematically so that it will be easy to conclude the findings. There are many data collection methods however, the researcher must bear in a mind to select a method that addresses concerns on costs, credibility of findings, time constraints and the skills required to use the technique. An analysis of different types of research instruments has been carried out:

3.6.1 Personal Interviews

It involves question and answer discussions with people and it is a technique that is incorporated to collect data that cannot be obtained through questionnaires and observations. There are also other different ways in which interviews may be conducted that is through telephone or email. Flick (2016) says that visual material can also be used during an interview to stimulate the mind of the interviewee.

Merits of personal interviews

Blaxter ,et al(2002;172) has a supposition that it allows for use of both open-ended and closed – ended questions which in-turn result in quality data being collected. An interview may involve only two individuals which enable the interviewee to be open to express all of their opinions freely. Strategic interviewing may grab the attention of the respondent and they will be available to give clarity on complex questions.

Demerits of personal interviews

Flick (2006;185) suggests that for an interview to yield quality results the interviewer should posses the required skills to effectively ask questions. Anonymity is not maintained therefore the interviewee may be discrete about giving certain details. The cost to schedule and conduct interviews was high for the researcher as the auditors where not always free to be interviewed when she travelled to their offices in Harare from Gweru.

Justification of Personal Interviews

The responses that were received by the researcher led to more questions being asked by the interviewer gaining clarity on gray areas from the respondents about audit quality. During interviews the researcher was able to denote the attitudes and emotions shown by the respondents on certain subjects which highlighted areas of extensive research.

3.6.2 Observations

The process of making an observation involve the recording of events as they occur systematically, classification of events into categories and an overall subsequent analysis of the events that happened. Marshall and Rossman (2006;98) are of the opinion that the method supposes that an individual's behaviour is expressive and purposeful of inner beliefs and values hence it is a reliable method to use.

Merits of observations

It can yield information that people are usually unable or unwilling to share with the researcher which enhances reliability of the data collected through this method. Collection of data is where and when the event is happening.

Demerits of observations

According to Blaxter,et al (2002;178) some events may happen and go unobserved which may affect the largely on the conclusion to be made. It is necessary to record everything that is observed as one may be too selective to leave out important observations. In some situations it can be difficult to get access to certain places where it would be necessary to make observations. At one extreme observing a group of participants may be time consuming during observation and afterwards to analyze and interpret data.

3.6.3 Questionnaire

It is a formalized schedule of carefully structured questions. Questionnaires are mainly used to gather formative and summative information for research. According to (www.businessdictionary.com accessed 27/8/2016: 03:56) a questionnaire is a list of survey or

research questions asked to respondents that are structured to extract specific information. The questions asked are supposed to be varied and engaging for the respondent.

Merits of questionnaires

Collecting data using questionnaires is quick and cheap compared to other methods like observation data collection. Administration of questionnaires in inexpensive when collecting data form a large population that it geographically dispersed as they can be distributed through mail or email. Black (2005) is of the opinion that questionnaires reduce the chances of bias by the evaluator since all the respondents are asked the same questions. Some people feel more comfortable responding to a questionnaire than sitting down to participate in an interview.

Demerits of questionnaires

Kothari (2004) suggests that some respondents may be too busy to take the time to fill in a questionnaire. Some individuals may be unable to respond to some questions as they cannot recall why they do certain things because they had not given it a thought to why. The quality of information obtained through questionnaires may be difficult to verify. Usefulness of information depends on the response rate on the questions asked.

Justification of questionnaires

The research is limited to the KPMG Harare office and to enjoy the benefits yielded by questionnaires the researcher emailed her questionnaires to some of the staff in the external audit department. It helped cutting on costs for the researcher and the questionnaires were scanned back to her, where there were late responses the researcher made follow-up calls to the respondents.

3.7 Types of Questions

When acquiring data consultation is required to different people so as to know their views and opinions on the subject being investigated (primary data collection).There are mainly three types of questions asked when carrying out a research which are open, close ended and likert scale questions.

3.7.1 Open ended questions

These are explanatory in nature and do not restrict the respondent to an already provided concrete answer. The business dictionary (accessed 27/8/2016: 4:35) defines open ended questions as questions were the possible answers are not suggested and the respondent uses their own words. For the purpose of the study open ended questions were also used because they allow the respondents to freely express their opinions. The questions usually begin with what, how, when, why and where and are used where statistical data is not the primary objective.

Merits of open ended questions

Open-ended questions ask for critical thinking from the respondent providing an opportunity to gain insight on diversified opinions which implies that it is rich in getting qualitative information(www.fluidsurveys.com accessed 17/8/2016 : 15:30) .Wyse (2014) supports that adequate and unlimited number of answers can be obtained on complex subjects.

Demerits of open ended questions

Digesting all the information acquired may be tedious hence it cannot be used on a large population. If the researcher has limited time to have a conversation and needs to get quick answers from the respondents this questioning technique does not prove to be helpful(www.writingcolostate.edu accessed 17/8/2016: 15:34).Wyse (2014) asserts that some responses may be buried in worthless information or may be irrelevant.

3.7.2 Close-ended questions

Respondents are given pre-selected answers that are explicitly stated to choose from and are not required to produce any unique answers (www.fluidsurvey.com accessed 17/8/2016: 15:30).According to (www.businessdictionary.com accessed 27/8/2016: 04:40) close-ended questions are structured in such a way that a set of answers from which the respondents must choose from will be provided beforehand. To ensure comparability of statistical data collected close-ended questions where used in the research.

Merits of close-ended questions

According to Wyse (2014) close-ended questions are very easy to analyze and all the answers can be given statistical value for overall interpretation of the responses. It takes less time for the interviewer to obtain responses when carrying out a research. The answers are easy to decode and there are fewer confused or inappropriate response. Comparability of responses is made possible by use of the closed-ended questions (www.snapsurvey.com accessed 17/8/2016: 16:10)

Demerits of close-ended questions

Close-ended questions may suggest an answer that the respondent might not have had limiting them to give simplistic responses provided were they thought otherwise. In the event that many response choices are given it might get confusing for the respondent. Misinterpretation of questions by respondents may go undetected by the interviewer.

3.7.3 Likert Scale questions

Bertram (n.d) defines the likert scale as a psychometric response scale that is used to obtain a participant's degree of agreement with a given set of statements in a questionnaire. Likert scales measure a single trait and it is a scaling technique that is non-comparative. It is mainly used a 5-point scale when used in survey questions. Qualitative and quantitative data can be collected using likert scales and for the purpose of this research they were incorporated.

For example:

Table 3.1 Likert scale format

Strongly agree	Agree	Neither	Disagree	Strongly disagree
1	**2**	**3**	**4**	**5**

Adopted from: Chimi and Russel(2009;2)

Merits of Likert scale questions

It is easy to read and complete for respondents. Simple to construct for the researcher. Chances are very high that it will produce a reliable scale enhancing the richness of the data obtained.

When compiling the received responses they are easy to classify (www.smartsurvey.com accessed 27/8/2016: 11:30).In an article La Marca(2011) suggests that likert surveys are efficient, inexpensive and quick to conduct for data collection.

Demerits of Likert scale questions

Bertram (n.d) suggests that central tendency bias as a result of participants avoiding extreme responses due to the aftermath consequences that might exist if they answer otherwise. Some respondents may be dishonest when answering to portray themselves as socially favourable.

3.8 Data Validity/ Data Triangulation

Flick (2006;129) defines data triangulation as a concept of integrating various sources of data that are differentiated by the place, time and person to confirm its validity. Triangulation is divided into four categories data triangulation, theory triangulation, methodological triangulation and investigator triangulation. When conducting a research the use of the qualitative and quantitative methods to focus on a single case yielded better results. The same individuals that were interviewed (qualitative data analysis) were also given questionnaires (to deduce quantitative data) to fill in .Blaxter,et al. (2002;85) supports the notion that data triangulation involves the verification of findings from a qualitative method by use of a quantitative method. Balnaves and Caputi(2001) further emphasize that it incorporate the use of qualitative and quantitative methods to study the same problem. Maxwell (2005) says that data triangulation reduces chance of systematic biases from a specific method and allows an improved assessment of the generality of the justifications that an individual formulate.

3.9 Data Presentation

In order for data to be useful it is vital that it is represented in a certain way that enables it to be easy to visualize, interpret and make comparisons of relationships or trends that may exist. Different types of graphs and table were used in the research to present the data collected.

3.9.1 Histogram

Olsen (2004) defines a histogram as a graphical representation of a frequency distribution. The vertical axis depicts the observation frequency and the horizontal axis is broken into segments showing the intervals of the scores.

Merits of Histograms

It is visually strong in data representation. Graphing large data sets is enabled by a histogram. Intervals can be changed to analyze which gives a better description of the data being represented.

Demerits of Histograms

Data is presented in groups making it difficult to read the exact values. It is difficult to compare two data sets on one histogram. Histograms are used for numerical data only.

3.9.2 Tables and Figures

Archibald,et al(2015) says that these signify an effective way of summarizing information. Balnaves and Caputi (2001) states that they are best used to identify and extract single bits of information, grouping data and trend analysis and enabling comparability of group responses. There are components that should be indicated on tables and graphs: they should be numbered, appropriately labeled and tables usually have columns. To summarize some information tables and figures where used for the purpose of this study.

Merits of tables and figures

These work as concise and precise tools to convey statistical information. Use of figures enables data features to be noticeable at a glance in a research article.

Demerits of tables and figures

Tables and figures are ineffective when seeking to show a trend over a certain period of time. Construction of tables may be time consuming if there is a lot of data to be analyzed.

3.9.3 Pie Charts

A pie chart is a diagram that is in the form of a circle and its proportions are clearly marked. Black (2005) suggests that it is good to use since it gives an immediate idea of the relative sizes of the pie chart proportion. Hox and Boejie (2005) assert that a pie chart is a good method of presentation if one wishes to make a comparison of a part of group with the whole group. Pie

charts will be used in the research to analyze the proportion of client clustering for the whole year.

Merits of pie charts

Pie charts are considered attractive because most people find them easy to understand. It also displays the total percentage for each group. The data visualization chart eliminates the need to examine underlying numbers for the readers. According to (www.smartsurvey.com accessed 27/2016: 11:15) Data can also be manipulated in the circle to emphasize a point.

Demerits of Pie charts

The effectiveness of a pie chart is reduced if it is used to analyze too many pieces of data (www.whaqualitycenter.org accessed 28/8/2016: 15:57). If data is manipulated in the circle to display certain results, it may be misleading to the readers as they may make inappropriate conclusions based on visual impact.

3.10 Data Analysis

Locke, et al (2010;120) defines data analysis as the manipulation and inspection process that data has to undergo so as to clarify and deduce what it means. Creswell (2009) outlines a framework for data analysis that is to first report information on the numbers of the sample and those that did and did not return the questionnaires. The process then follows by discussing the method by which response bias will be determined for situations which had no responses that would have substantially changed the results obtained.

3.10.1 Quantitative Data
Mode

Mode is the number that frequently occurs in a set of data. For some responses that were numbered this statistical measure was used in the research. The mode is easy and quick to identify when one is presented with many responses.

3.10.2 Qualitative Data
Locke,et al (2010) suggest a four step method to analyse qualitative data:

First step: Identify all instances of beliefs or expressions relevant to the research question.

Second step: Development of categories to sort the expressions or beliefs into similar classes.

Third step: Inspection of the content of each category to establish the common ground of the responses so as to filter them.

Fourth step: Provide a brief summary of all the ideas gathered to give the overall view of data collected.

The structure above by Locke,et al (2010) is supported by Maxwell(2005;96) by categorizing the data analysis into four: collecting data, coding findings, categorizing the ideas and connecting strategies and concluding.

The aid of computer applications like Microsoft Excel and Word will be extensively incorporated in data analysis. Whatever form data takes it has to be recorded accurately, efficiently organized and logically analyzed and interpreted.

3.11 Summary

This chapter was on research methodology and it covered the research designs which are descriptive, exploratory and explanatory study as well as the merits and demerits of the designs. The population size was defined, sampling methods with their advantages and disadvantages were outlined and the sample size has been stipulated. Data sources which are primary and secondary sources were evaluated, research instruments to be used in data collection and their different merits and demerits have been weighed on their appropriateness. The types of questions to be asked, data validity evaluation method, data presentation techniques and data analysis methods were analyzed.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter focuses on data presentation and interpretation of research findings gathered by the researcher. Data collected through questionnaires and interviews was presented in the form of tables, pie-charts and histograms. However, in situations where data could not be statistically presented, content analysis was used.

4.1 Questionnaire and Interview response rate

The researcher issued out forty-four questionnaires to the KPMG-Harare external audit personnel and the response rate was as follows:

Table 4.1 Questionnaire response rate

	Audit Partner	Senior Manager	Assistant Manager	Audit Supervisor	Audit Senior	Audit Associates	Total
Questionnaires distributed	1	7	6	7	9	14	**44**
Questionnaires responded to	0	6	3	5	7	14	**35**
Questionnaires not responded to	1	1	3	2	2	0	**9**
Response percentage	**0%**	**85.7%**	**50%**	**71.4%**	**77.8%**	**100%**	**79.5%**

Christ(2009) suggests that selecting a sample of at least 30% with above 50% responses on research instruments enhances the reliability of data collected. The researchers issued out questionnaires were 50% of the external audit personnel and obtained a response rate of 79.5% which was considered satisfactory.

Interview Response rate

The researcher conducted interviews to confirm on data validity by asking the same questions on questionnaires and in interviews. The concept is supported by Flick (2016) who suggests that to yield better results when conducting a research, participants who are given questionnaires to fill in should also be interviewed to verify findings.

Table 4.2 Interview response rate

	Audit Partner	Senior Manager	Assistant Manager	Audit Supervisor	Audit Senior	Audit Associates	Total
Interviews planned	1	7	6	7	9	14	**44**
Interviews conducted	0	6	3	3	4	9	**25**
Interviews not conducted	1	1	3	4	5	5	**19**
Response percentage	0%	85.7%	50%	42.9%	44.4%	64.3%	**56.8%**

4.2 Data Presentation and Analysis

4.2.1 Personal details

a)Age

The questionnaire sought to differentiate the respondents' groups into their respective groups in the process of collecting data. The researcher is of the opinion that the respondents' age has a bearing on the kind of responses they will offer on the subject audit quality.

Table 4.3 Age statistics

Respondent age range	Number of respondents	Percentage
20 years and below	4	11.4%
21-30 years	27	77.1%
31-40 years	3	8.6%
40-50 years	0	0%
51 years and above	1	2.9%
Total	**35**	**100%**

Fig 4.1 Age statistics
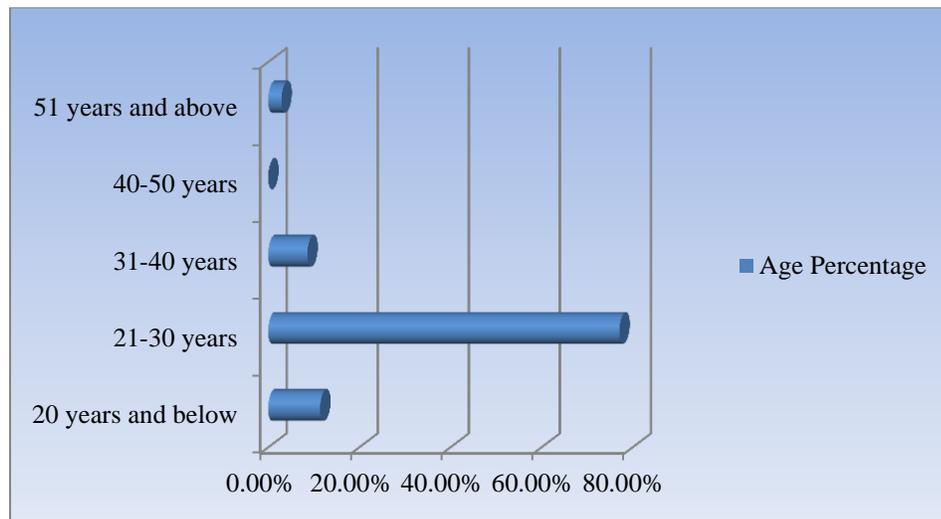
b)Position

The researcher aimed to target a certain group of people in carrying out the researcher and they were classified using stratified random sampling. During the process of issuing out questionnaires convenience sampling was used to issue out questionnaires to the identified strata's**.**

Table 4.4 Position held by respondent in audit

The researcher had to select audit personnel with different positions to get their diverse opinions on the problem being researched.

Position	Number of respondents	Percentage
Audit Senior Managers	6	17.1%
Audit Assistant Managers	3	8.6%
Audit Supervisor	5	14.3%
Audit Senior	7	20%
Audit Associates	14	40%
Total	**35**	**100%**

c) Professional Qualifications

The requirement of the question was to establish that data was being obtained from reliable and knowledgeable sources in the audit industry by asking their professional qualifications. The table below show the qualifications held by the respondents.

Table 4.5 Professional qualifications of respondents

Qualification	Number of Respondents	Percentage
First Degree	10	28.6%
Certificate Theory in Accounting	6	17.1%
Board Exams(ITC/APC)	8	22.8%
Chartered Accountant(Z)	11	31.4%
Total	35	100%

d)Audit Experience

The number of years in the audit industry had an effect on the quality of responses that the researcher gathered as it determines the level of expertise and experience. The table below outlines the respondents' number of years in the audit profession.

Table 4.6 Audit Experience

Number of years in audit	Number of respondents	Percentage
1 year	6	17.1%
2years	6	17.1%
3years	6	17.1%
4years	5	14.3%
5years	3	8.6%
6years	2	5.7%
7years	2	5.7%
Over 7years	5	14.3%
Total	**35**	**100%**

Fig 4.2 Number of years in audit
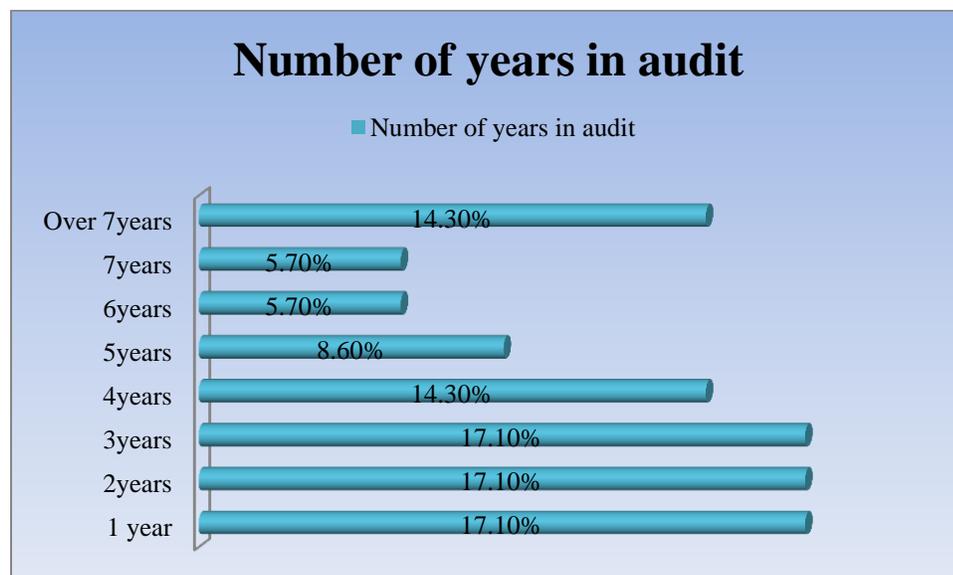
As illustrated in Table and Figure above at least 17/35 (48.6%) have four years of audit experience which implies that the data collected is rich in detail.

4.2.2 Role of leadership in audit quality

i) Firm values that encourage delivery of quality audits

This statement of the questionnaire aimed to assess if firm values have an influence on the auditor's ability on the delivery of quality audits. The findings are tabulated below.

Table 4.7 Firm values that encourage delivery of quality audits

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Firm values that encourage delivering quality audits	28	7	0	0	0	35
Response Percentage	**80%**	**20%**	**0%**	**0%**	**0%**	**100%**

Fig 4.3 Firm values that encourage quality audits delivery
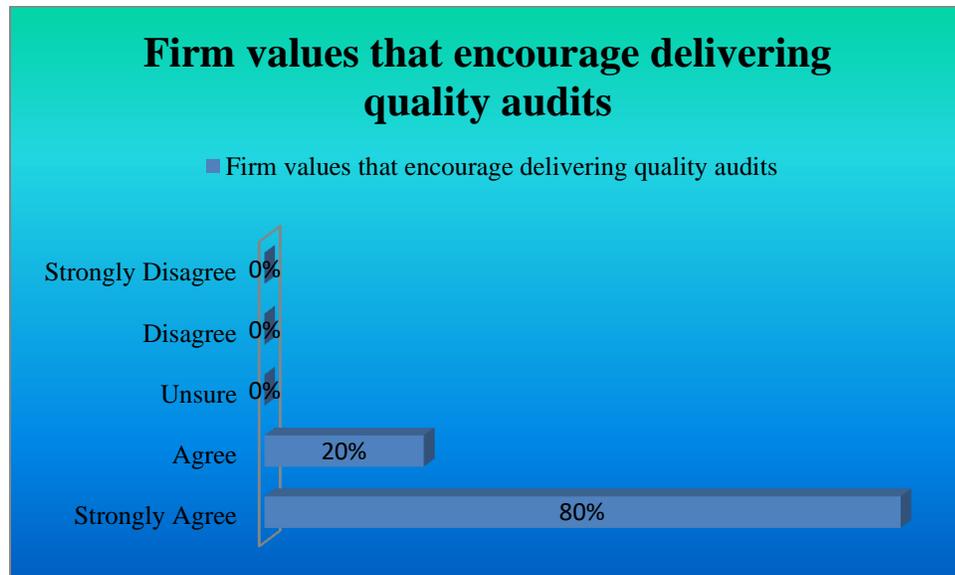
From the results obtained above 28/35 (80%) strongly agree that it is the role of the partnership to establish firm values that encourage quality audits,7/35 (20%) agree ,0/35(0%) are unsure or disagree.

35/35 (100%) agreed ,whilst 0/35 (0%) disagreed that it the role of leadership to establish firm value that ensure the delivery of quality audits. Using the modal class the researcher concluded that it is vital that the leadership establish firm values to promote audit quality.

Morris (2014) suggests that it is the responsibility of management to set the tone in the audit firm through the values and influence they have on their subordinate's decision making styles.

ii) Communication of firm strategy

The statements aims seeks to weigh if the communication of the firm strategy by the partners has a bearing on the quality of audits to be produced by the audit personnel. The table below shows the responses obtained on the subject.

Table 4.8 Communication of firm strategy

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Communication of firm strategy	24	11	0	0	0	**35**
Response Percentage	**68.6%**	**31.4%**	**0%**	**0%**	**0%**	**100%**

Fig 4.4 Communication of firm strategy
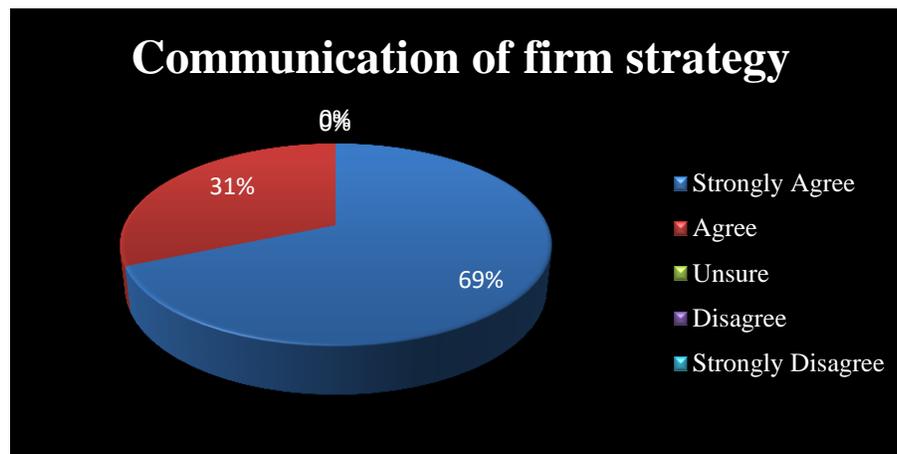
The Table4.8 and Fig 4.4 above show that 24/35(68.6%) strongly agree that it is important that management communicates the firm's strategy to the subordinates,11/35 (31.4%) agree and 0/35 (0%) is unsure or disagree.

The most popular class is that 35/35(100%) agrees and 0/35 (0%) disagrees hence the researcher could safely conclude that communication of firm strategy and vision has an effect on the quality of audits to be performed by audit personnel.

Citing Sulumain (2011) auditors themselves are not sure of the level of audit quality they are supposed to produce and it would not be an issue if the leadership communicated expectations to the audit personnel.

iii)Performance appraisal

The question aimed to evaluate if performance appraisal of audit personnel has an effect on the audit quality. The results of the findings are presented in the table below.

Table 4.9 Performance appraisal

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Performance appraisal	25	9	1	0	0	**35**
Response Percentage	**71.4%**	**25.7%**	**2.9%**	**0%**	**0%**	**100%**

The table above indicates that 25/35 (71.4%) strongly agree, 9/35 (25.7%) agree,1/35 (2.9%) unsure and 0/35 (0%) disagree or strongly disagree that performance appraisal has an effect on audit quality.

34/35(97.1%) agree whilst 2.9% is disagree, the researcher used the statistical mode to conclude that majority of the respondents agree that performance appraisal has an effect on audit quality.

To support the notion the ISQC1 stipulates that an appraisal system set in audit firm outlines a direct and clear link between rewards and audit quality performance.

iv) Training and monitoring

The statement of the questionnaire aims to analyze if training and monitoring of audit personnel has an effect on the quality of their audit performance. The results are displayed in the table below.

Table 4.10 Training and monitoring

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Training and monitoring	24	10	1	0	0	**35**
Response Percentage	**68.6%**	**28.5%**	**2.9%**	**0%**	**0%**	**0%**

The table above depicts that 24/35(68.4%) strongly agree,10/35(28.5%) agree,1/35(2.9%) is unsure and 0/35(0%) disagree that training and monitoring is imperative in quality audit delivery.

The modal class that was selected by the researcher was that they agree 34/35 (97.1%),whilst 1/35 (2.9%) disagreed.

According to (www.kpmg.com ,accessed 22/09/2016 :14:00) It always aim to invest in its talent(audit personnel) through continuous professional development so as to position them to be able to deliver quality audits to their assurance clients. (www.aicpa.org accessed 22/09/2016 :14:10) further stresses the importance having a monitoring methodology in audit practice to ensure that reasonable assurance is obtained with the responsibility being assigned to sufficiently qualified partners.

iv) Explicit disclosure in personnel's job description on delivery of quality audits

The statement of the questionnaire purported to assess if the explicit disclosure of the delivery of quality audits in employee's job description has an impact on their work performance. The responses acquired are displayed in the table below.

Table 4.11 Explicit disclosure of expectation in employee contract

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Explicit disclosure in personnel's job descriptions on delivery of quality audits	19	13	3	0	0	**35**
Response Percentage	**54.3%**	**37.1%**	**8.6%**	**0%**	**0%**	**100%**

According to the table above 19/35 (54.3%) strongly agree, 13/35 (37.1%) agree, 3/35 (8.6%) unsure and 0/35 (0%) disagree that disclosure in personnel's employment contract the importance of quality audit delivery is necessary.

91.4% regard the disclosure in employee contracts on delivery of quality audits to be vital whilst 8.6% disagree. The modal class selected was that it is necessary to indicate the importance of quality audits in job descriptions.

Al-Khaddash, et al.(2013) stipulates that high quality audits and excellence are obtained through consistency in providing quality audits and the firm management can indicate in employee contracts how they value quality audits.

4.2.3 Ethical requirements critical for obtaining audit quality

i) IFAC code of ethics

The statement of the questionnaire intended to establish if the IFAC code of ethics compliance has an effect on the audit quality. The responses obtained are listed in the table below.

Table 4.12 IFAC code of ethics

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
IFAC code of ethics	26	7	2	0	0	**35**
Response Percentage	**74.3%**	**20%**	**5.7%**	**0%**	**0%**	**100%**

As shown in the table above 26/35 (74.3%) strongly agree, 7/35 (20%)agree, 2/35 (5.7%) and 0/35 (0%) disagree that the IFAC code of ethics should be complied with to achieve quality audits.

33/35 (94.3%) agree whilst 2/35 (5.7%) disagree

Using the mode the researcher concluded that the IFAC code of ethics should be complied with when performing audits. The notion is supported by Moeinnadin, et al.(2013) who stated that it is a requirement for the auditor to comply with the law and ethics when performing audits.

ii) Financial considerations are not drivers for making decisions

The statement of the questionnaire was meant to determine if financial considerations are not drivers for auditors to make decisions on significant audit matters. The responses obtained are tabulated below.

Table 4.13 Financial considerations are not decision making drivers

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Financial considerations are not drivers for making decisions	13	13	4	3	2	**35**
Response Percentage	**37.1%**	**37.1%**	**11.4%**	**8.6%**	**5.7%**	**100%**

As shown in the Table 4.13 above 13/35 (37.1%), 13/35 (37.1%) agree, 4/35 (11.4%) unsure, 3/35 (8.6%) disagree and 2/35(5.7%) strongly disagree that financial considerations are not drivers for making decisions on significant audit matters.

26/35 (74.2%) agree whilst 9/35 (25.7%) disagree.

The modal class chosen by the researcher is that majority of the respondents agree that financial considerations are not drivers for making decisions. Swiney and Pierce (2006) highlight that the cultural norm in audit firms is that overtime is normally not paid for to cover for unattained time budgets.

iii) Compliance with GAAP (IFRS)

The statement below meant to analyze the effect of compliance with the GAAP (IFRS) requirements and the impact on audit quality. The respondent results were shown in the table below.

Table 4.14 Compliance with GAAP (IFRS)

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Compliance with GAAP(IFRS)	21	11	3	0	0	**35**
Response Percentage	**60%**	**31.4%**	**8.6%**	**0%**	**0%**	**100%**

The table above shows that 21/35 (60%) strongly agrees,11/35 (31.4%) agree and 3/35(8.6%) unsure and 0/35 (0%) disagree that compliance with GAAP(IFRS) are necessary when performing audits.

32/35(91.4%) agree whilst 3/35(8.6%) disagree.

The mode of the data is that compliance with GAAP (IFRS) when auditing is mandatory. Chen, et al.(2009) asserts that compliance with the GAAP is closely related to the auditor's capabilities and knowledge of which the firm has the responsibility to continually educate its staff so that they perform quality audits.

iv) Consultation is key when faced with complex issues

The statement of the questionnaire intended to assess the importance of consultation when faced with complex issues on some audit aspects. The results of the findings are displayed below.

Table 4.15 Consultation is key when faced with complex audit matters

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Consultation is key when faced with complex issues	26	7	1	0	1	**35**
Response Percentage	**74.3%**	**20%**	**2.9%**	**0%**	**2.9%**	**100%**

The table above highlights that 26/35(74.3%) strongly agree,7/35(20%) agree,1/35(2.9%) unsure,0/35(0%) disagree and 1/35(2.9%) strongly disagree that consultation is key when faced with complex issues.

33/35 (94.3%) agree whilst 1/35 (2.9%) disagrees.

The researcher adopted the conclusion that consultation is key when faced with complex issues based on the mode. This is supported by (www.deloitte.com accessed 22/09/2016 : 23:50) which stated that in auditing there are significant judgments and decisions to be made and it is vital that audit firms adopt a culture of consultation so that matters are fairly dwelt with as they arise.

4.2.4 The processes followed in client engagement and acceptance

i)Ability to comply with ethical requirements

The statement aims to evaluate the importance of preliminary assessment of the audit team's ability to comply with ethical requirements before engaging with a client. The table below shows the results obtained from the survey.

Table 4.16 Ability to comply with ethics of audit team

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Ability to comply with ethics	30	5	0	0	0	**35**
Response Percentage	**85.7%**	**14.3%**	**0%**	**0%**	**0%**	**100%**

The table above demonstrates that 30/35(85.7%) strongly agree,5/35(14.3%) agrees and 0/35(0%) disagrees that assessment of the ability to comply with ethics is a pre-requisite for client engagement and acceptance.

35/35(100%) agrees whilst 0/35(0%) disagrees.

Using the mode the researcher concluded that it is necessary to assess if ethical compliance can be achieved before taking on an audit client. Carey and Sminett(2006) stated that long relationships with clients may cause familiarity threats and affect the auditor's independence hence due care has to be exercised before client engagement continuance.

ii) Assessment of audit team knowledge in the relevant industry

The statement aims to evaluate the importance of assessing the audit teams' competences and knowledge in the relevant industry before assigning them to an audit client. The findings are tabulated below.

Table 4.17 Assessment of audit team knowledge in the relevant industry

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Team knowledge in relevant industry	22	13	0	0	0	**35**
Response Percentage	**62.9%**	**37.1%**	**0%**	**0%**	**0%**	**100%**

The table above expresses that 22/35(62.9%) strongly agrees,13/35(37.1%) agrees and 0/35 (0%) disagrees that assessing the knowledge of the audit team in the relevant industry is vital before accepting the client.

35/35(100%) agree whilst 0/35(0%) disagrees.

Using the mode the researcher concluded that assessing the audit team knowledge is necessary before assigning them to a client. Beattie,et al.(2013) posits that firms need to assess if they have the knowledge of the relevant industry, experience with the regulatory requirements of the industry and that there is sufficient staff with the skills required.

iii) Deadlines for audit completion can be met

The statement aims to assess if the ability to meet a deadline is put into consideration before taking a new client. The responses gathered are outlined below.

Table 4.18 Deadlines for audit completion can be met

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Deadlines for audit completion can be met	21	10	2	2	0	**35**
Response Percentage	**60%**	**28.6%**	**5.7%**	**5.7%**	**0%**	**100%**

The table above exhibit that 21/35(60%) strongly agree,10/35(28.6%) agree,2/35(5.7%) unsure,2/35(5.7%) disagree and 0/35(0%) strongly disagree that assessment is done if audits can be completed within the stipulated time frame.

31/35(88.6%) agree whilst 4/35(11.4%) disagree.

Incorporating the mode statistical analysis the researcher concluded that assessment is done before client engagement if the deadline can be met.

Leventis and Caramanis (2005) state that it is crucial for the partners to anticipate and manage possible time conflicts and appropriately allocate resources based on their client's fiscal year ends.

4.2.5 Audit personnel capacity and skills possessed.

i) Understanding the client business by engagement team is a pre-requisite

The statement intends to evaluate the importance of understanding the client business before audit engagement and its effect on the audit quality. The table below shows the findings gathered.

Table 4.19 Understanding the client business

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Understanding the client business	27	5	2	2	1	**35**
Response Percentage	**77.1%**	**14.3%**	**5.7%**	**5.7%**	**2.9%**	**100%**

The table above displays that 27/35(77.1%) strongly agree,5/35(14.3%) agree,2/35(5.7%) unsure,2/35(disagree) and 1/35(2.9%) strongly disagree that understanding the client business is indispensable.

32/35(91.4%) agree whilst 5/35(14.3%) disagree.

The modal class selected by the researcher is that understanding the client business is necessary before taking on the engagement. Hamersley (2006) supports this position, that if an auditor has an expertise in a certain industry it increases his likelihood to detect errors.

ii) Engagement team skills composition

The statement of the questionnaires aims to analyze the effect of engagement team skills composition on audit quality. The table below shows the findings obtained

Table 4.20 Engagement team skills composition

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Engagement team skills composition	23	9	3	0	0	**35**
Response Percentage	**65.7%**	**25.7%**	**8.6%**	**0%**	**0%**	**100%**

The table above evinces that 23/35(65.7%) strongly agree,9/35(25.7%) agree,3/35(8.6%) unsure and 0/35(0%) disagrees that engagement team skills composition has an effect on the audit quality.

32/35 (91.4%) agree whilst 3/35(8.6%) disagree.

The modal approach prompted the researcher to conclude that engagement skills composition has an effect on the audit quality. Morris (2014) supports the notion that technical capabilities such as work experience and auditor skills have a direct relationship with audit quality.

iii) Client risk assessment and planning

The statement of the questionnaire aims to analyze the significance of client risk assessment and planning before conducting an audit. The results obtained are tabled below.

Table 4.21 Client risk assessment and planning

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Client risk assessment and planning	26	9	0	0	0	**35**
Response Percentage	**74.3%**	**25.7%**	**0%**	**0%**	**0%**	**100%**

The table above registers that 26/35(74.3%) strongly agree,9/35(25.7%) agree and 0/35(0%) disagree that client risk assessment and planning is necessary in the delivery of quality audits.

35/35(100%) agree whilst 0/35(0%) disagree.

Using the mode the researcher concluded that client risk assessment and planning is important when carrying out audits. The KPMG Audit Manual stresses the importance of conducting risk assessment and planning discussions for the audit team and the client so as to continually point out areas that require more attention.

4.2.6 Supervision and review of audit work

i) Audit strategy modification where significant matters arise.

The statement of the questionnaires ought to analyze the impact of audit strategy modification where significant matters arise during the audit. The responses from the survey are tabulated below.

Table 4.22 Audit strategy modification

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Audit strategy modification	30	5	0	0	0	**35**
Response Percentage	**85.7%**	**14.3%**	**0%**	**0%**	**0%**	**100%**

The table above shows the 30/35(85.7%) strongly agree,5/35(14.3%) agree and 0/35(0%) disagree that audit strategy modification is necessary where significant matters arise during the course of the audit.

35/35(100%) agree whilst 0/35(0%) disagree.

Using the mode the researcher concluded that is necessary to modify the audit strategy if significant matters arise during the audit. According to (www.kpmg.com accessed 6/8/2016 :15:34) it is stated that rigidity in audit strategy does not yield quality audit results hence continuous review on the appropriateness of the audit strategy should be carried out.

ii) Review notes raised by superiors help in achieving quality audits

The statement of the questionnaire intended to evaluate the impact of addressing review notes raised by superiors on the overall quality of the audit. The results of the findings are presented in the table below.

Table 4.23 Review notes raised by superiors is good practice

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Review notes raised by superiors is good practice	31	4	0	0	0	**35**
Response Percentage	**88.6%**	**14.3%**	**0%**	**0%**	**0%**	**100%**

The table above shows that 31/35(88.6%) strongly agree,4/35(14.3%) agree and 0/35(0%) disagree that review notes raised by the superiors is good practice.

35/35(100%) agree whilst 0/35(0%) disagree.

Using the mode the researcher concluded that it is good practice to have onsite and offsite audit team's working papers reviewed by their superiors. According to (www.deloitte.com accessed 4/8/2016 :12:15) they suggest that audit work review is done to consider if auditing and accounting standards have been complied with, necessary consultation and research on complex issues has been carried out and that audit procedures performed are well documented.

iii) EQCR review is imperative for audit engagements.

The statement of the questionnaire aimed to analyse the importance of conducting EQCR reviews on audit engagements and its impact on the audit quality. The results of the findings are shown in the table below.

Table 4.24 EQCR review importance on audit engagements

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
EQCR Review	19	11	3	2	0	35
Response Percentage	54.3%	31.4%	8.6%	5.7%	0%	100%

The table above shows that 19/35(54.3%) strongly agree,11/35(31.4%) agree,3/35(8.6%) unsure,2/35(5.7%) disagree and 0/35(0%) strongly disagree that EQCR review is necessary for audit engagements.

30/35(85.7%) agree whilst 5/35(14.3%) disagree.

Using the mode, a conclusion was reached that EQCR reviews help in achieving quality audits. According to the KPMG Audit Manual not all entities require the EQCR review however, for listed companies it is mandatory and all recommendations on client's significant matters from the EQCR have to be implemented before issuing out the audit report.

4.2.7 The following best practices are adopted to achieve audit quality.

i) The IAASB's International Standard of Quality Control 1

The statement of the questionnaire aims to assess the importance of adopting the ISQC1 by audit firms as their audit quality control framework. The findings from the survey are listed in the table below.

Table 4.25 ISQC 1adoption

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
ISQC adoption	23	9	3	0	0	35
Response Percentage	65.7%	25.7%	8.6%	0%	0%	100%

The table above shows that 23/35(65.7%) strongly agree,9/35(25.7%) agree,3/35(8.6%) unsure and 0/35(0%) disagree that the adoption of the IAASB's ISQC1 helps in achieving audit quality.

32/35(91.4%) agree whilst 3/35(8.6%) disagree.

Using the mode the researcher concluded that the adoption of the ISQC1 is good practice in attaining audit quality. According to (www.ifac.org accessed 20/8/2016 :10:14) The audit quality framework and the quality standard were developed in a deem to help audit firms have guidelines on how to perform quality audits for their clients and it is best that they adopt them.

ii) Optimum use of Information technology-CAAT's

The statement of the questionnaire sought to evaluate the importance of optimum use of Information technology-CAAT's in audit firms and its impact on audit quality. The results obtained are tabulated below.

Table 4.26 Optimum use of Information technology

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Use of CAAT's	21	13	1	0	0	**35**
Response Percentage	**60%**	**37.1%**	**2.9%**	**2.9%**	**0%**	**100%**

The table above shows that 21/35(60%) strongly agree,13/35(37.1%) agree,1/35(2.9%) unsure and 0/35(0%) disagree that the use of CAAT's help in attaining quality audits.

34/35(97.1%) agree whilst 1//35(2.9%) disagrees.

The researcher used the mode to conclude that the optimum use of CAAT's helps in carrying out quality audits. According to (www.icommercecentral.com accessed 26/9/2016 :09:20) CAAT's are effective and efficient in processing audit evidence the computerized way so as to eliminate human error and enhance information reliability.

iii) Performance appraisal

The statement of the questionnaire intended to analyze the importance of performance appraisal for audit personnel and its effect on audit quality. The results gathered are shown below.

Table 4.27 Performance appraisal

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Performance appraisal	26	8	1	0	0	**35**
Response Percentage	**74.3%**	**22.9%**	**2.9%**	**0%**	**0%**	**100%**

The table above shows that 26/35(74.3%) strongly agree,8/35(22.9%) agree,1/35(2.9%) unsure and 0/35(0%) disagree that performance appraisal helps in achieving quality audits.

34/35(97.1%) agree whilst 1/35(2.9%) disagree.

The researcher use the mode to conclude that the majority of the respondents agreed that performance appraisal is good practice in achieving quality audits.

In support of the idea Farouk and Hassan (2014) suggest that performance appraisal motivates the audit team that their efforts are being recognized and they will always aim to deliver quality audits to get the positive recognition.

iv)Use of experts where the auditor is not knowledgeable

The statement of the questionnaire aimed to establish if the use of an expert is best practice in attaining quality audits. The results obtained are presented in the table below.

Table 4.28 Use of experts

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Use of experts	26	8	1	0	0	35
Response Percentage	74.3%	22.9%	2.9%	0%	0%	100%

The table above shows that 26/35(74.3%) strongly agree,8/35(22.9%) agree,1/35(2.9%) are unsure and 0/35(0%) disagree that use of experts where the auditor is not knowledgeable is good practice in attaining audit quality.

34/35(97.1%) agree whilst 1/35(2.9%) disagree.

Using the mode the researcher concluded that use of experts where the auditor is working on an area they have no expertise in is good practice.(www.accaglobal.com accessed 26/9/2016 :11:03) points out that auditors are not reasonably expected to know about every work field therefore to obtain reliable audit evidence in an area that they don't have the competences they use experts so as to enhance the audit quality.

v) External Quality Control Reviews (EQCR) for audits completed.

The statement of the questionnaire aimed to evaluate the effect of EQCR review on the overall quality of an audit. The responses gathered are shown in the table below.

Table 4.29 EQCR's Review

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
EQCR reviews	25	8	1	1	0	**35**
Response Percentage	**71.4%**	**22.9%**	**2.9%**	**2.9%**	**0%**	**100%**

The table above shows that 25/35(71.4%) strongly agrees,8/35(22.9%) agree,1/35(2.9%) unsure and 1/35(2.9%) disagree and 0/35(0%) strongly disagree that EQCR reviews should be carried out for all completed audits.

33/35(94.3%) agree whilst 2/35(5.8%) disagree.

Using the mode the researcher concluded that EQCR reviews are necessary for completed audits if the audit firm can afford to do so for all its clients. According to the KPMG Audit Quality Report(2015) they are of the idea that having a second set of eyes evaluating the appropriateness of the audit documentation ensures reasonableness of key audit conclusions.

vi) Continued Professional Development (CPD) for audit staff

The statement of the questionnaire aimed to assess the importance of continued professional development of audit personnel and its effect on audit quality. The results obtained are displayed below.

Table 4.30 CPD's for audit staff

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
CPD's	27	8	0	0	0	**35**
Response Percentage	**77.1%**	**22.9%**	**0%**	**0%**	**0%**	**100%**

The table above shows that 27/35(77.1%) strongly agree,8/35(22.9%) agree and 0/35(0%) disagree that CPD is important for audit personnel. According to www.sciencedirect.com accessed 26/9/2016 :12:05) for the auditors to be able to ensure that high quality financial

reporting is adhered to they should be well trained with the necessary competences and skills gained through CPDs.

Interview questions

a) **What do you suggest to be the role of leadership in audit quality control?**

The majority of the respondents suggested that management is responsible for setting the "tone at the top" regarding audit quality control in an audit firm whilst one respondent argued that audit quality is everyone's responsibility. One of the respondents indicated that the audit partners are responsible in mapping the audit strategy, selection of audit procedures to be performed and providing guidance and monitoring on audit execution.

The leadership has the role to motivate the team members, lead them by example, influencing firm culture in respect of audit quality and being at the client premises to help the audit team assess risky areas to focus on. Svansberg and Ohman(2013) support the notion that in some situations were auditors engage in dysfunctional behaviour it is a result of factors under the control of leadership and could have been prevented if necessary communication had been made. Other respondents were of the view that continued professional development for their personnel is vital so that they keep abreast with the changes in accounting and auditing standards. Hosseinniakani, et al.(2014)in support states that large audit firms provide continuing professional development for their audit staff therefore they can perform high quality audits as they possess higher technical knowledge.

b) **What is the culture regarding ethical compliance when time budget constraints exist?**

All of the respondents emphasized that ethical compliance is non-negotiable and hence audit quality is never compromised because they are close to a deadline. Some of the respondents said that when significant matters arise where there is a tight deadline they re-negotiate with the client to push it further. One of the KPMG Senior managers stated that when there are tight deadlines they assign a large audit team so that each and every team member has a manageable amount of workload that they can thoroughly execute. Three other respondents stated that the KPMG core values are on integrity and honesty

when engaged at a client and they always aim to follow the principles. According to the IAASB's Audit Quality Framework (2013) it is suggested that an audit firms values, ethics and attitude have a bearing on the audit team's mindset in their discharge of duties

c) **What processes are followed in client acceptance and continuance that contribute to audit quality?**

The respondents stated that a conflict of interest and independence checks emails are sent to all audit personnel, for those who may have to declare a conflict of interest they are to do so within a stipulated time. The engagement manager then structure the audit team for a prospective client after risk assessment at assertion and financial statement level. Client investigation is done online (client website, news) and the KPMG Database if there have been other non-assurance services provided to the client that may affect the auditor's independence. Most of the respondents pointed out that management integrity and strength of systems and processes and ability to pay fees have to be taken into account when carrying out client evaluation. Hai (2016) is in support of the suggestion that the integrity of the client has to be assessed and the firms should get satisfied that they comply with the relevant applicable accounting standards for financial reporting. The managers interviewed also stated that there is need to issue out pre-engagement questionnaires before accepting a client.

Client engagement continuance involves review of prior year file to analyze if there are any areas to pay significant attention to, the risks involved and the possible measures to mitigate the risks identified as suggested by some respondents. Team structure is carried out before taking on a client at this stage to determine the skills and knowledge required for the audit engagement. Beattie,et al.(2013) suggests that firms need to assess if they have the expertise and knowledge in the relevant industry.

d) **How does engagement team composition affect audit quality?**

The respondents indicated that team structure is very vital to effectively and efficiently perform quality audits. The more the seniors on an audit team the greater the likelihood for quality audits being performed. If an audit team is not properly structured it has an effect of dragging the audit as some procedures might have to be corrected over and over again taking more chargeable hours. Moennadin,et al(2013) supports the idea that if an

auditor has experience and knowledge about a certain industry the greater the chance for them to detect errors and fraud.

e) **When external audit deadlines get clustered during the "busy period" what measures have been put in place to ensure that quality are conducted?**

The Audit managers highlighted that audits are planned ahead and any required training for the audit associates is done beforehand. For listed companies that are required by the Companies act to report early after their year-end KPMG performs 10months audits (hard-close) before 31 Dec year end. Beginning of the following year the remaining two months are audited so as to conclude on the overall audit on time. Four other managers also stated that each individual is assigned to their area of expertise because the external audit department is divided into banking and finance and consumer industrial markets. Most of the audit associates pointed out that they are made to work overtime, vacation students are also recruited during the busy period to increase team sizes, manager, partner and EQCR reviews are carried out timely. According to(www.accaglobal.com accessed 8/8/2016 :13:24) they state that it is important for the partners to asses if they have sufficient time to effectively carry out an audit and that appropriate resources have been allocated to obtain reasonable assurance.

f) **What procedures are followed to supervise audit work on client engagement and how effective are they?**

At the early stages of an engagement risk assessment and planning discussions are carried out by the engagement team and the client so that were necessary they modify their audit strategy. The entire respondents group mentioned that working papers done on/offsite by the team members are reviewed by the superiors and they bring to the attention of team members areas that require intensive audit procedures and research. The practice helps ensure that all the necessary procedures are carried out as per the standards. Other respondents also said that delegation on audit engagements with proper supervision is considered to be the best for individual's professional development "on-the-job" training. KPMG audit staff also mentioned that there is use of electronic system to track audit file sign-off by engagement team members as a method of work supervision.

g) **Which factors would you consider to be of paramount importance when aiming to achieve optimum audit quality?**

The majority of the respondents suggested that compliance with the fundamental principles is indispensible, audit planning and negotiating for reasonable deadlines with clients and sufficient and timely reviews by the manager, partner or EQCR. Other respondents suggested that allocation of adequate resources for audits is vital, use of experts where the auditor is not knowledgeable, education of the audit team on the audit quality framework. Some audit seniors pointed out that goal setting before client engagement for the audit team also provides a sense of direction for the team, firm values that influence the team to protect the firm's reputation. Other respondents claimed that assigning large teams with the skill set required for the audit and where communication is done effectively and efficiently amongst members helps in the conduct of quality audits

4.3 Summary

This chapter was on data presentation and analysis, questionnaire and interview response rate and an analysis of the questionnaire and interview questions individually.

The data collected from KPMG Harare was presented by the researcher using tables, graphs and pie charts. Chapter five will be on chapter summaries, conclusions and recommendations.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The previous chapter was on data presentation and analysis. This chapter seeks to summarize the overall research findings, conclude and give recommendations for adoption on the audit quality subject.

5.1 Chapter Summaries

Chapter one was a discussion of the background of the problem which was the relationship between audit engagement workload and audit quality. The research objectives that were covered by the study were to establish the role of leadership in terms of quality control, to establish the ethical requirements that should be complied with, to establish the auditing processes on client engagement and continuance, to analyze the capacity and skills possessed by the current human resources available, to establish the supervision process to be followed when auditing and to establish the best practice that promotes audit quality.

Chapter two analyzed the contributions made by other scholars on audit quality in the prior years by reviewing journals, books, online articles and websites. Audit quality was well defined by DeAngelo(1981) who opined that it is the likelihood of the auditor to discover and report material misstatements because of the technical skill they possess. Bing ,et al(2014) and Sulanjaku and Shingjergi(2015) further provide an audit quality measurement basis by categorizing it into direct and indirect factors. The direct factors relating to audit as cited by the former and latter authors are company performance, financial reporting as per IAS, earnings quality and quality control reviews. In that regard indirect factors being the audit firm size, industry expertise, auditor tenure, fees, reputation and dependence on provision of non-assurance services. However, the IAASB has developed an Audit Quality Framework (2013) for adoption by audit firms which analyses the quality control system at engagement team, office/region and global firm level for the audit inputs, processes and output that might have a bearing on audit quality.

Chapter three was on research methodology. The researcher used mixed methods research as Cresswell (2009) suggested that an integrated research of using qualitative and quantitative methods to develop a single research bring out a fuller picture of the research problem. The descriptive research design was used to establish the relationship between audit engagement and audit quality. Research instruments used were questionnaires and interviews and to administer questionnaires random stratified and convenience sampling was used. The qualitative part of the research used open- ended questions whilst the quantitative part incorporated the likert scale questions.

Chapter four was on data presentation and analysis of the data collected. The researcher had an overall 79,5% response rate for questionnaires and 56.8% interview response rate and it was deemed valid to base conclusions on. The data gathered was illustrated through the use of tables, pie charts and graphs. Conclusions on data presented were made with support from prior literature.

5.2 Major Findings

To address the major research topic the following arose:

- Management has the overall responsibility for setting a firm culture that enables quality audits.
- The firm was not meeting the client deadlines as ethical compliance takes precedence when faced with time constraints.
- Audit managers perform client investigation, risk assessment and determine appropriate risk mitigation measures before client acceptance or continuance.
- Engagement team skills composition is done by an audit client planner.
- Auditors' skills are enhanced through trainings which are differentiated depending on your audit experience and they are documented in the employee files.
- KPMG uses an eAudit software offline review which is performed by the engagement manager to track the audit teams' progress, review working papers and raise comments to be addressed by the audit team.

5.3 Recommendations

The following recommendations may be considered for adoption by KPMG:

- Educating the audit personnel on the IAASB's Audit Quality framework as some junior audit personnel were not aware of the framework.
- Emphasis is to be placed on goal setting by the engagement team at the early stages of the audit to provide a sense of direction for the audit team to deliver quality audits.
- Assessment of the availability of adequate resources that enable a quality audit delivery.
- Employee retention strategies should be incorporated to target the qualifying Chartered Accountants to remain behind after completing their studies as they possess the experience and skills.
- Timely review of audit files by the audit seniors to avoid having audits taking longer than expected and be able to retain all of the clients.

5.4 Conclusion

The overall research was a success since it managed to cover all the aspects relating to the problem identified at KPMG Harare office, and the researcher was able to reach conclusions for the questions investigated upon.

5.5 Areas for further study

Area for further research would be an analysis of the most prominent audit quality factor between rigidity of audit fees budget or audit time budget.

5.6 Summary

This chapter summarized the prior chapters and indicated the major research findings. The researcher concluded the findings and outlined possible recommendations for adoption by KPMG in the future.

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COVER LETTER

Midlands State University
Established 2000

Midlands State University
Faculty of Commerce
Department of Accounting
P.Bag 9055

8 September, 2016

The Manager
KPMG
100 The Chase West
Emerald Hill
Harare

Dear Sir/Madam

RE: Request to carry out a research with KPMG Harare-external audit

My name is Sharlene C. Gumbo a final year student at Midlands State University in pursuant of an Honours Degree in Accounting. In partial fulfilment of my degree I am required to carry out a research of my choice which I chose to be on "**The relationship between audit engagement workload and audit quality**"

I wish to distribute questionnaires and conduct interviews in the external audit department. The information provided will be treated with confidentiality and are limited for academic purposes only.

Yours faithfully

Sharlene.C.Gumbo

Student Registration #: R132698C

QUESTIONNAIRE

Dear Respondent

My name is Sharlene C. Gumbo a final year student at Midlands State University undertaking an Honours Degree in Accounting. I am doing a research on "**The relationship between audit engagement workload and audit quality".**

As part of my research I have designed questionnaires to obtain information from different participants who are inclined in the external audit practice and your contribution will be greatly appreciated. Feel free to contribute as your contributions will be regarded as highly confidential and it is limited for academic purposes only.

Instructions

1. **Do not write your name on the questionnaire**
2. **Highlight your response by ticking the respective answer box or complete in the spaces provide to the best of your knowledge.**
3. **Please write legibly.**

QUESTIONS

1. a) Age

Below 20 years	21-30 years	31-40 years	40-50years	51 years and above

b) Position

Audit Partner	Audit Manager	Audit Supervisors	Audit Senior	Audit Associates

c) Professional Qualifications

First Degree	CTA	Board Exams	CA(Z)	Other

For other (specify)………………………………………………….

d) Audit Experience (years)

1	2	3	4	5	6	7	Over 7

2. The following leadership roles have a part to play in audit quality control:

	Strongly agree	Agree	Unsure	Disagree	Strongly disagree
i)Firm values that encourage delivering quality audits					
ii)Communication of firm strategy and vision					
iii)Performance Appraisal					
iv)Training and monitoring					
v)Explicit disclosure in personnel's job descriptions on delivery of quality audits					

3. Ethical requirements critical for obtaining audit quality are:

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i)IFAC code of ethics					
ii)Financial considerations are not drivers for making decisions					
iii)Compliance with GAAP(IFRS)					
iv)Consultation is key when faced with complex issues					

4. **The processes followed in client engagement and acceptance necessary to deliver quality audits:**

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i)Ability to comply with ethical requirements					
ii)Assessment of audit team knowledge in the relevant industry					
iii)Deadlines for audit completion can be met					

5. **Audit personnel capacity and skills possessed that are necessary in the delivery of quality engagements:**

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i)Understanding the client business by engagement team is a pre-requisite					
ii)Engagement team skills composition					
iii)Client risk assessment and audit planning					

6. **Supervision and review of audit work is good practice in achieving quality audits:**

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i)Audit strategy modification where significant matters arise					
ii)Review notes being					

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
raised by superiors help in achieving audit quality					
iii)Is the EQCR's review imperative for audit engagements					

7. **The following best practices are adopted in attaining audit quality:**

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i)The adoption of IAASB's International Standard of Quality Control 1					
ii)Optimum use of Information technology - CAATs					
iii)Performance appraisal					
iv)Use of experts where the auditor is not knowledgeable					
v)External Quality reviews for audits completed					
vi)Continued Professional Development for audit staff					

Any additional comments to further elaborate on audit quality……………………………………………………………………………

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…………………………………………………………………..**Thank you for your participation.**

INTERVIEW GUIDE

Interview Questions

1. What do you suggest to be the role of leadership in audit quality control?
2. What is the culture regarding ethical compliance when time budget constraints exist?
3. What processes are followed on client acceptance and continuance that contribute to audit quality?
4. How does engagement team composition affect audit quality?
5. When external audit deadlines get clustered during the "busy period" what measures have been put in place to ensure quality audits are conducted?
6. What procedures are followed to supervise audit work on client engagement and how effective are they?
7. Which factors would you consider to be of paramount importance when aiming to achieve optimum audit quality?

Thank you for your contribution