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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

THE IMPACT OF AUDITORS' WORKLOAD ON AUDIT QUALITY: CASE
OF BDO ZIMBABWE CHARTERED ACCOUNTANTS

BY

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DEDICATION

This piece of work is dedicated to my family who believed in my dreams and made boundless effort for me to reach this level, my friends for their unwavering support and encouragement.

My dedication also goes to my lecturers and teachers for their diligence and inspiration to be where I am today.

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ABSTRACT

This research study was undertaken to deduce the impact of auditors' workload on audit quality at BDO Zimbabwe Chartered Accountants. The researcher observed that audits performed under high workload pressures are more likely to be of lower quality which triggered the need for this research. The research therefore aimed to ascertain audit quality measurements, determine factors which contributes towards auditors' workloads and in turn applicable measures to manage these workloads. Also targeted by the research was the relationship between auditor's workload and audit quality before concluding with pertinent practices on workloads to ensure quality audit. A descriptive research design was embraced in this study incorporating both the qualitative and quantitative approaches so that they could complement each other in determining the impact of auditors' workload on audit quality. The researcher found out that audit quality is compromised under workload compression conditions which are high during the first quarter of the year. Aggregated STATA 11 results showed that a single unit change in auditors' workload will negatively affect audit quality by approximately 31.80%. The researcher rolled down the curtain by recommending that BDO Zimbabwe may develop a proper workload management policy to manage audit workload simultaneously defining audit team development.

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CHAPTER ONE

1.0 INTRODUCTION

Chapter one introduces this research by outlining the study background and the statement of the problem. It considers the questions to this research and objectives thereto, study significance, delimitations, limitations, assumptions made, definition of terms and the abbreviations used in this study.

1.1 BACKGROUND OF STUDY

This research aims to deduce the effects on audit quality that arise as a result of high workload pressures also taking into account audit time budget as a significant contributing factor. Budgeted audit time among other factors is a major component with regards audit assignments, thus the need to meet deadlines with staff available at times keeping abreast the amount of workload put forth the auditors. Researches have proven that high audit pressures greatly influence the auditors' performance, ability to complete audit assignment within time frame as well as possibilities of either discovering of reporting irregularities in existence (Suhayati, 2012).

These reportable exceptions if not revealed through audit put the audit profession on a limelight and the audit quality questionable. Recent cases like the Fidelity Printers' bosses' fraud case (Rupapa, 2015) and the report by (Musiiwa, 2015) of an MSU Bursar suspended over corruption pose serious concern to stakeholders who entrust in the auditors to reveal these or some of these irregularities. 18 October 2013 EY was ordered a payment of ninety nine million dollars to investors for its role in the fall of Lehman Brothers marking the first settled lawsuit against an audit firm related to the financial crisis (Brown 2013). The financial crisis led many to go as far as to question the role of auditing in improving financial information, particularly in banks (Alexander 2012), and auditors were accused of failing to issue warning signs regarding banks' deteriorating financial position.

With the aforementioned results in mind, the research acknowledges that such allegations cannot be properly resolved unless the dilemma of Audit Risk and Workload Compression (WLC) is properly addressed. Workload compression which is mainly due to most organisations/ clients aligning their financial year ends to the calendar year end marking long working hours for most auditors. According to the BDO Manual Handbook, seven and half working hours per day are expected but during the busy season working time stretches to an average of ten hours a day (monthly time sheet reports, 2015). Having considered such above issues impeding on audit quality, this research aims to assess qualities of audits done during workload pressure taking note of the time budget in a practical setup.

Year-end distributions for BDO Zimbabwe client portfolio shown below.

Table 1.1

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	0.87%	2.37%	9.43%	2.45%	1.36%	2.78%	0.96%	3.05%	15.65%	1.76%	0.87%	58.45%
2015	0.00%	1.97%	7.71%	0.00%	0.00%	0.00%	0.00%	5.83%	18.33%	0.00%	0.00%	66.16%
2016	0.00%	1.35%	6.13%	1.01%	0.00%	3.07%	0.00%	4.88%	16.95%	0.63%	0.00%	65.98%

Source: BDO Zimbabwe’s yearly master plan

According to BDO Zimbabwe’s yearly master plan, the firm’s clients are clustered on the calendar year end, the researcher identified a problem that significant workload mounts on audit staff during this period which tend to have hindrance to audit quality.

SAICA Handbook (2008/2009) also considers issues regarding the number of senior audit staff, management and partnership of the firm in managing audit pressure at all time which is however a challenge to the firm during the busy season. This persistent problem validates the interests of the researcher on how to control audit quality under compressed workloads.

1.2 STATEMENT OF THE PROBLEM

For quite a number of years BDO Zimbabwe has experienced a uniform client year distribution with much audit pressure arising significantly from December to March as most of its clients have a

December year end as shown in *Table 1.1*. Despite BDO Zimbabwe among other accounting firms facing such a predicament that most of the clients' year ends are clustered to the calendar year end, each assignment time budget has to be met else the firm will fail to enjoy 100% of its fees (Boolaky and Omoteso, 2016). Over and above the fact that workloads do exist at one point or the other during the year, quality of audits should be ensured together with the best client service.

1.3 RESEARCH QUESTIONS

1.3.1 Main Research Question

- What impact has auditors' workload on audit quality?

1.3.2 Sub Research Questions

1. What is Audit Quality and how is it measured?
2. What is Workload Compression and which factors contribute to auditors' workload?
3. What measures are in place to manage auditors' workload?
4. What relationship exists between 'workload compression' and 'audit quality'?
5. What practice can be employed on workloads to ensure quality audit?

1.4 RESEARCH OBJECTIVES

This study aims to;

- i. To determine how audit quality is evaluated.
- ii. To assess factors which contribute towards auditors' workload.
- iii. To confirm the existence of applicable measures to manage auditors' workload.
- iv. To determine the relationship between 'auditors' workload' and 'audit quality.'
- v. To deduce best practices for workloads to ensure quality audits.

1.5 SIGNIFICANCE OF THE STUDY

1.5.1 To the Researcher

This study is as per requirements towards attaining the Bachelor of commerce Accounting Honours Degree with Midlands State University. It also aims to consider value of knowledge obtained through academic theory to real practice in the industry setup.

1.5.2 To Midlands State University

This research will add literature to the library of the university and provides source for other students with interests in related studies to this research.

1.5.3 To BDO Zimbabwe Chartered Accountants

Results and recommendations therein may be of help to the company when embraced and taken in for contemplation. More so, the research can be used to identify audit staff shortcomings which may require attention to improve audit practice by the firm.

1.6 DELIMITATIONS

The research covered the impact of auditors' workload on audit quality and was confined only to BDO Zimbabwe for a period 2014 to 2016.

1.7 LIMITATIONS

- ✿ Relevant articles that addressed the issues in the research were difficult to access as most of them required online payment for access, the researcher then made use of the articles that were available to bring out as much information as possible.
- ✿ Some material which could have been used with regards the study was regarded highly confidential, sensitive and in-house information. The researcher however explained the purpose and followed procedures for storing and retrieving some of the information.

- ✿ The research constituted many broad areas hence required an in-depth study however, with the time factor some areas were not wholly addressed. The researcher made recommendations for areas of further study.

1.8 ABBREVIATIONS AND ACRONYMS

BDO- Binder Djike Otte

AIC- Auditor in Charge

WLC- Workload Compression

PCAOB- Public Company Accounting Oversight Board

ISQC- International Standard on Quality Control

IFAC- The International Federation of Accountants

AICPA- American Institute of Certified Public Accountants

1.9 DEFINITION OF KEY TERMS

Client- an entity within the firm's audit portfolio, can be referred to as an auditee

Audit Risk- refers to that risk of an auditor giving an inappropriate opinion on whether or not financial statements are materially misstated.

Audit evidence- gathered information by auditors through test of controls and (or) substantive procedures on which an audit opinion is based.

Auditor's workload- refers to the amount of work an individual auditor has to perform within a specified time period.

1.11 SUMMARY

The chapter gave the research background, statement of the problem by which the researcher was motivated to carry on this study, also highlighted on the research questions and related objectives. Delimitations of the study, limitations as well as the assumptions made were deliberated. Review of literature was done in the following chapter.

CHAPTER TWO

REVIEW OF LITERATURE

2.0 INTRODUCTION

The current chapter focuses on literature related to the problem of this study. It will therefore consider documentation from renowned experts in the field of study, published works from secondary data sources and the review will be guided by the research objectives of this study. Definitions to Audit Quality, Workload Compression and audit quality measurement are outlined. Factors contributing to workload compression and the relationship which then arise between auditor's workload and audit quality are analysed before closing the chapter with the best practices to attain audit quality.

2.1 DEFINITION OF AUDIT QUALITY

Literature shows that no common definition to audit quality has been reached rather the definition remains subjective. The study of Christensen et al (2015) finds out that audit quality is defined differently by the audit professionals and the investors, 'who are in fact the main users of financial reports'. PCAOB (2015) argues that quality of an audit can be referred to as compliance to widely accepted concepts and the firm's ability to meet expectations/ needs of its clients. PCAOB (2015) extends the earlier definition further to meeting investors' needs with an independent view and communicating results of the audit of the financial statements including disclosures, internal controls as well as the going concern.

On the other hand, IAASB (2011) refers to audit quality as the dependability of an audit opinion provided by competent auditors after obtaining sufficient-appropriate audit evidence to financial statements' users of the respective entity. Basuki (2006) cited in Suhayati (2012) argues that audit quality ends not on the competitiveness of the auditor but goes further to the auditors' ability to accomplish an audit assignment within time bounds. More so, "...audit quality also deliberates on the phases of scheduling an audit, timeliness, suitability and objectivity" (Suhayati, 2012).

Professionals in the field of auditing believe that meeting audit time budgets for both fieldwork and planning is an interval variable in determination of the audit quality (Christensen et al, 2015). In prior surveys on time deadline pressure and time budget pressure, audit seniors admit that they experience more pressure from time deadline than time budget; however, junior auditors expose these pressures equally (Margheim *et al*, 2011). Time budget pressure is also the main reason for dysfunctional behaviour or low-quality performance (López & Peters 2012). Suhayati (2012) however urges that some other factors including audit fees, audit firm size, independence of auditors among others significantly influence audit quality.

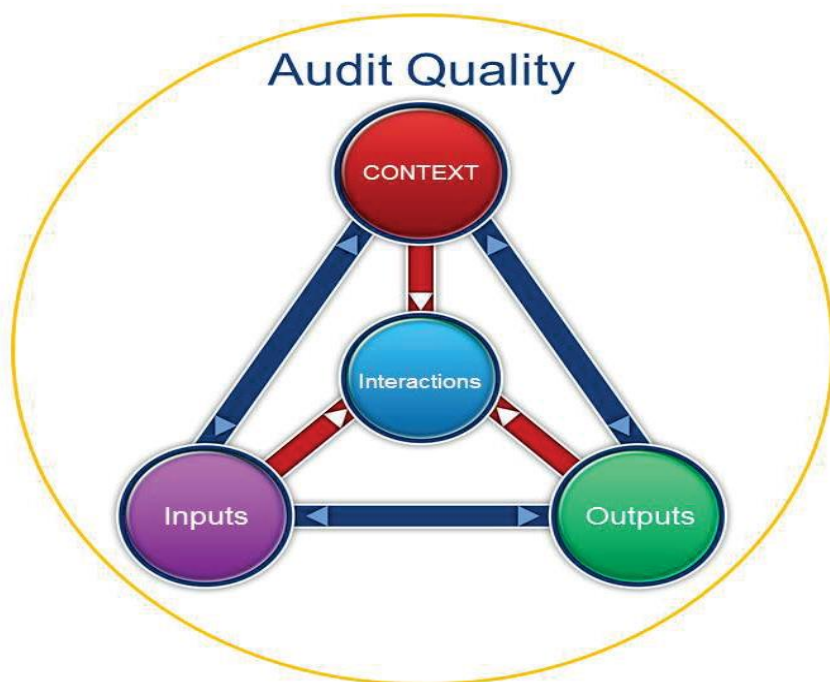
2.1.1 Audit Quality Measurement

Generally, different viewpoint has different judgment of audit quality. Nevertheless, recent publication by PCAOB (2015) identifies audit quality through 28 different indicators, which are classified in three areas namely audit professionals, audit processes of audit firm and audit results. Knechel and Vanstraelen (2013) identify that users of financial reports evaluate audit quality in relation to the ability to detect material misstatements or omissions and the actions of auditors after detecting material misstatements. More-over, Christensen *et al* (2015) adds that auditors also consider meeting deadlines of audit planning and fieldwork as an evidence of high audit quality.

Sharma (2011) argues that there is no universally agreed method/ way by which audit quality can be measured hence several factors such as auditors' experience with the client's line of industry, issues of litigation, the size of the audit firm, audit reviews among many others contributes towards audit quality measurement. The aforementioned factors however have their strengths and weaknesses as audit quality measurements tools. Arezoo and Yuen et al (2012) acknowledge measures of audit quality as either direct or indirect where direct measures includes quality control reviews and compliance to audit profession requirements while indirect measures includes audit firm size and staff expertise among others.

Knechel et al (2012) did a study which determined an existence of a positive correlation between compliance to reporting requirements and the size of firm. Where compliance is applied as a means to measure audit quality, firm size tend to positively influence the later. Yuen et al (2012) alluded that the quality of an audit can be regarded as either perceived or actual as he argues that audit quality is never a unitary concept but should be analysed as **Quality of service** (elements influencing the experience of the client on the process of audit) and **Quality of opinion** (elements contributing to a method most likely to achieve the right solution). On the other hand the IAASB (2012) developed a framework with which stakeholders can enhance audit quality and communications. However, for quality evaluation purposes the framework is not sufficient alone (PCAOB, 2013).

Fig 2.1 Framework Elements



Source; Audit quality Framework (IAASB, 2012)

2.1.2 IAASB Framework on Audit Quality

In their general approach the IAASB (2011) took into account probable factors influencing quality of an audit and classified them as: (1) Inputs, (2) Outputs, (3) key stakeholders' interactions and (4) factors by context. Having considered these factors and the complexity of audit quality, IAASB developed the framework depicting relationships of elements as per **fig 2.1**.

Inputs were put in three groups which are: “(a) the values, ethics and attitudes of individual auditors, (b) the knowledge and experience of auditors and the time allocated for them to perform the audit; and (c) the effectiveness of the audit process and quality control procedures.” Output is “often determined by the context, including legislative requirements” and depends on participants. Interactions on the other hand involve “both formal and informal communications”, which will be influenced by the context in which the audit is performed and allow a dynamic relationship to exist between inputs and outputs elements of the framework.

Contextual factors consist of “corporate government requirements and the applicable financial reporting framework” and “legislative and regulatory requirements”, shaping interactions of key stakeholders.

2.1.3 Audit quality indicators

Two quality indicators exist and are referred to as either input based or output based whereby the former consists of guidelines and processes implemented by the organisation to detect fraud issues, staff expertise in the field of audit as well as the rate of staff-turn within the firm. The latter relies in the performance of the firm during in its engagements such as dissolution and embezzlements in poor quality audit cases.

2.1.3.1 Input related indicators

Operational inputs indicators as classified by the PCAOB (2013).

i. Partners’ workload

Partners are the ultimate reviewers of audit work carried out by the auditors in audit engagements, the span of control of each partner determines the amounts of responsibility such a partner has to deal with. In other words, a larger span of control may pose excessive responsibility such that some procedures may go unquestioned which may in turn affect audit quality.

Staff workload

This is related to audit staff performance in every engagement and considers professional's chargeable hours which may influence their level of commitment to clients' responsibilities.

López & Peters (2012) concluded that high audit workload leads to lower quality audit.

Audit team

The argument thereto is that where staff is retained professional skills and experience is kept in the firm. Knowledge and expertise of auditors as well as their proficiency enhance audit quality through industry specialisation. This view is also supported by Sharma (2011) saying auditors with industry specialty are in a better position to provide better audit than those without such skills.

ii. Supervision and review

Managers and partners have the sore responsibility of reviewing work done by auditors ensuring standards, compliance and quality of the audit work is not compromised whether by experience or procedures employed during an engagement. Availability of technical resources within the firm as well as adequate review time for each engagement enhances the achievement of a high quality audit. Al-Khaddash et al (2013) supports this view saying audit work review at all level to ensure compliance to minimum requirements of auditing quality standards improves audit quality.

2.1.3.2 Audit Process Quality Indicators

iii. Tone at the top

The reliance is on the code of professional conduct whereby the auditor's professional skepticism, their objectivity and independence are major components affecting audit quality.

Piot and Janin (2011) views Non Audit Services as a factor which may hinder auditors from being objective and independent which will impact on audit quality.

iv. Control Activities

This includes responses that could be both technical and skill to areas of clients regarded as high risk. Determination and responding to high risk require auditors' competence.

v. Monitoring

This indicator takes into account findings of external reviews such as ICAZ as well as reviews by other affiliate firms. Such reviews add value to the audit profession and enhance audit quality.

2.1.3.3 Output/ Results: Audit Quality Indicators

i. Market impact

Knechel and Vanstraelen (2013) identify that users of financial reports evaluate audit quality in relation to the ability to detect material misstatements or omissions and the actions of auditors after detecting material misstatements.

2.1.4 Quality Control Policies

Controls in either the computer or manual environment comprise security, general and application controls Piot and Janin (2011). It is these controls in place within each individual firm that reflects the thrust, processes as well as the style of those charged with governance (Fung, 2010). General controls may be electronic data processing and those controls not directly inclined to a specific balance or cycle of transaction but impacts on the procedures and techniques of the client. Piot and Janin (2011) define internal controls as policies, procedures and structures aimed at enhancing the attainment of business goals while preventing, detecting or correcting undesirable events.

Management reviews and Performance appraisals

Performance appraisal as defined by Suhayati (2012) as a practice by which executive or supervision assesses task execution and behaviour against expectation and current standards enables management realise areas that need development. In the same breadth, audit reviews improve the monitoring process of how audit assignments are performed while identifying applicable ways to manage auditor workload

to enhance high audit quality. Deloitte Canada (2011) argues for the appointment of objective and independent audit reviewers so that audit quality is assured in all audit assignments. Peer reviews are also embraced within the firm to ensure compliance at all level to the firm's policies which is aligned to the IFAC code.

According to BDO International Audit Manual (2010) the firm adopts the requirements of International Standard on Quality Control (2009) that commands the establishment of procedures and policies to deliver reasonable assurance that:

- a) Apposite talk is held for contentious issues
- b) Necessary and adequate resources are in place for suitable consultation
- c) The nature and scope of these consultations are documented
- d) Conclusions arrived at during consultations are documented and implemented

ISQC1 (2009) aims to inaugurate and keep up a quality control system that ensures a reasonable assurance to compliance with professional standards, regulatory requirements while ensuring appropriateness of reports distributed by the firm in all circumstances. More-so, ISA 220 ensures control to quality of audits of historical financial information and guidance to personnel responsibility to quality control processes for historical financial information audits.

2.2 WORKLOAD COMPRESSION

Generally the custom and norms of business has greatly influenced most companies to the adoption of the calendar year end as their financial year ends (Lopez and Pitman, 2013). They further say this cluster of clients to a common year end creates a busy session in the audit arena hence refers to such a situation as workload compression. On the other hand Ehlen et al (2011), entails that workload compression arose due to Tax Reform Act of 1986 and as such audit work become excessively higher during the first quarter of the year. This view was also supported by AICPA (2009) which referred to this period as work-load compression whereby auditors' responsibilities and work density increases significantly. Significant pressure on auditors is experienced which may in turn cause shortcomings in the audit process.

This view is supported by Robbins et al (2013) as they indicate audit time budget as an essential consideration in audit firm in order to fulfil clients' expectations. Prior researches suppose the idea that the surrogate of auditor workload compression is office-level client portfolio (Gaver and Paterson 2007, López and Peters 2012). Meanwhile, Agoglia et al (2015) indicate that most of vital clients are severed with timely audit which also led to López & Peters (2012) concluding that audit quality is lower if audit workload compression is higher.

2.2.1 Factors influencing audit team composition

PCAOB (2012) argues that many a times the cause of poor quality audits is from the management structures, practices as well as audit firm processes which includes audit team formation. Additionally, the audit team formation is the opening step towards achieving audit quality as alluded by (Kilgore et al, 2011), this is so as team members' perceived inclusion and value to the audit team inspires higher performance (Ellemers et al, 2013).

Client complexity

ISO 19011 (2011) explains the constitution of an audit team as consisting one or more auditors one of whom appointed as the team leader. The International Organisation for Standardisation further states that when necessary audit teams are supported by guides and technical expertise however not acting as auditors. The complexity of the client therefore will determine both the number and skills required of an audit team (Dronkers, n.d).

Competence of audit team members

Management of audit firms have to leverage resources at least by developing audit teams on the basis of staff knowledge, expertise and experience to attain high quality audit (Gardner et al., 2012). The argument supports the view that only after the management have assessed skills and expertise of the auditors, then will they be able to come up with an effective and efficient audit team for any engagement. To achieve audit quality, management of accounting firms can leverage the resources that they have at least through team formation on the basis of staff experience, knowledge and relative expertise and not basing on staff available or rather preferences of decision makers (Gardner et al,

2012). Knowledge of requirements as well as the skill-set used to satisfy the team composition make it easier to replace staff if need arise.

Availability of Resources

Many a times audit firms have come up with audit teams for various audit assignments by considering the staff that is available to the firm or just a mere preference of decision makers (Kilgore et al, 2011). Kilgore et al (2011) however argues that in a number of circumstances, this practice has weaknesses in addressing some other factors such as career interests and staff skills, fit between staff competence and the needs of client which are crucial.

Competence of client management

According to Kilgore et al, (2011), there is an inverse relationship between the management's competence level and audit engagement team size. If the results of a client investigation suggest a client as being a high risk client or has high risk sections in its financial statements due to inadequate skill of personnel then dependency on internal controls is limited and more work has to be performed by auditors to obtain sufficient and appropriate audit evidence. In such a scenario, the size and skill of the audit team may be affected so as to ensure capability of meeting client's needs while achieving audit quality.

Effectiveness of client's internal controls

Internal controls which are defined by Liu et al (2011) as policies and procedures or any organisational structures put in place to mitigate occurrences of undesirable events so as to enhance organisational goal achievement. The sound/ effectiveness the client's internal controls as assessed by IT auditors are will impact on who will be selected to constitute the audit team for instance where a client's internal controls are weak chances of irregularities and misstatements tend to be high, hence the need to deploy more experienced staff at times more audit staff to manage increased audit workload (Ellemers et al, 2013).

2.2.2 Factors Contributing towards Auditor's workloads

Common fiscal year end

Auditors' workload has been greatly influenced mainly by the use of December as most of clients' financial year end leaving companies clustered by calendar year end date (Lopez and Pitman, 2013). In other words, they viewed a firm's client portfolio having the majority of its clients clustered to end of year date as work-load compression. The same view is accepted by Ehlen et al (2011) that the clustering of clients with a common year end date causes workload pressure however, they argue that such cluster is caused by the Tax Reform Act which influenced companies to select year ends linked to calendar year end. Furthermore, auditors' workload is argued to be caused by audit time budgets which are very tight hence auditors are involved with long working hours characterised by tiredness for auditors (Sigauke, 2013).

Time budget pressure

Time budget pressure is also the main reason for dysfunctional behaviour or low-quality performance as well as auditors' workloads (López & Peters 2012). Prior behavioural studies give the evidence that auditors' ability to detect material misstatement is impaired during the busy season and in any case, there are tight deadlines to complete audit assignments. The same idea is also supported by Brown et al (2016) saying higher time pressure significantly cause workloads inevitable, lowers auditor effectiveness and the easy-going attitude in considering material misstatements. In addition, Millett and Boyle (2013) indicate audit time budget as an essential consideration in audit firm in order to fulfil clients' expectations.

Incompetence of staff

An article by West (2017) asserts that a number of factors influence the mental responses by staff to work which greatly affect meeting of audit deadlines and audit work procedures implemented. Millett and Boyle (2013) say that the pressure on auditors arise not only from the shortage of time and high workload in the peak season but also from the fact that auditors may not have adequate skills and

knowledge mostly in the field of the client's business. Chadegani (2011) further argue that audit teams which lack appropriate skills, experience and knowledge negatively affect quality of the audit.

High staff turnover

West (2017) refers to staff incompetence as **Qualitative overload** which he describes as pressure arising when the auditors are not competent enough to perform assigned tasks but further explore that high labour turnover greatly contribute to auditors workloads. He argues that auditors' workload happens where there is lack of human resources as a result of high labour-turnover rate and miscalculating of human resources for all ongoing engagements at certain points of time. When labour turnover is high, audit seniors have to be in charge of engagements which are overcomplicated or for which they do not have enough experience in particular industry.

Unrecognised effort

The pressure on auditors arise not only from the shortage of time and high workload in the peak season but also from the fact that auditors may have to work overtime without recognition for their efforts (Bookey and Omoteso, 2016). This problem causes dysfunctional behaviour as well as intention to leave job after a certain time (result in high staff-turnover ratio). It is implied that the concept of theory should be coherent with human behaviour to provide guidance and explanation about a certain phenomenon hence as a result of this human nature of auditing, individuals' behaviour is needed to be part of the financial auditing theories (Deegan and Unerman 2011).

2.3 MEASURES TO MANAGE AUDITORS' WORKLOADS

Christensen et al (2015) says certain "remedies" can be put in place to book out auditors' workload hence the arisen of measures which firms can implement during busy season. They included in their view techniques such as utilising staff with better experience to tutor and mentor subordinates, having clearly set overtime bonuses as well as embolden flex time usage. **Ask your clients to fill out background information forms**

Christensen et al (2015) are of the notion that audit firms should communicate with their clients to confirm any changes that would have transpired to the management, structure of ownership, board

composition and have such information documented prior the busy season. They argue that also to be included by the client are details of their involvement in a new market and auditors may improve the process by giving the client prior period documentation then amend to new form once the client make available the new/ up to date information. The view thereto being to ease workload pressure come the busy season.

Starting walkthroughs early

The firm should request its clients to put up to date their memos on processes prior the busy season (Agoglia et al, 2015). They further alluded that it is necessary for auditors to then set up or modify walkthroughs based on this new information ensuring these are scheduled as soon as possible as walkthroughs can be done with any period information of the year under audit and not necessarily financial year end information.

Complete audit confirmations early

Agoglia et al (2015) and Christensen et al (2015) sail along in the view that auditors should compile and put in place such information as clients' bank accounts, contracts agreed upon ahead of the actual audit. Agoglia et al (2015) further states that where the auditing firm performs manual confirmations, they need to be templated and send once made available while where online system is embraced, the firm need to upload necessary confirmations in time. Over and above preparing these confirmations early, it is vital to consider prior year issues that disrupted progress which have to be addressed in the current audit period to avoid similar challenges.

Take a look at your client's most recent financial statements.

Only by a mere analysis of the clients' financial statements the auditor should be in a position to identify items/ elements or areas that would require auditors' additional audit procedures. More so, areas such as the revenue section and the accounts receivables need to be kept in mind as they constitute high risk areas of most clients (Agoglia et al 2015). Auditors should also be well aware and take note

of increases in deposits and liabilities which may mean contracts and significant agreements which might have been entered into in the current period. Corbella et al (2015) further says that agreements such as franchise, complicated rentals or any other agreements which are monetarily significant should be worked on with expectation for recalculations prior the busy season.

Review recent changes to standards.

Adeyemi and Fagbemi (2011) argues that familiarity with the updates that were made to compilation and review standards and the clarified statements on auditing standards is a necessary measure to curb busy season pressure. Additionally, results to peer reviews provides feedback on areas of attention to the auditor that may be affecting proper application of standards. Once these processes are performed earlier before the audit, then there will be less challenge to auditor application of recent changed standards and no need to scramble in making standard reviews during the midst of the busy season (Adeyemi and Fagbemi, 2011).

Conclusively, a failure in the management of auditors' workload may pose serious harm to the firm such as failure to meet client needs and expectations, audit team spirit blotted and destroyed client relationship (Letaifa 2012).

2.4 RELATIONSHIP BETWEEN WORKLOAD COMPRESSION AND AUDIT

QUALITY

In their study of audit firms Lopez & Peters (2012) managed to discover audit workloads as contributory to significant audit accumulations. This increases the levels of workload compression or the amount of work to be carried by an individual auditor in a minimum space of time. In addition, former researches with regard high auditors' workloads confirm that work-lord pressure contributes to improper audit behaviour and may reduce the quality of an audit (Suhayati, 2012).

Lin et al (2014) say the resources of the audit companies are limited and maintained at the same level during the whole year since audit occupation is a high-requirement profession, which cannot be hired for seasonal reason. Thus, timely serving a vast quantity of clients for a certain period can affect the

concentration of the audit company. Lin et al (2014) additionally says audit teams tend to finalize all ongoing audit engagements and speed up the issue-resolution process, which may impair audit quality. With less time-budget than standard for audit procedures, audit teams may perform less rigorous audit as well as be easy to accept explanation of clients (Lopez and Dennis, 2011). Audit team leaders may review the audit working papers performed by audit staff facilely without further investigation of steps for the unexplained questions.

Jenkins and Vermeer (2013) denotes from previous studies that pressure due to time budget greatly influence auditors' performance resulting in deficient audit work. They also alluded that, such work pressure influence not only the audit output but also impact on the behaviour of the auditor such that auditor-client communication may actually suffer significantly with chances of premature signing off to audit working papers and shallow review of audit working papers. Additionally, Jenkins and Vermeer (2013) studied the connection that exists between auditor motivation and amounts of work per auditor and concluded that a negative relationship exist between the two variables.

COSO (2012) argues in their report that there some factors which contribute to fraudulent financial reporting. In that report the organisation entails among other reasons that accounting firms should be able to determine/ detect such factors and address pressures that may shrink quality of the audit. In furtherance, audit pressures have proved a typical cause for premature sign off of audit working papers as well as failure to pursue on problems identified during the performance of the audit substantive procedures (Sigauke, 2013).

The arguments by Lopez and Dennis (2011) entails a positive relationship between audit time budget and quality of an audit. They argued that this is as such because when audit time budget is tight auditors' behaviour is more likely to minimise concentration on issues which could have posed need for further explanation or even additional audit procedures. PCAOB (2012) in their report explained their view on the association of audit quality and workload compression as, "...time pressures can create an environment in which audit quality might be compromised if engagement team members, at any level, perceive that their individual performance is measured primarily by meeting time deadlines

and budget estimates.” Such kind of hazards to audit quality recurrently appear towards or during end of engagement where pressure exists and may explain a negative relationship between the two variables (Lopez and Pitman, 2013).

2.5 BEST PRACTICE TO ATTAIN QUALITY AUDITS

These are prescribed systems or approaches utilised to achieve a benchmark or the most suitable way enhanced to get the most desirable output compared to other means (Suhayati, 2012).

Training and Managing the client

Certified Public Accountants (CPAs) prove to work more efficiently where clients supply to them all relevant and adequate information they need. If it so happens during a client audit that audit staff are held processing bookkeeping work, copying or locating needed files then the time frame of the audit engagement is likely to increase depriving the firm from benefiting from 100% of the audit fees (Boolaky and Omoteso, 2016). Lambert in her report best practices (2013) says auditors have to give a distinction between assistance and auditing, she further supports her view saying too often the client holds on to files and documents that are unreconciled or analysis of accounts not done leading auditors in doing other work beyond their responsibility.

Retain staff and clients

It was identified through a survey that retaining staff is a very important key to the enhancement of audit quality due to client knowledge and industry experience (West, 2017). In addition, West (2007) states that retaining staff promotes responsibility and improved performance in duty execution as well as provision of a valuable advice to clients. On the other flank audit firms agreed that industry specialisation is a significant contributor to efficiency. The notion being that, clients retained enables the auditors’ acquired knowledge of the industry to enhance timely and efficient audits (Boolaky and Omoteso, 2016). Deborah Lambert, a partner of Johnson Lambert & Co. in Bethesda, Maryland, and chairwoman of the AICPA auditing standards board in her report (2013) mentioned that, “as you

deliver the report, also deliver your next year's engagement letter and advices it is never unusual rather a great way to keep relationship with the client going.”

Peer Review

Several near-term changes to the American Institute of Certified Chartered Accountants Peer Review Program is aimed at driving developments in the audit field while providing instantaneous results. The board is bettering reviewers' quality by increasing qualifications expected of a reviewer while removing poor performers (Lambert et al, 2011). More-so, after the assessment of reviewers' performances, an oversight programme includes determining source-cause analysis which will be focusing on coming up with those control policies and procedures significantly inclined to audit quality in terms of their correlation. Findings thereto are conveyed to the audit profession to ensure adoption by firms so as to model engagements to assimilate best practices (Lambert et al, 2011).

Embracing IT Based systems

These are systems that can be employed by firms to enhance audit evidence analysis and documents structuring as well as recording and scanning the evidence (Lin et al, 2014). IT based systems also have the ability to direct auditors throughout the process of an audit engagement while providing access to standards and guidelines among others. Additionally, implementation of IT-platformed libraries enhances the use of more reliable methods and tests in obtaining audit evidence which significantly aid compliance with audit methodology, principles and standards (Lin et al, 2014).

Quality Review of completed audits

Credibility of audit results are improved when appropriate reviewers are engaged to perform reviews of finalised audit assignments. Audit quality reviews improves not only the results of an audit assignment but also help the firm to take corrective measures or changes to audit methodologies/procedures as well as compilation for indications to performance (Lin et al, 2014). Deloitte Canada (2011) says such reviews can be done by either an internal or external reviewer but emphasise that

he/she should not have been part of the audit team. The objectives of the reviews may vary. In addition, goals of a review are situational and may cover such issues as audit approach, methodology compliance to professional standards and appropriateness of methods used to audit subject and objective(s) as well as a determination of whether the audit findings were based on solid, well-argued and clearly presented evidence (Lin et al, 2014).

Staff performance appraisal and professional training

Performance appraisal refers to a tool used by management to evaluate staff performance and ability in terms of quantity and quality of output, time sensitive and efficiency (Minutti-Meza, 2013). This tool is valuable in the management of staff career and can be employed to address needs of a firm, staff expectation, staff motivation and their related abilities. Professional training of workforce improves execution of audit duties and enhance staff competencies to address any potential irregularities identified during an audit assignment.

Compliance to Professional ethics

Audits are conducted with the aim of examining processes employed by businesses in their operations as well as their compliance to requirements of both the internal and external environment while boosting continuous improvements (Minutti-Meza, 2013). He further states that quality is rarely attained impulsively but has to be flourished into the company by way of continuous improvement. Where a framework of professional code of conduct, ISAs, corporate governance and ISQC are communicated, adopted and implemented audit quality will be achieved (PCAOB, 2015).

2.6 SUMMARY

The chapter gave the theoretical and empirical views by different authors and researchers with regards audit quality and workload compression. It also elaborated on the measurement of audit quality and relative quality indicators in relation to input, processes and output. More-over, factors contributing to auditors' workload and measures applicable to manage audit workload, relationship which exist

between workload compression and audit quality and the best practices to enhance audit quality were examined. The following chapter cores on research methodology.

CHAPTER 3

METHODOLOGY

3.0 INTRODUCTION

This chapter discusses means/ methods incorporated by the researcher in obtaining data utilised to address research questions and objectives of this study. Appropriate theoretical and empirical lessons drawn from the review of literature assisted shaping the methodology as well as the blending of the research instruments such that they can complement each other to enhance reliability and credibility of the research. This chapter therefore covers the research design, target population, data sources, sampling, research instruments, data analysis and presentation as well as ethical considerations.

3.1 RESEARCH DESIGN

Research design refers to the complete means or a blue print that reflects the way procedures of the study are undertaken. Saunders et al (2012) added that research design depicts the numerous approaches to be employed in solving the research problem therefore, the research design assists the researcher to perform the study in a systematic and cost effective way. After considering the former definition, the researcher purposefully selected the best research design that would suit the objectives and questions of the study. The main objective of this research is to examine the impact of audit workload on audit quality therefore, the researcher adopts a descriptive research design to answer the problem of this study in the most economical way considering the existing constraints. The researcher also chose the qualitative method to have a better and deeper insight of views and opinions of auditors about the influence audit workload has on audit quality.

3.1.1 Descriptive Research Design

Kumar (2011) refers to descriptive research as a design that allows the researcher to figure out information focused towards defining the condition of a situation as it exists during the time of research. Interviews and questionnaires were utilised for this study as research instruments to gather answers aiming to achieve a complete and accurate description of the impact of auditor's workload

impact on audit quality. Kapoulas and Mitic (2012) alluded that descriptive research, does not give the researcher control over the variables but will be able only to record, analyse and report on what is transpiring and what transpired pertaining the variables under study. The researcher hence found descriptive research design as most suitable to the current study as it incorporates both the Qualitative and Quantitative approach to the research.

3.1.1.1 The Qualitative Approach

Qualitative research deals with information that is too difficult to quantify and that can only be observed such as opinions and judgments of participants (Kapoulas and Mitic, 2012). More-so a qualitative approach enables the researcher to read/ deduce attitudes, views and past behaviour towards the study question (Bhattacharjee, 2012). A qualitative approach was therefore used to enhance the research mainly by analysing theoretical ideas where it was not possible to develop models. The researcher used a qualitative-interview approach to answer most of the research questions as they required qualitative information such as the opinions and views of the participants about the impact, effects of audit workload on audit quality. It was however difficult to measure impact and relationship of audit workload on audit quality hence incorporation of the quantitative approach to the research.

3.1.1.2 The Quantitative Approach

Kapoulas and Mitic (2012) defines Quantitative approach as a system which is systematic and having data in numerical format from which information with regards a study can be developed. They further state that such an approach can be utilised in describing and examining cause and effect relationship and output thereto presented numerically and statistically. The researcher used the quantitative approach to quantify data collected and analysed it statistically and also to determine the relationship between auditors' workload and audit quality.

3.2 TARGET POPULATION

A target population is referred to as a complete set of elements/ people about which researchers draw their suppositions. Okafor and Otolor (2013) defines a population as the collective association of

objects on which a researcher intends to deduce certain insinuations or rather the complete set of individuals to which the researcher has interests in drawing up conclusions. The researcher therefore considered the fifty-six (56) BDO Zimbabwe Audit staff as the target population for this research. Audit staff were chosen by the researcher as they constitute members of the firm with better knowledge and understanding of the research topic.

3.3 SAMPLING

Bhattacharjee (2012) defines a sample as a deliberately and scientifically identified cluster of persons or elements with true representative qualities and characteristics of a population. Saunders et al (2012) alludes that factors like the criteria of selection, methods by which data is collected and availability of resources are influential to the development of the sample as samples should neither be excessively large nor very small since an inappropriate sample may be costly and may as well mitigate validity and reliability of the study (Okafor and Otor, 2013). This view is supported by Bhattacharjee (2012) saying excessively large samples are expensive and consumes beyond normal time for both data gathering and related investigation.

A sample therefore is expected to be of the optimal size and should be a true representation of the researchers targeted populace utilised for the drawn up evidence. In this study, the sampled population is thirty employees under the audit department of BDO Zimbabwe. As there was detailed information about the characteristics of the population, the researcher apportioned the audit office into respective categories (strata) then selected from each stratum respondents by simple random sampling method to overcome sampling bias.

3.3.1 Sampling Techniques

Sampling techniques can be defined as approaches/ procedures used by the researcher in drawing up samples from the populace taking into account the need for population representation and possibility of making suppositions. Saunders et al (2012) states that these approaches are put into two distinct classes namely probability and non-probability sampling methods.

3.3.2 Stratified Random Sampling

Saunders et al (2012) alluded that probability sampling ensures an even and equal chance of every member within the target population to be selected. Therefore, in an attempt to fairly select individuals for this study sample; a stratified random sampling method was used. This is a technique of sampling that enables apportionment of the sample into distinct categories (**strata**) then individuals are selected from each category (**stratum**) on a random sampling basis (Sigauke, 2013). This method of sampling enhances fair representation of respondents and allows an explicit exploration of each stratum. This was achievable as the entire audit staff has distinct levels as follows: [Partners, Audit Managers, Audit Seniors, Audit Supervisors, Audit Clerks and Audit Interns]

Table 3.1 Target Population and sample size

Category/ Level	Target Population	Sample size	Sample size %
Partners	5	3	60%
Audit Managers	8	5	62.5%
Audit Seniors	6	4	66.7%
Audit Supervisors	4	3	75%
Audit Clerks	24	10	41.7%
Audit Interns	9	5	55.6%
Total Respondents	56	30	53.6%

Thirty questionnaires were issued to BDO Zimbabwe for the purposes of this research.

3.4 DATA SOURCES

The researcher utilised both Primary and Secondary data in this study.

3.4.1 Primary Sources of Data

Primary data also named raw data can be defined as data collected right from the field by the researcher specifically for the research (Arens et al, 2012). Such kind of data qualifies to be most appropriate for the research topic as its reliability and accuracy is most likely to be assured due to a direct hands on by the researcher. The researcher obtained the current declarations from the participants at the time of

research concerning the impact of auditors' workload on audit quality by administering questionnaires and conducting interviews in order to obtain the primary information which is relevant and specific to this research. More so, in an attempt to curb the long and time consuming process of primary data collection, the researcher sent in advance the questionnaires and did follow ups before final visit for collection.

3.4.2 Secondary Sources of Data

Sindhu (2012) alluded that this kind of information was developed for certain other purposes and is historical in nature. The researcher examined existing documents which provided such information seen to be more sensitive by respondents and was also used to give the researcher an analytical view and aid to primary data obtained through interviews and questionnaires. Secondary data is however prone to be out of date and at times difficult to reconcile with current changes in the research environment. To curb the aforementioned problem of utilising outdated data during the research, more recent documentation was used in this research.

3.5 RESEARCH INSTRUMENTS

Refers to the tools that were utilised to foster the gathering of primary data relevant in supporting the research objectives, these included the use of interviews as well as self-administered questionnaires.

3.5.1 Questionnaires

Questionnaires are defined as research instruments having systematically compiled questions aimed to the researcher's sample of the populace from which data is obtained (Kumar, 2011). The research instrument strive to ensure collection of valid and accurate data which is easy to compare and analyse while minimising bias (Sindhu, 2012). The researcher included in the questionnaires both open and closed ended questions as open ended questions gave respondents room to express themselves while closed questions enabled easy of analysis and comparison.

Considering the nature of the research topic that it is sensitive as it inflicts issues of auditors' giving in to workload pressures, questionnaires were developed such that anonymity and confidentiality was guaranteed to respondents to increase the probability of honest responses. The research also included structured questions as a way of mitigating the effect of biased responses and to avoid the respondents from diverging their attention from the objectives of the research. The inclusion of both structured and unstructured questions improve the results obtained and eliminate loss of respondent's interest in answering the questions.

3.5.2 Interviews

A personal interview is a two way dialogue originated by the interviewer so as to gather needed data from the interviewee(s) (Sindhu, 2012). It therefore implies that interviews can be carried out on an individual or group setup, in the latter case respondents work together before giving an agreed response while in the former scenario each respondent's views are not influenced by others' (Boddy, 2016). Face to face interviews were conducted for this study to get an in depth understanding of the impact of auditors' workload on audit quality.

The researcher used face to face interviews to curd problems of ambiguity or misunderstanding and as a complementing tool to Questionnaires. Misunderstandings to the research questions were immediately settled, Kapoulas and Mitic (2012) regards this as one of the strengths of conducting interviews. During the interviews the researcher adapted the questions as necessary, clarified doubts and ensured that the questions were properly understood by repeating and rephrasing the questions which enhanced the validity of the responses. The interviews were also fruitful as they provided the researcher with non-verbal gestures which aided as compliments to verbal cues. Six interviews were scheduled to BDO Zimbabwe audit staff.

3.5.3 Likert Scale

Kumar (2011) describes a likert scale as a tool that is used to determine attitude of respondents towards a research question. He further states that a likert scale assumes equality in attitudinal value when

reflecting attitude with regards an issue in question. A five point scale is commonly used and appears as in fig 3.1 below:

Table 3.2 Likert Scale

<u>Item</u>	<u>Strongly Agree</u>	<u>Agree</u>	<u>Unsure</u>	<u>Disagree</u>	<u>Strongly disagree</u>
Points	1	2	3	4	5

Source: Saunders et al (2012)

The researcher used a 5 point Likert Scale which showed an individual’s point of response to a particular aspect under research questions. The Likert scale assisted the researcher to quantify the opinions, attitudes and beliefs of the auditors with regards the effects of workload on audit quality making it easier for the researcher to draw graphs and conclusions from the scaled responses. The likert scaled responses also give more scope as the observation ranges from high to low rather than a simple yes or no format of questioning (Bertram, n.d)

3.6 DATA COLLECTION

Appointments were made and agreed upon by the interviewees and performed as per scheduled dates. Additionally, questionnaires were distributed prior the interview by means of both email and hand delivery and were collected after the conduct of the interviews. The researcher did some follow ups for unrequited questionnaires in an attempt to simultaneously maximise response rate and address any ambiguity in questions.

3.7 DATA VALIDITY

Weathington et al (2012) alluded that data is said to be valid if it manages to address properly the study questions and objectives while showing a clear picture of the study. They further say that validity also confirms accuracy of the research instruments used in coming up with the study insinuations. To enhance the validity of the data, the researcher ensured that questions asked in both the interviews and questionnaires exhausted concerns of the research objectives. Boddy (2016) says that ambiguous

questions destroy the validity of the research instruments hence the researcher ensured that all the questions contained in the questionnaires were clear and concise.

3.8 DATA RELIABILITY

Boddy (2016) defines reliability as the extent to which data collected for the research study can be regarded free from error. In other words, reliability refers to consistency of the research instruments in coming up within similar results where the research is repeated. The researcher conducted a pre-test with few copies of questionnaires and included both open ended and closed questions in the questionnaires. Where unreliable measures are utilized for the study research, the outcome thereto becomes valueless and lacks dependability (Kumar, 2011). To evade the aforementioned shortfall in data collection, the researcher selected employees with vast knowledge and experience in audit enhancing the dependability of the findings.

3.9 DATA ANALYSIS

Data analysis can be referred to as a process of evaluating and transforming raw data into information or rather into a form through which data can have meaningful interpretations and be able to draw up conclusions (Weathington et al 2012). With the need to ensure consistency with philosophical views that underpins this research, the researcher incorporated content analysis to qualitatively analyse data. The researcher applied content analysis to this study as it gave the researcher room to utilise data from other literature related to this research as the starting point. More so, content analysis was incorporated in the study as it allowed the researcher to make inferences as well as to make a closer analysis to content of responses obtained through questionnaires and interviews as supported by Gusukuma (2012).

Descriptive statistics were utilised for the analysis of quantitative data by means of averages, mode and relative percentages. In addition, packages such as Microsoft Excel were also used by the researcher to organise and to make statistical inference of respondents' views. The use of STATA 11

was also implemented to deduce the relationship between auditors' workload and audit quality while regression was used to compute the coefficient of variation between the aforementioned variables.

3.10 DATA PRESENTATION

Data presentation refers to the process of converting collected data into useful information and conveying it by way of understandable illustrations (Kumar, 2011). As such; graphs, pie charts and data tables were used as they depicted clearly the results of the research while allowing easy interpretations. Diagrams used in data presentations portray a clear picture to the readers and enable them to easily interpret and make comparisons of the research findings, which is also supported by Mills (2015).

3.11 ETHICAL CONSIDERATION

Sommestad et al (2014) explains ethical consideration as those actions by the researcher during the research conducts which are considered acceptable ethically. As such, the researcher put value in the works of the respondents by negotiating the use of their flexible time as well as conducting research after the respondents' job commitments. More so, data obtained during the research was treated with integrity and kept confidential and only for the purposes and use of the research. Additionally, secondary data that was utilised by the researcher was properly acknowledged by use of citations and references. Conclusively, significant consideration was enhanced to ensure objectivity by not allowing own opinions to influence the information obtained and the conclusions thereto.

3.12 SUMMARY

The chapter highlighted features of research methodology incorporated for the purpose of this study as well as procedures made for data gathering. The research design, population and the related sample considered by the researcher, validity and reliability of data was deliberated and also how the data was to be presented in the next chapter before finalising the chapter on the ethical considerations to the research. The following chapter centres on data presentation and analysis.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

This chapter focuses on the presentation, analysis and the interpretation to data findings of the study. Research data as obtained by the research method aforementioned in chapter three was utilised to answer questions and objectives of this study. Additionally, literature review also aided the analysis to foster the research in coming up with a reasonable conclusion on the impact of audit workload on audit quality.

4.1 DATA RESPONSE RATE

4.1.1 Questionnaire Response Rate

For the purposes of this study, questionnaires and interviews were used as research tools therefore, 30 questionnaires (100%) were issued to BDO Zimbabwe Chartered Accountants audit staff of which 25 were returned giving a response rate of 83.3%. The researcher found the response rate as acceptable since it is above 65% as recommended by Okafor and Otalor (2013).

Table 4.1 Questionnaire Response Rate

<i>Respondents</i>	<i>Questionnaires Distributed</i>	<i>Completed and Returned</i>	<i>Response rate (%)</i>
<i>Partners</i>	3	1	33.3
<i>Audit Managers</i>	5	3	60
<i>Audit Seniors</i>	4	4	100
<i>Audit Supervisors</i>	3	3	100
<i>Audit Clerks</i>	10	10	100
<i>Audit Interns</i>	5	4	80
TOTAL	30	25	83.3

4.1.2 Interview Response Rate

An acceptable 83.3% response rate was achieved as researcher managed to conduct five of the six scheduled interviews.

4.2 PRESENTATION AND ANALYSIS

4.2.1 Position Held

To enhance quality of the data obtained by the researcher it was necessary to put audit staff in their positional categories (strata) before selecting respondents. This involved categorising the audit staff by position they withhold as they would impact the validity of the data collected. Below is a table representing respondents' occupational positions:

Table 4.2 Positional count

Position	Number of respondents	Relative %
Partners	1	4
Audit Managers	3	12
Audit Seniors	4	16
Audit Supervisors	3	12
Audit Clerks	10	36
Audit Interns	4	20
Total	25	100

The table above shows a fairer distribution of respondents which gave the researcher a reasonable assurance of adequate population representation.

4.2.2 Auditing Experience

The researcher was motivated to consider during data analysis the experience of respondents as it is an important factor towards ascertaining both reliability and validity of the data collected. The

presumption thereto is that audit staff with a better auditing experience have a better know how of the impact audit workload has on the quality of audits.

Table 4.3 Auditing experience

Number of Years	Number of respondents	Relative Percentage (%)
0-2 years	6	24
3-4 years	8	32
5-6 years	7	28
Over 6 years	4	16
Total	25	100

As indicated by **Table 4.3**, 19/25 (76%) of the respondents have at least 3 years audit experience with the firm and 6/25 (24%) only had a maximum of 2 years audit experience with the firm. The majority of the respondents as indicated by the (76%) have a minimum of three years' experience in the field of study which enables the researcher to conclude satisfactory results (*ceteris paribus*).

4.2.3 Professional Qualifications (BDO Zimbabwe)

The researcher found it necessary to determine the professional qualifications of respondents as their professional skill may impact on their knowledge and competence in the field of this study. Findings thereto have been illustrated below:

Figure 4.1 Respondents' Qualifications

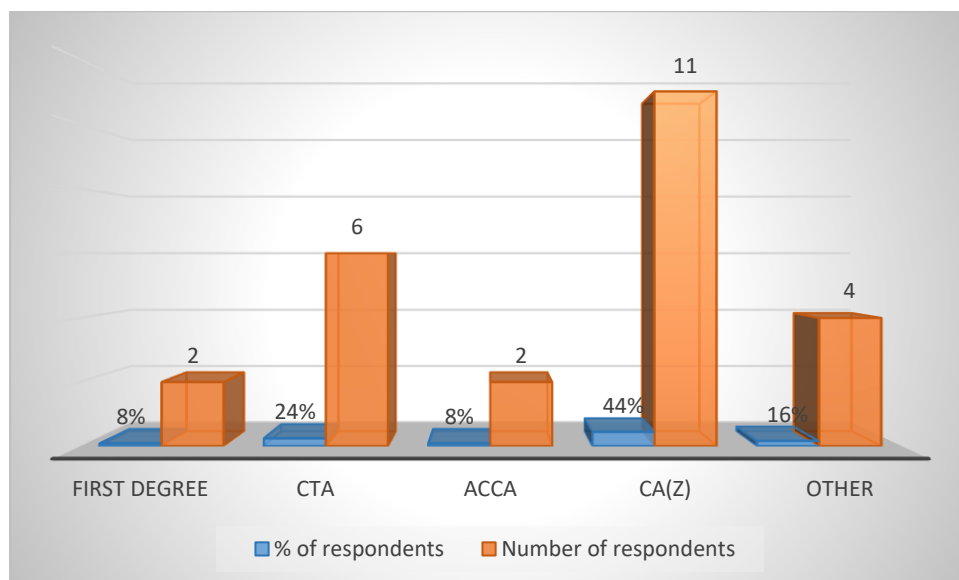


Figure 4.1 above show that 2/25 (8%) respondents hold first degrees, 6/25 (24%) of them qualified to the CTA level, 2/25 (8%) holds an ACCA qualification, 11/25 (44%) are qualified chartered accountants and those categorised as other totalling 4/25 (20%) constituted Audit interns from various universities. After consideration of the modal class, respondents can be said to be sufficiently qualified to understand and give data that is useful in addressing the questions to this study.

4.3 RESPONSES TO STUDY QUESTIONS

4.3.1 Existence of the Busy Period (Busy Season)

The research found it necessary to confirm the existence of a busy season as an initial step to validate the need for the study. In addition, the researcher realised the need to determine the time of the year which the auditors considered their busy season. Respondents agreed that they experience a busy season where audit assignments and workloads significantly increase and table 4.4 shows the responses with regards the period busy season is experienced.

4.3.2 Time of the Year Constituting the Busy Period

Table 4.4 Time of the year constituting the busy period

Responses	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Number of Responses	20	2	0	3	25
% of Responses	80%	8%	0%	12%	100%

Table 4.4 shows that 20/25 (80%) of the BDO Zimbabwe audit staff consider the 1st quarter of the year as the busy period where most audits are carried out. 3/25 (12%) of the respondents contemplate the 4th Quarter of the year tend to pose audit pressure as it's the time when most audits start hence becomes the busy period. 2/25 (8%) view the 2nd quarter of the year as the busy period however, none of the respondents are of the notion that the 3rd quarter of the year is the busy period.

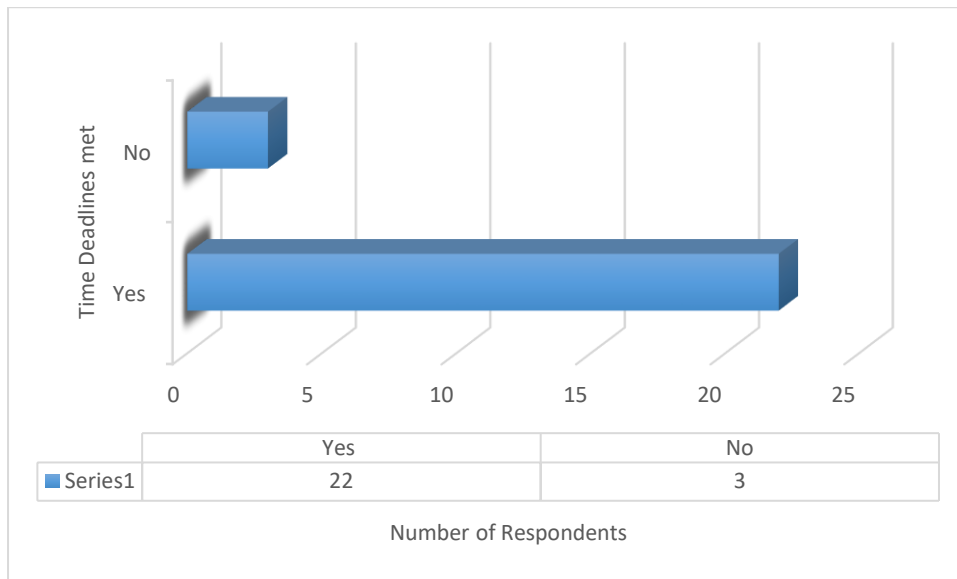
The results obtained through questionnaires tallied with interview results in that the January to March period is the busy season for auditors at BDO Zimbabwe Chartered accountants. The interviewees alluded that year ends of the significant portion of the firms client portfolio is December hence most audits are carried out during the 1st quarter of the year imposing high audit workloads on auditors.

On a modal basis, the researcher concluded that the 1st Quarter of the year is the busy season whereby auditors have to attend to the significant number of the firm's clients. Auditors' workload has been greatly influenced mainly by the use December as most of clients' financial year end leading to increased audit work during the 1st quarter of the year (Lopez and Pitman, 2013).

4.3.3 Meeting Time Deadlines during Busy Season

The focal point with regards this question was to determine whether increases in workloads influences audit assignment completion beyond deadlines.

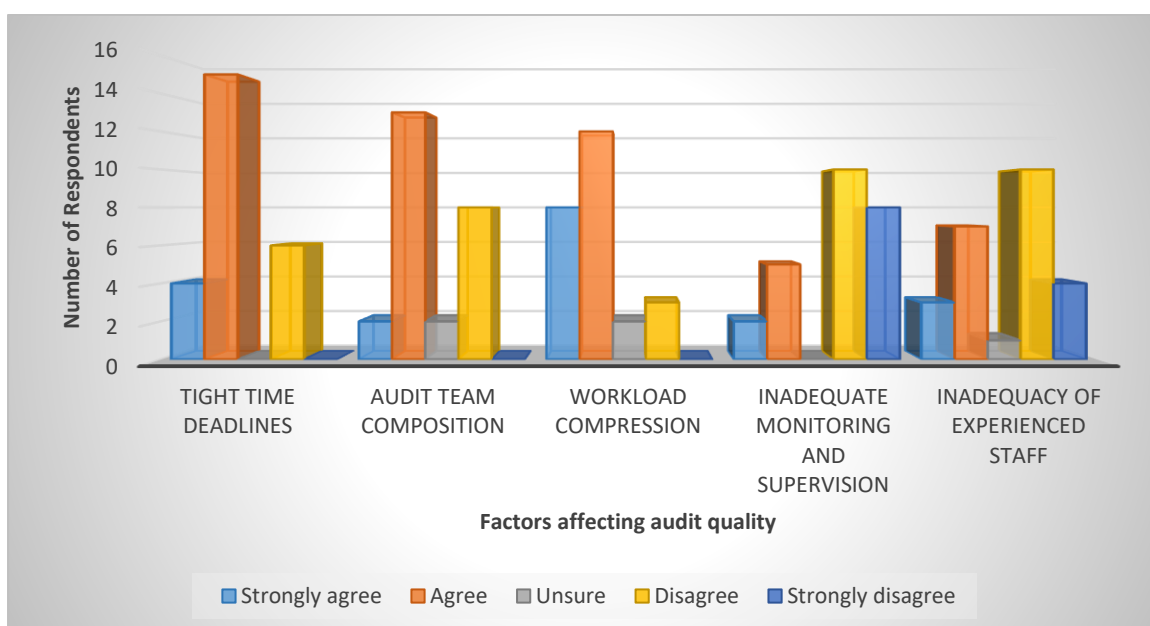
Fig 4.2 Meeting time deadlines during busy season



The diagram above shows responses on whether busy period pressure affects auditors in meeting their audit assignments deadlines. The responses showed that 3/25 (12%) agree that during busy season audit deadlines are not met while 22/25 (88%) of the respondents are of the view that even during the busy season audit time deadlines are met. The research considered the mode of responses and concluded that time deadlines are met even during the busy period.

4.3.4 Factors Affecting Audit Quality within BDO Zimbabwe

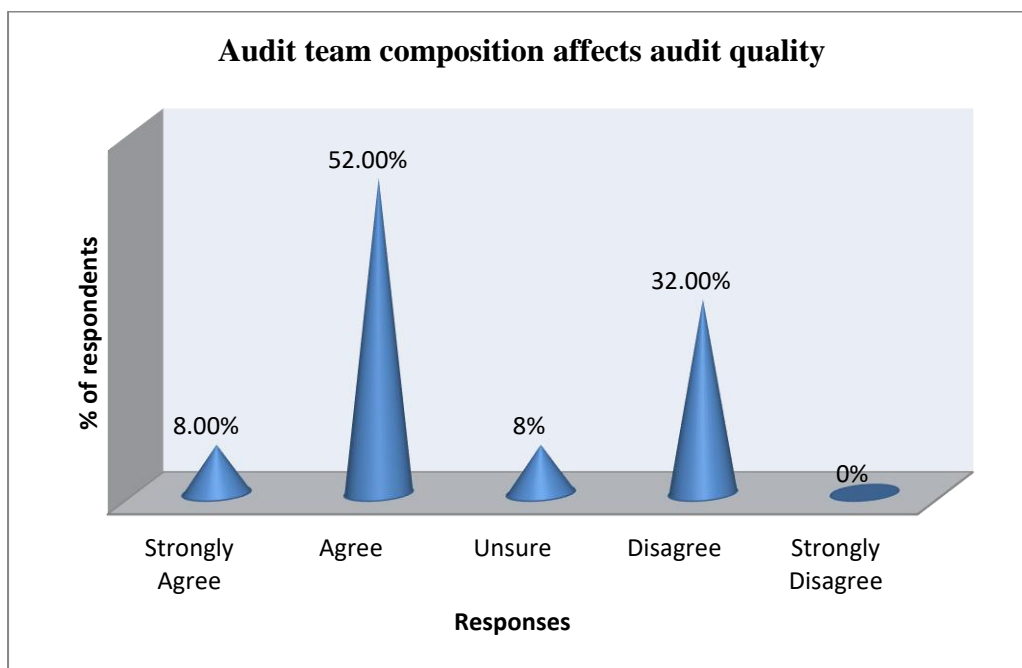
Fig 4.3 Factors affecting audit quality



As can be seen from fig 4.3 that 4/25 (16%) strongly agree, 15/25 (60%) of the respondents agree, 6/25 (24%) disagreed while neither of the respondents were unsure nor strongly disagree that tight time budget deadlines affect quality of auditing. From the above analysis it can be deduced that 19/25 (76%) respondents agreed that tight time budget deadlines negatively affect audit quality while 6/25 (24%) were in disagreement of the view. Using the modal statistics, the researcher concluded that tight time budgets impact on audit quality.

The results as per field research are supported by Jenkins and Vermeer (2013) who denotes from previous studies that pressure due to time budget greatly influence auditors' performance resulting in deficient audit work.

Fig 4.3.1 Audit team composition affects audit quality



The amalgamated fig 4.3 and specific fig 4.3.1 depicts that 2/25 (8%) of respondents strongly agree, 13/25 (52%) agree, 2/25 (8%) were unsure, 8/25 (32%) disagree while none of the respondents strongly disagreed that audit team composition have an impact on the quality of the audit. It can be further developed that 15/25 (60%) agreed that team composition affect audit quality and 2/25 (8%) were unsure whilst 8/25 (32%) disagreed with the view. Despite having a 32% of respondents disagreeing

that team composition affect audit quality, the researcher concluded on a modal basis that audit team composition has an impact on the quality of the audit.

As alluded through review of literature, audit team formation is the opening step towards achieving audit quality (Kilgore et al, 2011). This is in line with the results obtained from the primary sources in that team development and its composition impact on the quality of the audit.

Fig 4.3.2 Workload Compression affects audit quality

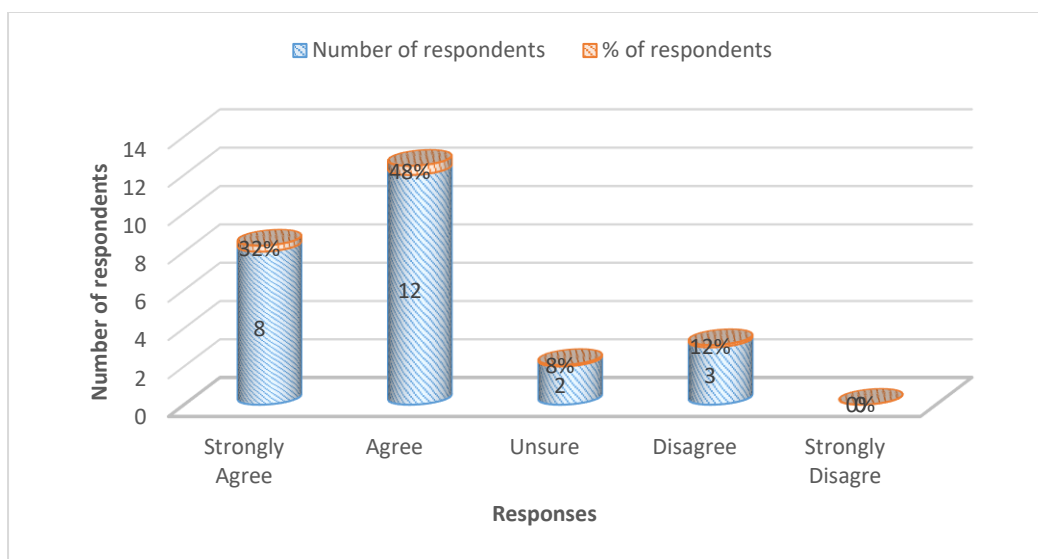


Fig 4.3.2 shows that 8/25 (32%) of respondents strongly agree, 12/25 (48%) agree, 2/25 (8%) were unsure, 3/25 (12%) disagreed while none of the respondents strongly disagreed to the notion that workload compression has an effect on audit quality. These statistics also review that 20/25 (80%) of the respondents are of the view that workload compression affect audit quality at BDO Zimbabwe Chartered accountants while 2/25 and 3/25 constituting the remaining 20% were unsure and disagreed respectively to the view.

Related views were also obtained through interviews on the question on whether busy season workload pressure affects audit quality. Four of the respondents alluded ceteris paribus workload pressure tend to affect negatively performance of audit staff which ultimately may compromise quality of the audits done under workload pressures. One the respondents during the interview however argued that at some

point the more the audit work the less reluctant auditors become and the more concentration and commitment to assignment which may enhance audit quality.

The researcher however used the above statistics to conclude on the modal basis that workload compression has an impact on the quality of the audit.

Fig 4.3.3 Inadequate monitoring and supervision affects audit quality

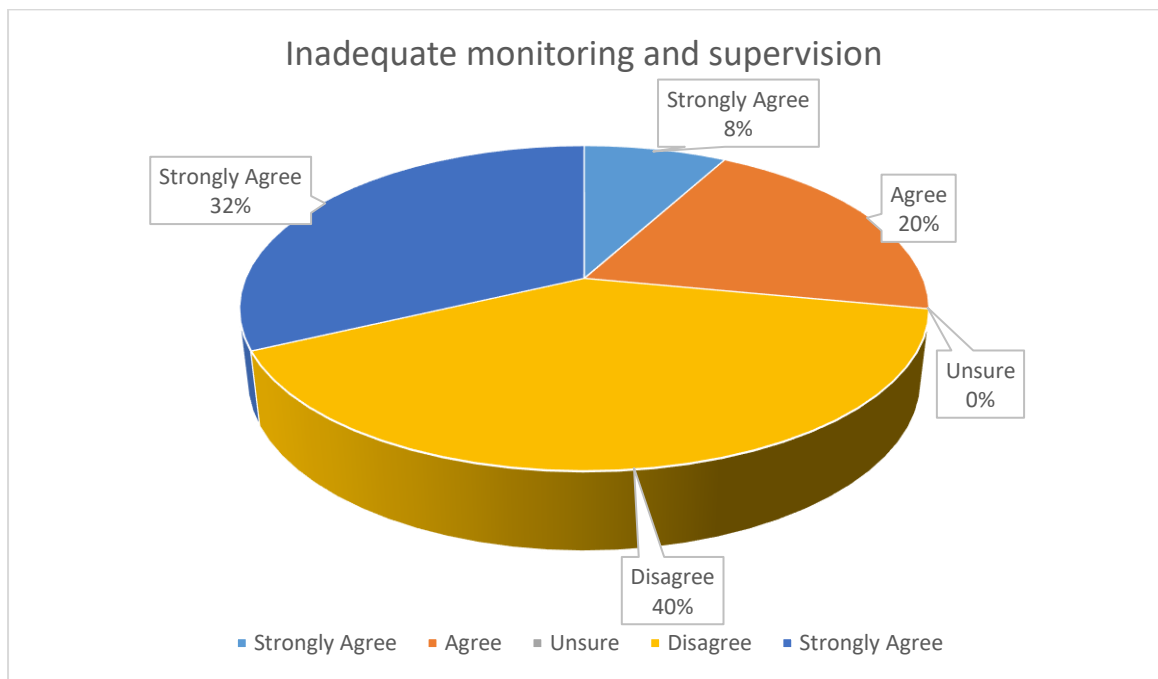
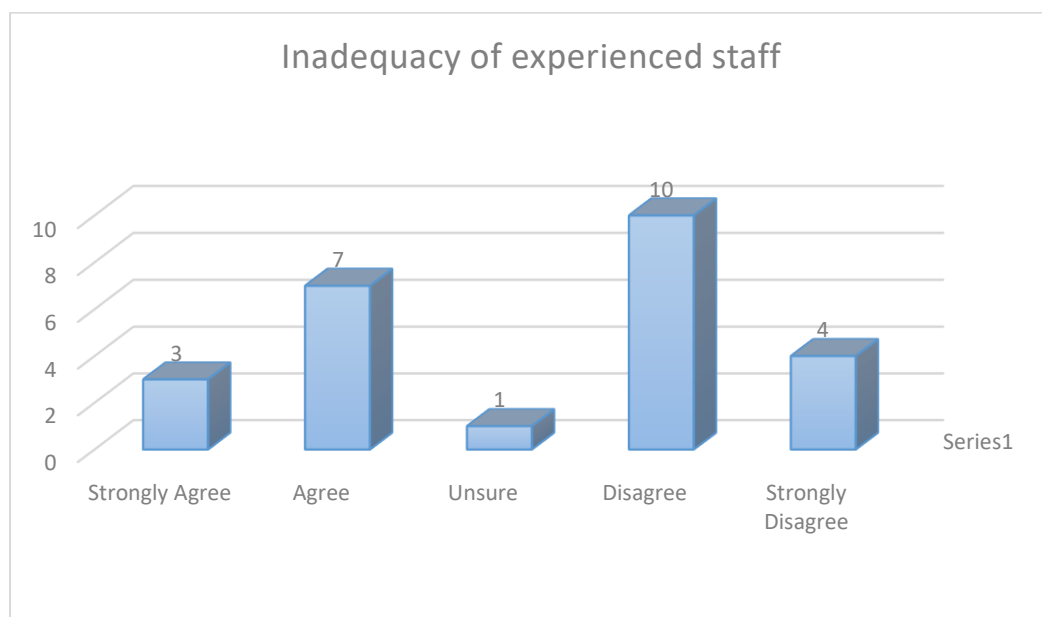


Fig 4.3.3 above shows 8% (2/25) respondents strongly agree, 20% (5/25) agree, none were unsure, 40% (10/25) disagreed and 32% (8/25) of the respondents strongly disagreed that inadequate monitoring and supervision have an impact on audit for BDO Zimbabwe audits. Only 28% (7/25) agreed with the view that inadequate monitoring and supervision impacts on audit quality while 72% (18/25) respondents denied the view. The researcher by means of the modal response concluded that inadequate monitoring and supervision does not have an impact on audit quality as far as BDO Zimbabwe audits are concerned.

Fig 4.3.4 below shows 3/25 (12%) respondents strongly agree, 7/25 (28%) agree, 1/25 (4%) were unsure, 10/25 (40%) disagreed and 4/25 (16%) of the respondents strongly disagreed that inadequacy of experienced staff has an impact on BDO Zimbabwe audit quality. 10/25 which constitutes 40% are

of the notion that inadequacy of experienced staff impacts on audit quality which is also supported by Sharma (2011) saying knowledge and expertise of auditors as well as their proficiency enhance audit quality through industry specialisation. However, after considering the mode of the statistics of 14/25 (56%) of respondents disagreeing, the researcher concluded that inadequacy of experienced staff do not impact on audit quality as far as BDO Zimbabwe is concerned.

Fig 4.3.4 Inadequacy of experienced staff affects audit quality



4.3.5 Factors Contributing to Workload Compression

Having realised the existence of high workload pressure being experienced by the firm in the 1st quarter of the year, the researcher found it necessary to take into account those factors which contributes to workload compression. These factors were tabulated and analysed below.

Table 4.5 Factors contributing to workload compression

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Common fiscal year ends	8	14	0	2	1	25
%	32%	56%	0%	8%	4%	100%
Incompetence of staff	5	10	0	4	6	25
%	20%	40%	0%	16%	24%	100%
High staff turnover	6	8	3	5	3	25
%	24%	32%	12%	20%	12%	100%
Staff effort not recognised	7	8	2	6	2	25
%	28%	32%	8%	24%	8%	100%
Time Budget pressure	10	12	0	3	0	25
%	40%	48%	0%	12%	0%	100%

Fig 4.4.1 Common fiscal year ends

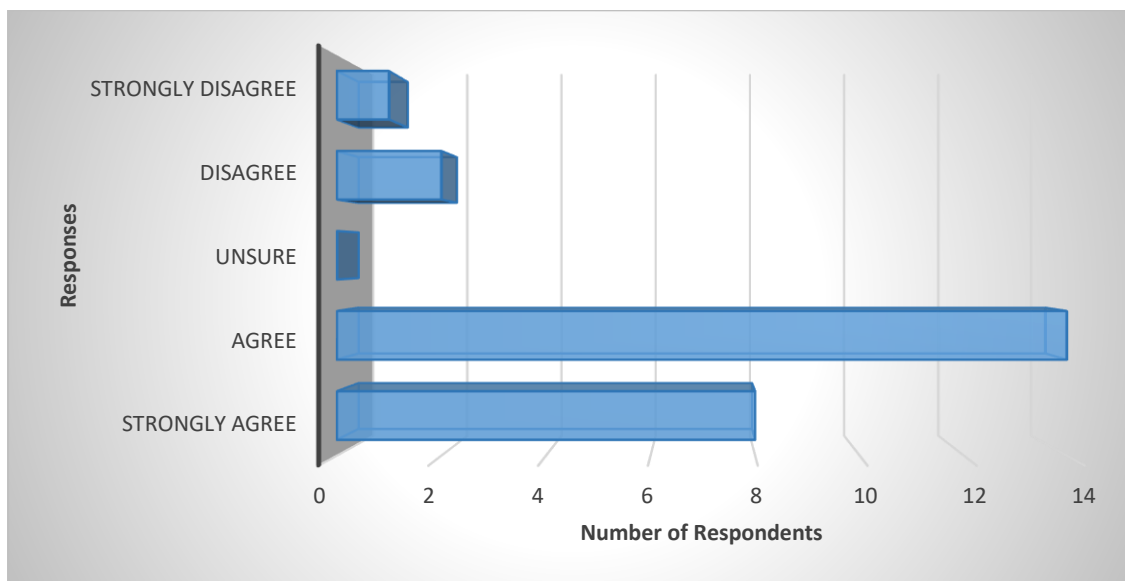


Figure 4.4.1 illustrates that 8/25 (32%) strongly agree, 14/25 (56%) agree, 0/25 (0%) of the respondents were unsure, 2/25 (8%) disagree while 1/25 (4%) strongly disagree that workload compression is due to common fiscal year ends of clients. From the above analysis it can be deduced that 22/25 (88%) of the respondents agreed that workload compression is mainly due to common fiscal year ends of clients while a trifling 3/25 (12%) disagree to that view.

The researcher utilised the modal statistic to conclude that workload compression is due to common client fiscal year ends. Lopez and Pitman (2013) are of a similar notion saying auditors' workload has been greatly influenced mainly by the use of December as most of clients' financial year end leaving companies clustered by calendar year end date.

Incompetence of staff

Fig 4.4.2 below illustrates that 5/25 (20%) strongly agree, 10/25 (40%) agree, 0/25 (0%) were unsure, 4/25 (16%) disagree while 6/25 (24%) of the respondents strongly disagree that workload compression is due to incompetence of staff. In furtherance, 15/25 (60%) of the respondents agree that staff incompetence contributes to workload compression while 10/25 (40%) disagree with the view. Considering the mode, the researcher concludes that incompetence of staff contributes to workload compression.

Fig 4.4.2 Incompetence of staff

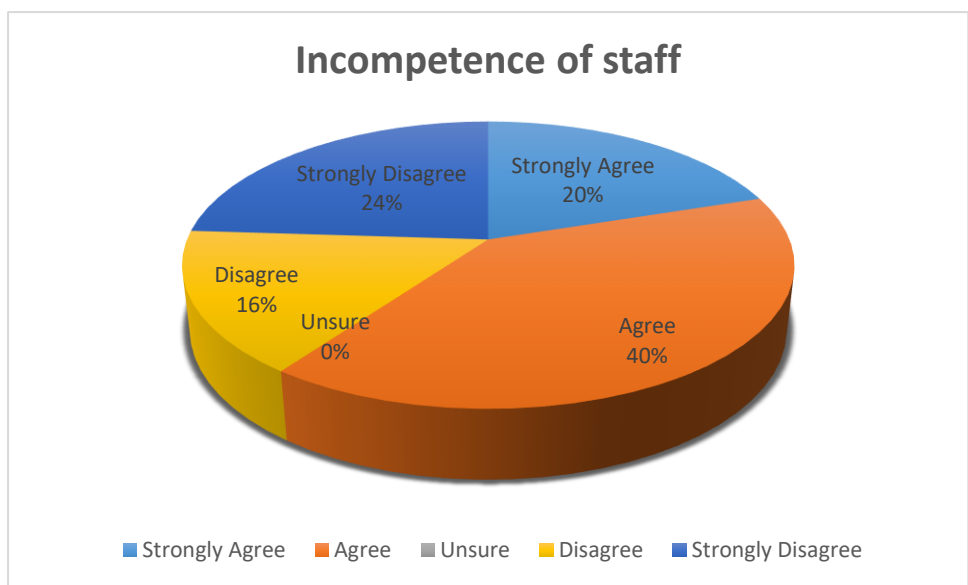


Fig 4.4.3 High staff turnover

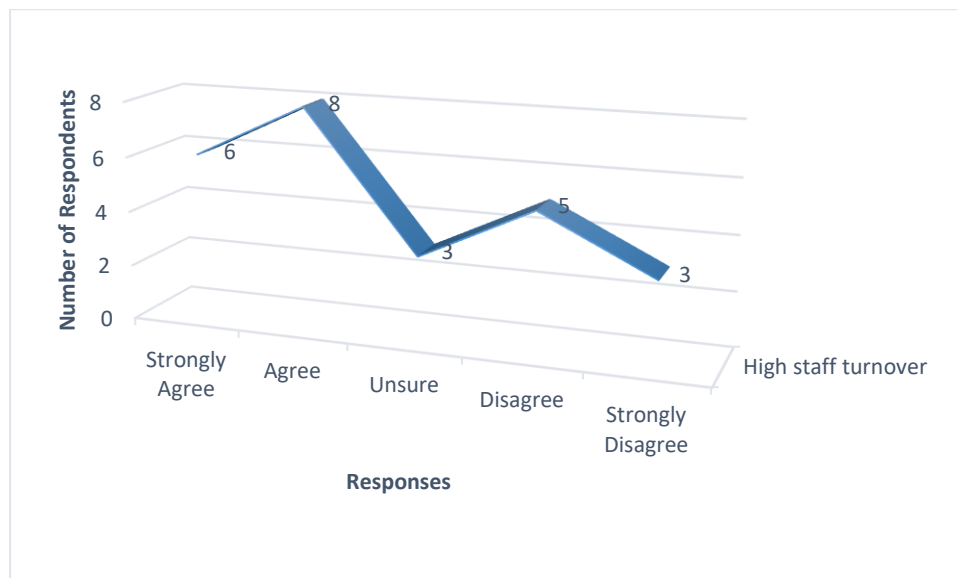


Fig 4.4.3 above shows that 6/25 (24%) strongly agree, 8/25 (32%) agree, 3/25 (12%) were unsure, 5/25 (20%) disagree while 3/25 (12%) of the respondents strongly disagree that workload compression is due to high staff turnover. When aggregated, 14/25 (56%) of the respondents agree that high turnover of staff contributes to workload compression while 11/25 (44%) disagree with the view.

Five out of five (100%) of the interview respondents were of the notion that high labour turnover is a major concern to audit quality. The respondents made reference to the rate at which staff leave the firm once they qualify as chartered accountants saying in some cases they leave even before final completion of their scheduled clients. They also indicated that staff turnover has its major bearing on the senior staff thereby creating a gap that may be filled by an underqualified individual for the client’s rigorous audit. By way of the modal statistics, the researcher concluded that high staff turnover contributes to workload compression.

Staff effort not recognised

Fig 4.4.4 below show that 7/25 (28%) strongly agree, 8/25 (32%) agree, 2/25 (8%) were unsure, 6/25 (24%) disagree while 2/25 (8%) of the respondents strongly disagree that workload compression is due to staff effort not recognised. A 60% (15/25) of respondents alluded that staff effort not recognised

contributes to workload compression, 8% of respondents were unsure while 32% (8/25) disagree with the view. Using the modal basis it can be deduced that unrecognised staff effort contributes to audit workload.

The results there-above are reinforced by Boolaky and Omoteso (2016) saying the pressure on auditors arise not only from the shortage of time and high workload in the peak season but also from the fact that auditors may have to work overtime without recognition for their efforts.

Fig 4.4.4 Staff effort not recognised

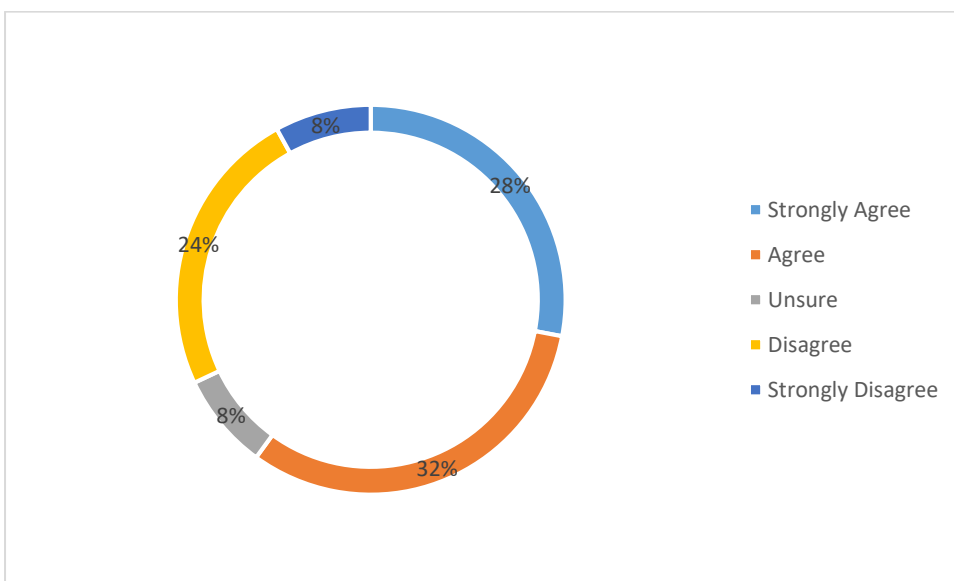


Fig 4.4.5 Time budget pressure

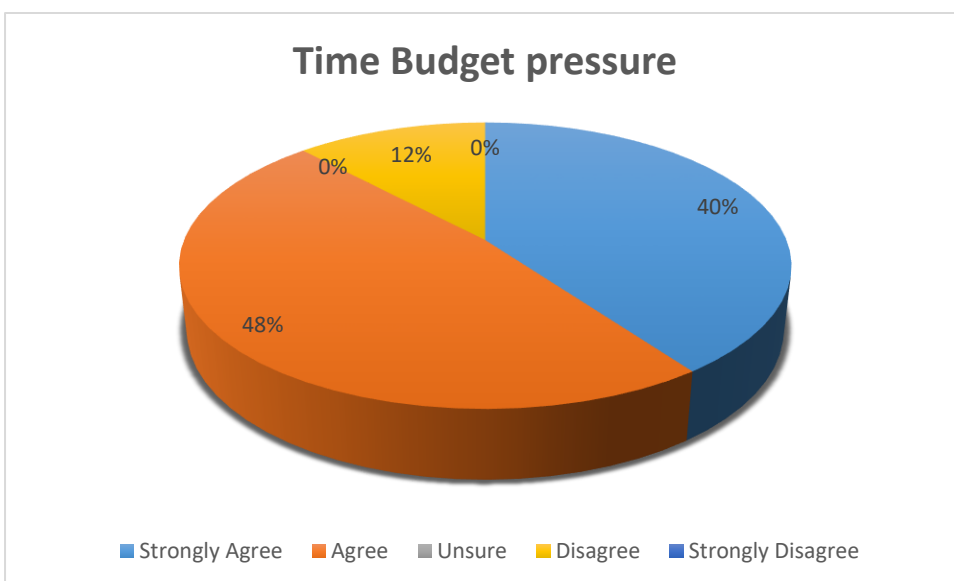


Table 4.5 and fig 4.4.5 above show that 10/25 (40%) strongly agree, 12/25 (48%) agree, 0/25 (0%) were unsure, 3/25 (12%) disagree while 0/25 (0%) of the respondents strongly disagree that workload compression is due to staff effort not recognised. In total 22 out 25 (88%) agreed that workload compression is due to time budget pressure. However 3/25 (12%) disagree to the view that time budget pressure contributes to workload compression.

The researcher used the mode to conclude that time budget pressure significantly influence workload compression. This is also supported by Millett and Boyle (2013) indicating that audit time budget is an essential consideration in order to fulfil clients' expectations and manage auditors workload.

4.3.6 Effects of Workload Compression on Auditors Behaviour

Having in mind the need to determine and probe how busy season affects auditors' behaviour would assist in development of a conclusion on the possible effect on audit quality workload compression has. In other words, the aim is to determine whether WLC would influence the behaviour of auditors, results thereto were tabulated below:

Table 4.6 WLC results in dysfunctional behaviour

Responses	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of Responses	10	7	3	4	1	25
% of Responses	40%	28%	12%	16%	4%	100%

Fig 4.5 WLC results in dysfunctional behaviour

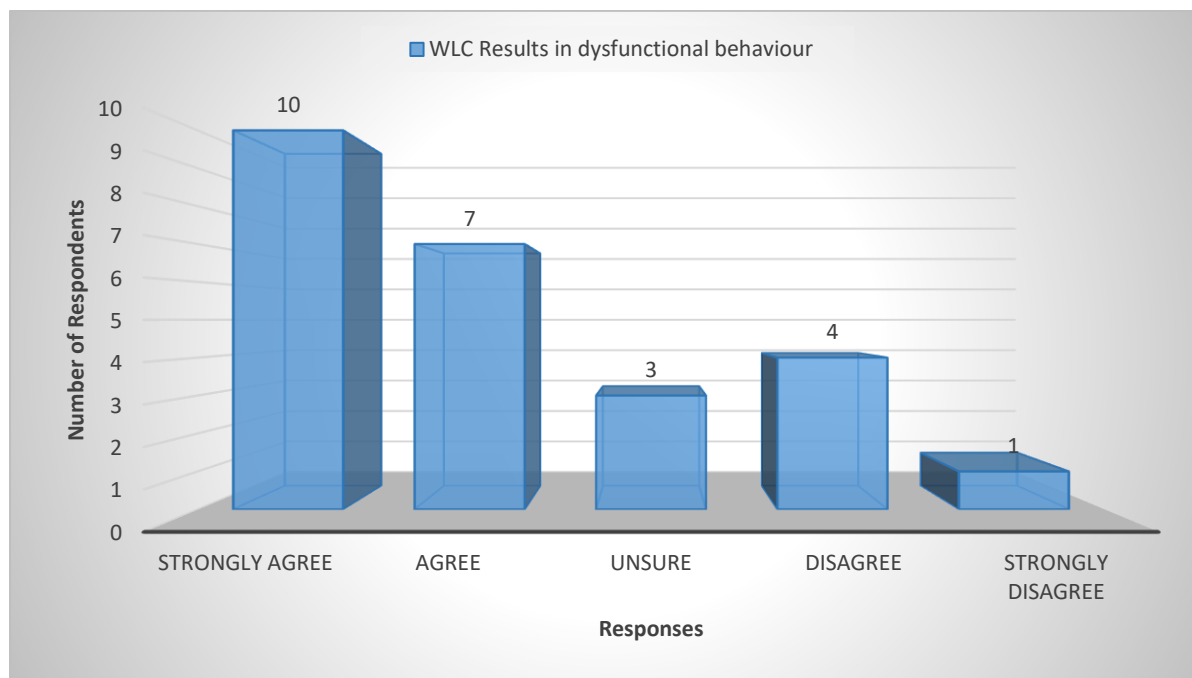


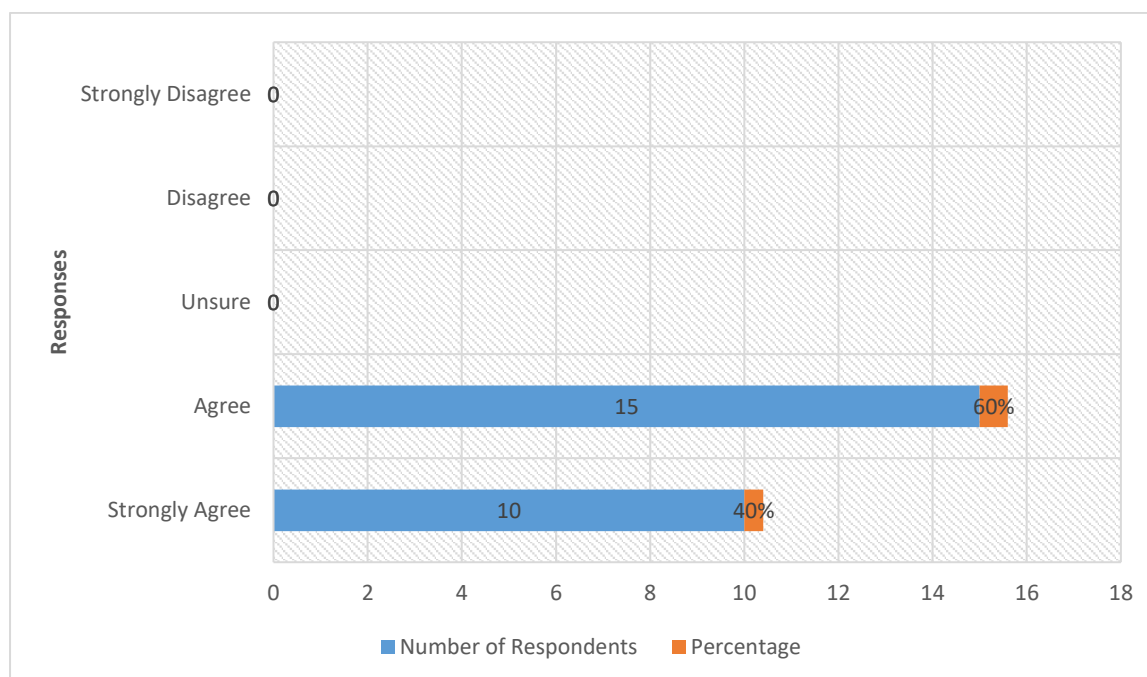
Fig 4.5 above show that 10/25 (40%) strongly agree, 7/25 (28%) agree, 3/25 (12%) were unsure, 4/25 (16%) disagree while 1/25 (4%) of the respondents strongly disagree that workload compression results in auditors dysfunctional behaviour. Summed up results show that 17/25 (68%) of the respondents agree that WLC leads to auditors dysfunctional behaviour while 5/25 (20%) disagree to that notion.

Using the mode the researcher concluded that WLC causes auditors' dysfunctional behaviour. This impression is also deliberated by López & Peters (2012) saying WLC is one of the major causes of auditors dysfunctional behaviour such that they can transcend the firm's control mechanism.

4.3.7 IFAC Code of Ethics Regulate Conduct and Behaviour of Auditors

The researcher after determining that workload compression has an impact on the behaviour of the auditors found it necessary to confirm whether or not the IFAC Code is of use in managing conduct and behaviour of auditors. Results obtained from respondents were presented and analysed below:

Fig 4.6 IFAC Code of Ethics regulate conduct and behaviour of auditors



The diagram (fig 4.6) above show that 10/25 (40%) strongly agree, 15/25 (60%) agree, 0/25 (0%) were either unsure, disagree or strongly disagree that IFAC Code of Ethics regulate conduct and behaviour of auditors. Considering that all respondents agree, it can be concluded that the IFAC Code of Ethics regulate conduct and behaviour of auditors which enables auditors to mitigate dysfunctional behaviour when carrying out their professional duties.

4.3.8 Relationship between Auditors' Workload and Audit Quality

The relationship between the study variables namely auditors' workload and audit quality was computed using STATA 11. Responses to coded ratings of questions 9 and question 10 were utilised in STATA 11 to compute the relationship of the two variables. STATA 11 results are shown in *table 4.7* below:

Table 4.7 STATA 11 Results

Source	SS	df	MS			
Model	32.0143935	3	10.6714645	Number of obs =	25	
Residual	3.74560649	21	.178362214	F(3, 21) =	59.83	
Total	35.76	24	1.49	Prob > F =	0.0000	
				R-squared =	0.8953	
				Adj R-squared =	0.8803	
				Root MSE =	.42233	

wlc	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
meetinginv~i	-.360622	.1015782	-3.55	0.002	-.5718654	-.1493786
detectingi~d	-.3666178	.0896124	-4.09	0.001	-.552977	-.1802585
applicatio~d	-.2266663	.1051792	-2.16	0.043	-.4453984	-.0079343
_cons	5.666549	.1969766	28.77	0.000	5.256913	6.076184

Source STATA 11

Results to STATA 11 shown above were used to address the researchers aim to surface the relationship between auditors’ workload and audit quality. In this study auditors workload was treated as an independent variable while audit quality was considered a dependent variable. For the purposes of this study, the ability of the auditors to meet needs and expectations of clients, detecting irregularities and fraud as well as application of rigorous/ thorough audit procedures were used as audit quality determinants.

Table 4.7 above indicates that a unit increase in auditors’ workload will ultimately cause a decline to the auditors’ ability to meet needs and expectations of clients, detecting irregularities and auditors’ ability to apply rigorous/ thorough audit procedures by approximately 36.06% (-0.360622* 100%), 36.66% (-0.3666178* 100%) and 22.67% (-0.2266663 *100) respectively. When averaged, it can be deduced that one unit increase in auditors’ workload will have a negative impact on audit quality of approximately 31.80% [-(36.06% + 36.66% + 22.67%)/3].

In concurrence to the above shown results is the view by Suhayati (2012) saying former researches with regard high auditors’ workloads confirm that workload pressure contributes to improper audit behaviour and may reduce the quality of an audit. To boot, PCAOB (2012) in their report explained

their view on the association of audit quality to workload compression as, “...time pressures can create an environment in which audit quality might be compromised if engagement team members, at any level, perceive that their individual performance is measured primarily by meeting time deadlines and budget estimates.”

4.3.9 Measures in place to manage workload compression

Table 4.8 Measures to manage WLC

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Peer Review	9	11	2	3	0	25
%	36%	44%	8%	12%	0%	100%
Partners’ Review	7	10	4	4	0	25
%	28%	40%	16%	16%	0%	100%
Team Building	10	12	3	0	0	25
%	40%	48%	12%	0%	0%	100%
Deploying audit team members with various expertise	7	18	0	0	0	25
%	28%	72%	0%	0%	0%	100%
Walkthroughs and confirmations in advance	10	15	0	0	0	25
%	40%	60%	0%	0%	0%	100%

Measures to manage WLC

Having analysed above the respondents’ view on whether or not workload compression affects audit quality and concluded that WLC has an impact on audit quality. The researcher keeping in mind the above mentioned factors contributing to WLC found it necessary to determine means by which WLC can be managed. These factors are summarised in **Table 4.8** above and will be analysed below independently.

Fig 4.7 Measures to manage WLC

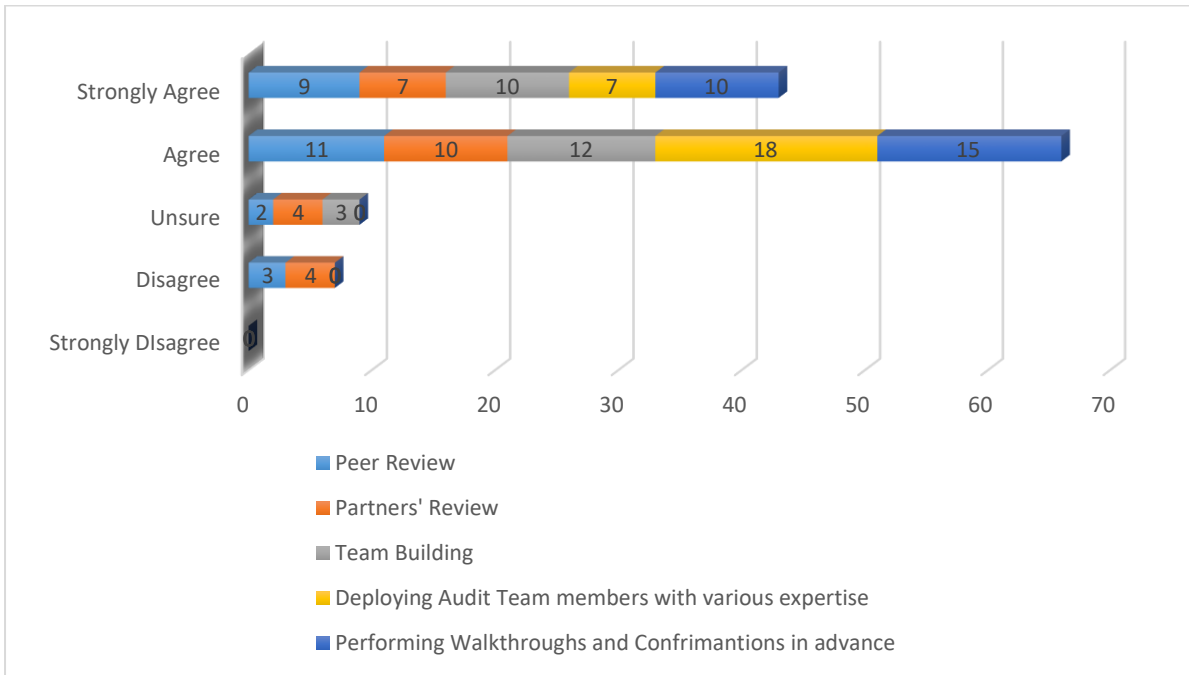
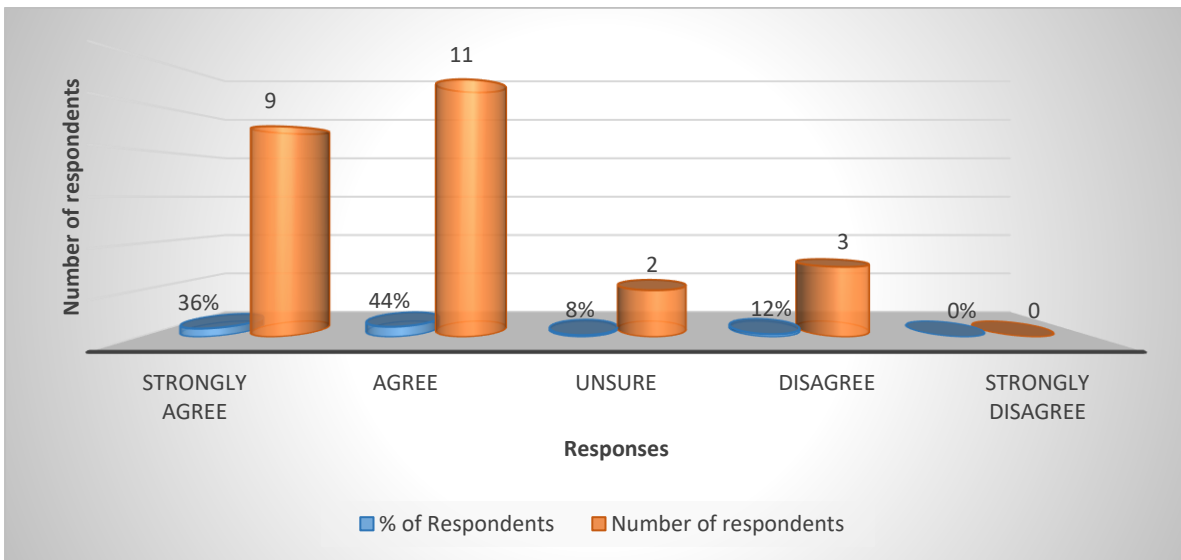


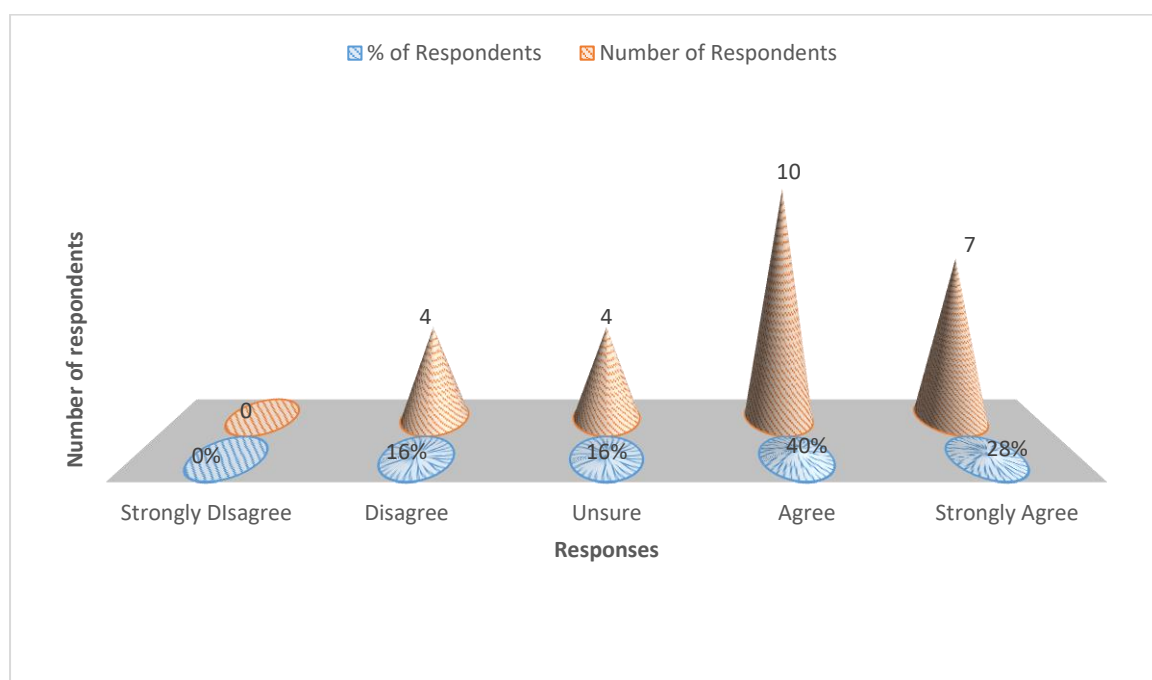
Fig 4.7.1 Peer Review



The summarised view on fig 4.7 and a specified diagram on fig 4.7.1 above show that 9/25 (36%) strongly agree, 11/25 (44%) agree, 2/25 (8%) were unsure while 3/12 (12%) disagree and none of the respondents strongly disagree that peer review is a measure feasible to manage workload compression.

The interview question on how BDO Zimbabwe manages its auditors' workloads also showed that peer review has proved a useful tool to curb pressures due to WLC. The respondents to the interview question said these reviews have been fruitful and have significantly improved staff performance as staff challenges identified during reviews are dealt with by means of called upon training sessions. Having considered both the questionnaires and the interview results, the researcher concluded that peer review is a good measure to manage workload compression.

Fig 4.7.2 Partners' Review



From both the abridged fig 4.7 and fig 4.7.2 above, it can be deduced that 7/25 (28%) strongly agree, 10/25 (40%) agree, 4/25 (16%) are unsure, 4/25 (16%) disagree and 0/25 (0%) strongly disagree that partners review is a practical measure to manage workload compression. These responses show that 17/25 (68%) of the respondents agree while 4/25 (16%) are in disagreement of the view that partners review is a measure used to mitigate WLC.

By means of statistical inference (modal responses), the researcher concluded that partners' review is a possible measure to manage WLC.

Fig 4.7.3 Team Building

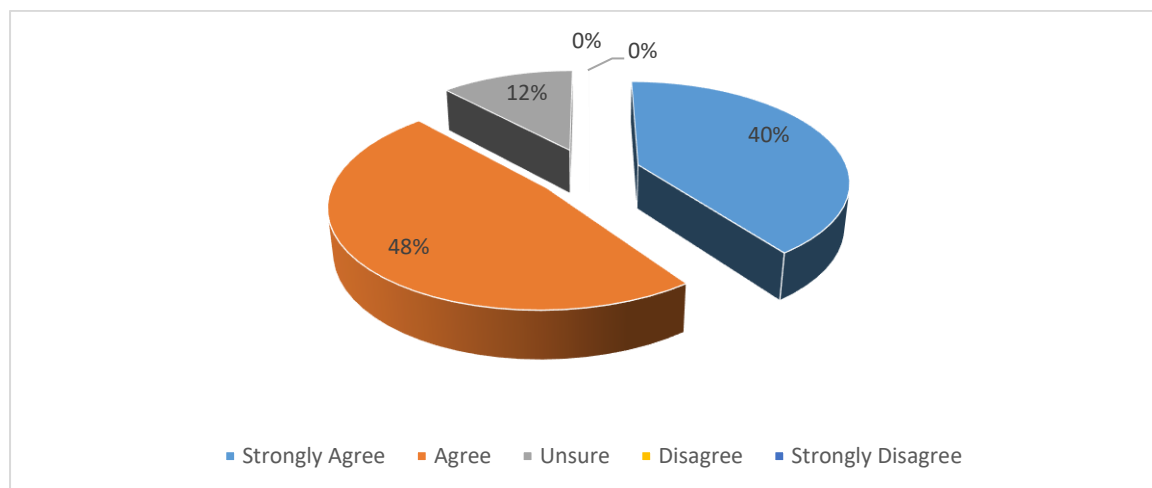


Figure 4.7.3 show that 10/25 (40%) strongly agree, 12/25 (48%) agree, 3/25 (12%) were unsure and 0/25 (0%) of the respondents either disagree or strongly disagree that team building is an approach by which audit workloads can be managed.

Interviews conducted also reviewed that team building when properly performed and processes managed enhances the ability of the firm to manage workload compression.

Using the mode, the researcher concluded that team building is a useful means to manage WLC.

Deploying audit team members with various expertise

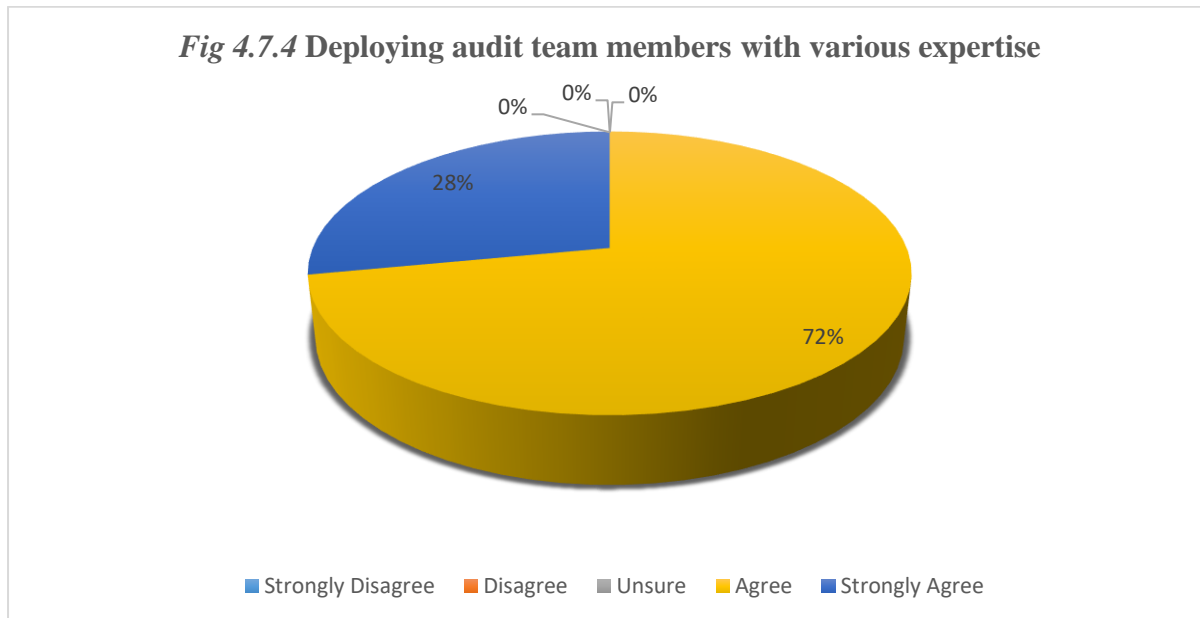
Figure 4.7 above and a specific view on fig 4.7.4 below show that 7/25 (28%) strongly agree while 17/25 (72%) agree and 0/25 (0%) were unsure, disagree or strongly disagree that deploying audit team members with various expertise manages audit workloads.

Interviews are in line with the view as respondents alluded that expertise of audit staff enables both time management, the best procedure formulation which ultimately enhances management of audit workload.

Literature added that the sound/ effectiveness the client's internal controls as assessed by IT auditors are will impact on who will be selected to constitute the audit team for instance where a client's internal controls are weak chances of irregularities and misstatements tend to be high, hence the need to deploy

more experienced staff at times more audit staff to manage increased audit workload (Ellemers et al, 2013).

The researcher therefore considered, the mode of responses and related literature and concluded that deploying audit team members with various expertise enhances management of audit workload.



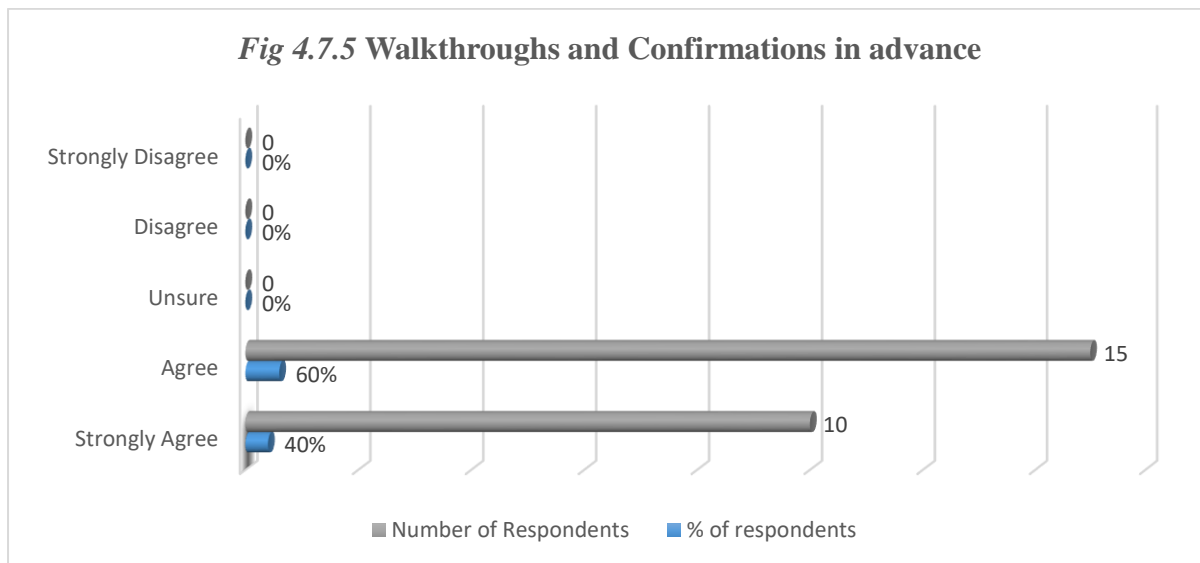
Walkthroughs and Confirmations in advance

Figure 4.7.5 below show that 10/25 (40%) strongly agree, 15/25 (60%) agree 0/25 (0%) of the respondents were either unsure, disagree or strongly disagree that performing walkthroughs and confirmations in advance enables management of workload compression.

Interviews showed that such a measure is impressively employed by BDO Zimbabwe to mitigate aforementioned problems of succumbing to high WLC.

Literature also reviewed in support of primary data that the firm should request its client to put up to date their memos on processes prior the busy season (Agoglia et al, 2015). They further alludes that it is necessary for auditors to then set up or modify walkthroughs based on this new information. In addition, Agoglia et al (2015) and Christensen et al (2015) sail along in the view that auditors should compile and put in place such information as clients' bank accounts, contracts agreed upon ahead of the actual audit.

The researcher using both secondary and primary data analysis concluded that performing walkthroughs and confirmations in advance help firms to manage audit workload compression.



4.3.10 Implementation of IFAC Code of Ethics Enhances Audit Quality

Having determined earlier that the IFAC Code can regulate behaviour and conduct of auditors, the researcher found interest in determining its influence on audit quality and results were tabulated and analysed below.

Table 4.9 IFAC Code of Ethics enhances audit quality

Responses	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of Responses	10	13	2	0	0	25
% of Responses	40%	52%	8%	0%	0%	100%

Table 4.9 show that 10/25 (40%) strongly agree, 13/25 (60%) agree, 2/25 (8%) were unsure while 0/25 (0%) either disagree or strongly disagree that implementation of the IFAC Code of Ethics enhances audit quality.

The researcher therefore concluded that implementation of the IFAC Code of Ethics enhances audit quality. This conclusion is in line with the assertions by Piot and Janin (2011) who alluded that audit

quality is enhanced in firms which consistently comply with fundamental principles of the IFAC Code of Ethics.

4.3.11 Best Practices to Accomplish Audit Quality

The researcher having considered factors influencing audit quality, factors which are contributory to audit workload compression, the behavioural and statistical relation of audit workload compression and audit quality: it became a cause of concern to determine approaches/ practises that are best in the field of auditing to accomplish high quality audits even during the busy season. Table 4.10 summarising likert scale results is shown below.

Table 4.10 Best Practices to accomplish Audit Quality

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
International Standards on Quality Control	8	13	4	0	0	25
IFAC Code of Ethics	10	15	0	0	0	25
Managing and Training Clients	7	11	3	4	0	25
Retaining Clients and Staff	5	10	4	5	1	25
Quality Review of Completed Audits	13	10	2	0	0	25
Performance Appraisal	7	9	1	8	0	25
Embracing IT Based systems	8	13	2	2	0	25

Analysis of each practise was also done taking into account views of primary data through questionnaire responses and interviews keeping abreast literature reviewed in earlier chapters.

Fig 4.8.1 Consistent application of International Standards on Quality Control

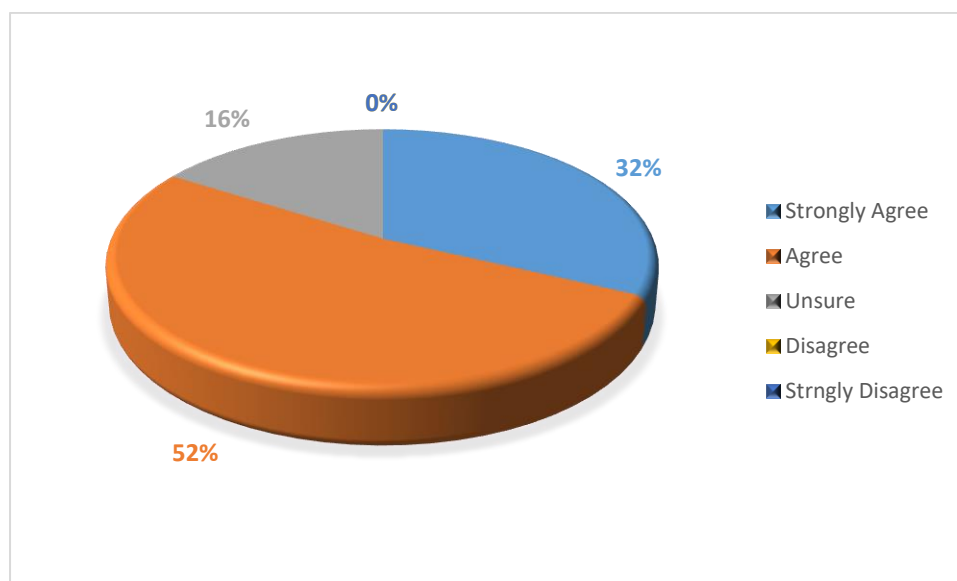


Fig 4.8.1 above show that 8/25 (32%) strongly agree, 13/25 (52%) agree, 4/25 (16%) were unsure while 0/25 (0%) of the respondents either disagree or strongly disagree that consistent application of International Standards on Quality Control is the best practice applied by the firm to ensure quality audits. Also supported by literature that ISQC1 (2009) aims to inaugurate and keep up a quality control system that ensures a reasonable assurance to compliance with professional standards, regulatory requirements while ensuring appropriateness of reports distributed by the firm in all circumstances.

Considering the modal responses as well as literature related thereto, the researcher concluded that consistent application of quality control standards is a best practice to achieve audit quality.

Table 4.11 Continuous application of IFAC Code of Ethics

Responses	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of Responses	10	15	0	0	0	25

Table 4.11 above show that 10/25 (40%) strongly agree, 15/25 (60%) agree, 0/25 (0%) and none as well either disagree or strongly disagree to the notion that continuous application of IFAC code of professional ethics is a best practice to achieve audit quality.

Literature review also supported that the fundamental principles which are professionalism, integrity, confidentiality, professional competence and due care and objectivity governing the auditing profession are the cornerstone to achieving audit quality (Lambert et al, 2011).

Using the mode of primary data and supporting views from secondary data the researcher concluded that continuous application of IFAC code of professional ethics is a best practice to achieve audit quality.

Fig 4.8.2 Managing and Training Client

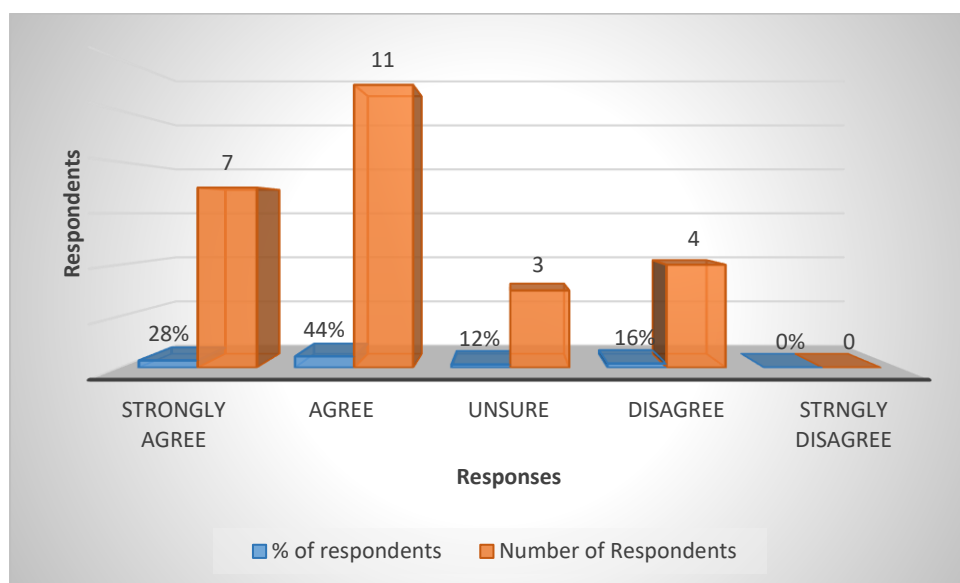


Fig 4.8.2 above illustrates that 7/25 (28%) strongly agree, 11/25 (44%) agree, 3/25 (12%) were unsure, 4/25 (16%) disagree and 0/25 (0%) strongly disagree that managing and training the client is the best practice applied by the firm to ensure quality audits.

Literature from earlier chapter argues that where audit staff is held processing bookkeeping work, copying or locating needed files then the time frame of the audit engagement is likely to increase depriving the firm from benefiting from 100% of the audit fees (Boolaky and Omoteso, 2016).

Using the mode and literature analysis, the researcher concluded that managing and training the client is the best practice to ensure quality auditing.

Table 4.12 Retaining Clients and Staff

	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of responses	8	14	0	2	1	25
% of responses	32%	56%	0%	8%	4%	100%

As depicted by table 4.12 above 8/25 (32%) strongly agree, 14/25 (56%) agree, 0/25 (0%) were unsure, 2/25 (8%) disagree and 1/25 (4%) of the respondents strongly disagree that retaining clients and staff is a practice employed to ensure audit quality. The responses combined show that 22/25 (88%) of the respondents agree while 3/25 (12%) disagree to the view.

Using the mode, the researcher concluded that retaining clients and staff is a practice employed to ensure audit quality.

This is also supported by literature which argues that it was identified through a survey that retaining staff is a very important key to the enhancement of audit quality due to client knowledge and industry experience (West, 2017). In furtherance, clients retained enables the auditors’ acquired knowledge of the industry to enhance timely and efficient audits (Boolaky and Omoteso, 2016).

Fig 4.8.3 Quality Review of completed audits

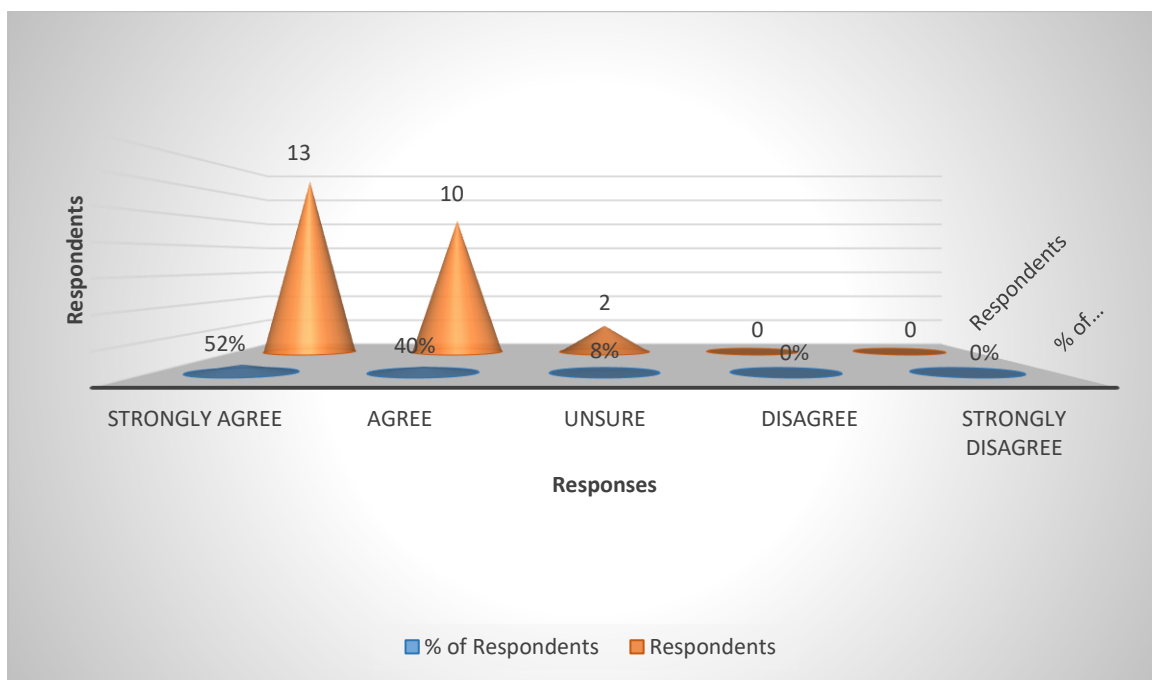


Fig 4.8.3 above illustrates that 13/25 (52%) strongly agree, 10/25 (40%) agree, 2/25 (8%) were unsure while none (0%) of the respondents either disagree or strongly disagree that quality review of completed audits is one of the best practice to ascertain audit quality.

Applying the mode to the analysis of the results, the researcher concluded that quality review of completed audits is a best practice in ensuring audit quality. This was also coherent with the interview responses whereby respondents said quality reviews of completed audits by responsible personnel (Internal or External) and audit governing bodies ensures achievement of quality in all audit assignments.

The view is also in line with literature which says, credibility of audit results are improved when appropriate reviewers are engaged to perform reviews of finalised audit assignments. Audit quality reviews improves not only the results of an audit assignment but also help the firm to take corrective measures or changes to audit methodologies/ procedures as well as compilation for indications to performance (Lin et al, 2014).

Table 4.13 Performance Appraisal

Responses	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of Responses	10	15	0	0	0	25
% of Responses	40%	60%	0%	0%	0%	100%

Tabulated results above (table 4.13) show that 10/25 (40%) strongly agree, 15/25 (60%) agree while 0/25 (0%) were either unsure, disagree or strongly disagree that performance appraisal is one of the practice to accomplish audit quality.

Basing on the respondents' feedback the researcher concluded that performance appraisal is a vital practice to achieve audit quality. Interviews also contributed the notion that a proper and well defined appraisal policy ensures career development, improved job satisfaction and staff performance which ultimately impact positively on audit quality.

The above conclusion is in line with literature which says performance appraisal refers to a tool used by management to evaluate staff performance and ability in terms of quantity and quality of output, time sensitive and efficiency (Minutti-Meza, 2013). Performance appraisal and professional training of workforce improves execution of audit duties and enhance staff competencies to address any potential irregularities identified during an audit assignment.

Fig 4.8.4 Embracing IT Based Systems

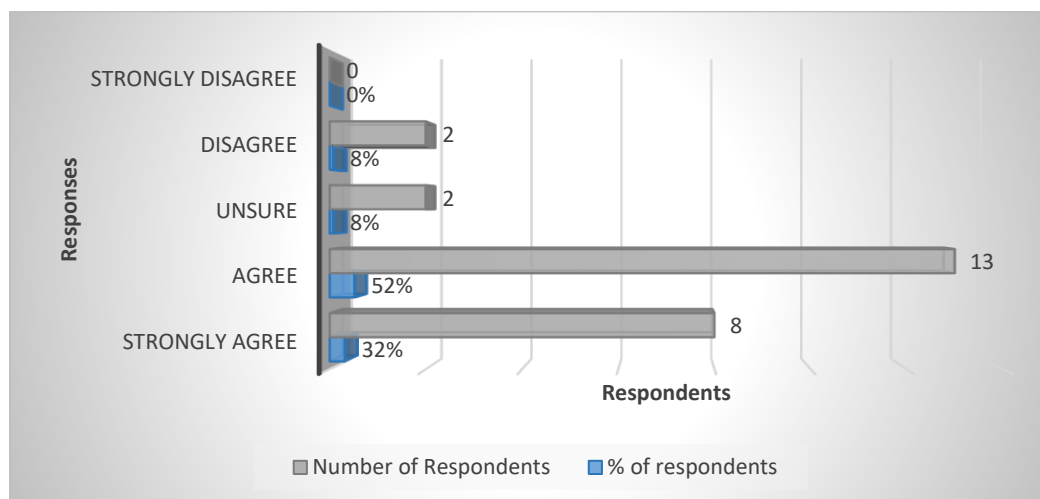


Fig 4.8.4 above show that 8/25 (32%) strongly agree, 13/25 (52%) agree, 2/25 (8%) were unsure, 2/25 (8%) disagree while 0/25 (0%) of the respondents strongly disagree that embracing IT Based Systems is a practice incorporated by the firm to achieve audit quality.

As can be deduced from the results, 21/25 (84%) of the respondents agree that utilising IT Based Systems in auditing improves the ability of the firm to ensure quality audits and only 2/25 (8%) disagree to the view while 2/25 (8%) were unsure. Making use of the statistical mode the researcher concluded that IT Based systems help achieve quality auditing.

The outcome of primary data is fortified by Lin et al (2014) saying implementation of IT-platformed libraries enhances the use of more reliable methods and tests in obtaining audit evidence which significantly aid compliance with audit methodology, principles and standards.

4.4 SUMMARY

The just ended chapter dealt with data presentation and analysis expounded by the researcher from questionnaire responses and interviews. Presentation of responses was done by means of tables, graphs and pie charts then analysed both qualitatively and quantitatively using descriptive statistics such as the mode and regression analysis. The final chapter centre on recommendations, conclusions and the study summary.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

Chapter summaries, major research findings, recommendations and suggestions for further study are put forward in this chapter.

5.1 CHAPTER SUMMARIES

A brief of the study and the research problem which motivated the researcher to carry out this study was given in chapter one. Having noticed a persistent and uniform spread of audit workload compression arising during the 1st quarter of each year to BDO Zimbabwe Chartered Accountants, the researcher chose to determine the impact such workload has on audit quality. Objectives to the research were therefore developed, research questions presented which helped the researcher to address the purpose of this study which was to determine how audit quality is evaluated, to assess factors contributing to high audit workloads and applicable measure to alleviate workload compression, to determine the relationship between auditors' workload and audit quality and finally deduce best practices surpassing workload pressure to achieve high audit quality.

Literature was reviewed in chapter two to come up with a unifying definition to audit quality as audit quality is highly regarded subjective by many authors. A key definition was derived from PCAOB (2015) and says audit quality is the auditors' ability to detect and report material misstatements and further meeting investors' needs with an independent view and communicating results of the audit of the financial statements timely. The chapter also focused on the contributing factors to increased workloads and practical measures to eradicate problems associated with workload pressure impacting audit quality. Millett and Boyle (2013) includes factors such as a common fiscal year end, time budget pressure and staff incompetency as major factors contributing to workload compression. In addition, a relationship between auditors workload and audit quality was covered and described as negatively correlated by Lopez and Dennis (2011). The chapter was closed with best practices to achieve audit

quality by Lambert et al (2011) and Lin et al (2014) who included factors like peer reviews, embracing IT Based systems and quality review of completed audits.

Chapter three dealt with the research design and for the purposes of this study a descriptive research design was used incorporating both qualitative and quantitative approaches. Sampling techniques were implemented to obtain the best representative sample from which reliable suppositions could be made. Stratified random sampling was therefore utilised for the purposes of this study. Self-administered questionnaires and structured interviews were the research instruments used to obtain primary data from the sampled respondents. Research questions and objectives were the basis of both questionnaire and interview questions to ensure that responses by respondents properly address the needs of this study.

Chapter four was on data presentation and analysis of primary data while taking into account views of scholars reviewed in the second chapter of this study. An 83.3% response rate was achieved from both questionnaires (25 were completed and returned out of the 30 distributed) and interviews (5 were conducted of the 6 scheduled). Collected data was presented in this chapter by way of tables, graphs and pie charts and analysed qualitatively using content analysis and quantitatively using statistical mode, average and regressed using STATA 11 to compute the coefficient of variation.

5.2 MAJOR FINDINGS

The firm does not have a policy document defining how workload should be managed which makes it difficult to muddle through busy season pressures such that audit quality has been compromised. Despite lack of a specified workload management policy within the firm, it was realised that the IFAC code of professional ethics is effectively implemented in an attempt to manage workloads and control auditors' behaviour.

A high rate of staff turnover as a result of senior audit staff leaving the firm once qualified as chartered accountants with the firm has shown that some engagements are then led by AICs (auditors in charge)

with inadequate experience. In such circumstances audit quality is adversely affected as the firm end up scheduling audit staff for audit engagements which are overcomplicated for their experience.

Audit team development is not defined which has resulted in the firm coming up with teams for various audit assignments by considering the staff that is available to the firm or just a mere preference of decision makers. Such a practice tends to mismatch capacity of the team to the workloads presumed of the client leading to increased workload pressure which has a negative impact on audit quality.

Effects of workload compression have been overlooked such that it has been the same number of audit staff that would be tasked to retained clients in the following year. Concern was highly put on maintaining at least the same number of audit staff as that which attended the audit on the previous assignment of retained clients overlooking skills and expertise of team members which impact both on capabilities in managing workload and audit quality.

There is a negative relationship between workload compression and audit quality: In other words, where audit workload increases audit quality declines. The impact was statistically computed using STATA 11 software and results show that a single unit increase in auditors' workload has an impact (negative) of approximately 31.80% on audit quality.

5.3 CONCLUSION

The research was successfully done and managed to review objectives of this study which was to determine the impact of auditors' workload on audit quality. Results thereto disclosed that auditors' workloads have a negative impact hence is an impediment to ascertaining audit quality. As shown by STATA 11 results (**appendix iv**), a single unit increase in auditors' workload has a negative impact of approximately 31.80% on audit quality.

5.4 RECOMMENDATIONS

A proper workload management policy may be developed and has to be communicated to staff which will assist in mitigating negative effects of workload compression on audit quality. This will include a clear description of how audit teams should be developed which is also supported by PCAOB (2012).

Retaining Staff: The firm may retain staff to enjoy benefits of skills and experience imparted in them during their training period with the firm. Retention of staff enhances audit quality as audit staff would have acquired client specific as well as industry knowledge which is also reinforced by Gardner et al (2012) saying where skills and expertise is maintained, quality is enhanced.

Management and training of client: Commonly, auditors get to an unprepared client because the client is unaware of the auditors' expectations. Certified Public Accountants (CPAs) prove to work more efficiently where clients supply to them all relevant and adequate information they need hence the firm should help clients on audit preparedness and auditors' expectations to enjoy benefits of the chargeable audit time.

Hiring additional staff during busy season: The firm may consider hiring additional staff to ensure audit quality is not compromised by the need to hurry an audit assignment with the intention to meet deadlines of current and succeeding audit assignments. The firm once did this during the called for payroll audits by the comptroller and auditor general in 2014 and was a success measured by timely completion and auditor general feedback to the firm.

Firm capacity management: The firm may practice capacity management by putting in place measures to minimise rate of staff turnover which was seen to be one of the causes of workload compression. A system to provide a minimum number of years just qualified clerks should work within the firm may be developed so that knowledge and skill is not lost easily by the firm.

Development of audit assignment schedules: Research show that auditors get assigned to some clients without proper preparation and research of the client which may negatively affect execution of the audit. Auditors end up spending additional time trying to know the client which could have been done

prior the audit as alluded by Ehlen et al (2011) that where monthly schedules are developed auditors' prepare themselves prior the audit.

5.5 SUGGESTED AREAS FOR FURTHER STUDY

Audit quality being a diversified topic, the researcher also recommends further research on effects of using technical variables such as sampling or materiality in an attempt to manage workload compression. A research is also suggested on the effects of audit time budget overruns on the financial performance of accounting firms.

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APPENDIX I

COVER LETTER



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

23 February 2017

BDO Zimbabwe Chartered Accountants
3 Baines Avenue
Kudenga House
P.O. Box 334
Harare

Dear Sir / Madam

RE. REQUEST TO CARRY OUT RESEARCH

Lovemore Munemo of Registration Number **R137264Z** is a bona-fide student at the Midlands State University in the Department of Accounting. He is carrying out a research on “**Auditors’ workload and its effects on audit quality**”

Any information you will give to him will be strictly used solely for academic purposes. Please assist him in any way possible.

Yours Faithfully

K Mazhindu

Chairperson Department of Accounting

APPENDIX II

QUESTIONNAIRE

Dear Respondent

My name is Lovemore Munemo, a final year student at Midlands State University undertaking a Bachelor of Commerce Accounting Honours Degree. I am doing a research on the topic ‘Auditors’ workload and its effects on audit quality.’

As part of my research, this questionnaire has been designed to obtain information from various participants who are more inclined to the public audit industry and your contribution is highly appreciated. Your contributions will be kept confidential and are limited for the purpose of this research and academic purposes only.

Instructions

1. Do not write your name.
2. Answer all questions.
2. Tick in the appropriate box.

1.a) Position

Manager Audit senior Supervisor Audit Junior

b) Audit Experience (years)

1	2	3	4	5	6	7	Over 7
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c) Professional Qualifications

First Degree	CTA	ACCA	CA(Z)	OTHER.....
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2. From your experience with BDO Zimbabwe, have you experienced any busy period?

Yes No

3. At what time of the year do you have the most clients to attend to (busy period)?

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter

4. Deadlines for finalizing and completing audits are met in time during the busy period

Yes No

5. The following factors affect audit quality within BDO Zimbabwe.

		Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i	Tight time deadlines					
ii	Audit team composition					
iii	Workload Compression					
iv	Inadequate monitoring and supervision					
v	Inadequacy of experienced staff					

6. At BDO Zimbabwe, workload compression is highly due to:

		Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i.	Common fiscal year end for most of the firm's clients.					
ii.	Incompetence of staff					
iii.	High staff turnover					
iv.	Staff effort that is not recognised					
v.	Time budget pressure					

7. Workload compression results in dysfunctional behaviour in auditors.

Strongly Agree Agree Unsure Disagree Strongly Disagree

8. The IFAC Code of ethics is a control to regulate auditors' conduct and behaviour.

Strongly Agree Agree Unsure Disagree Strongly Disagree

9. Workload compression affects audit quality in the following ways at BDO Zimbabwe chartered accountants.

		Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i	Meeting investors' needs and expectation					
ii	Detecting irregularities and fraud					
iii	Application of rigorous/ thorough audit procedures					

10. What is your view on the notion that no relationship exists between workload compression and audit quality?

Strongly Agree Agree Unsure Disagree Strongly Disagree

11. BDO Zimbabwe uses the following measures to manage workload compression.

		Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i.	Peer review					
ii.	Partners' review					
iii.	Team building					
iv.	Deploying audit team members with various expertise					
v.	Walkthroughs and confirmation are in advance.					

12. The implementation of the IFAC Code of ethics enhances audit quality.

Strongly Agree Agree Unsure Disagree Strongly Disagree

13. BDO Zimbabwe implements the following policies to enhance audit quality.

	Policy	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
i.	International Standards on Quality Control					
ii.	IFAC Code of ethics					
iii.	Managing and training client					
iv.	Retaining clients and staff					
v.	Quality review of completed audits					
vi.	Performance Appraisal					
vii.	Embracing IT Based systems					

Any other comments to alleviate workload compression

.....

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.....

.....

Thank You For Your Cooperation

Lovemore Munemo

Registration Number: R137264Z

APPENDIX III

INTERVIEW GUIDE

Interview Questions

1. Taking into account your experience with BDO Zimbabwe, have you felt any busy season (workload pressure)? If so which period was that?
2. With your exposure with BDO Zimbabwe, do you feel the busy season workload pressure has an impact on auditors' performance?
3. Have you ever accepted a weak client explanation because of time budget pressures?
4. Research has shown a number of ways to try and manage audit workloads, how are workloads for auditors managed at BDO?
5. From your experience with BDO Zimbabwe, what factors do you find influencing audit team composition during the busy season?
6. If workload pressure exist at a certain period and time of the year, do you view it having an impact on audit quality?
7. What strategies or policies has BDO Zimbabwe put in place to ensure quality audits during the busy season? Do you have any other ways which you think BDO Zimbabwe would embrace to manage both workload pressure and audit quality?

APPENDIX IV

STATA 11 RESULTS FOR QUESTIONNAIRE QUESTIONS 9 AND 10

Source	SS	df	MS	Number of obs =	25
Model	32.0143935	3	10.6714645	F(3, 21) =	59.83
Residual	3.74560649	21	.178362214	Prob > F =	0.0000
Total	35.76	24	1.49	R-squared =	0.8953
				Adj R-squared =	0.8803
				Root MSE =	.42233

wlc	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
meetinginv~i	-.360622	.1015782	-3.55	0.002	-.5718654	-.1493786
detectingi~d	-.3666178	.0896124	-4.09	0.001	-.552977	-.1802585
applicatio~d	-.2266663	.1051792	-2.16	0.043	-.4453984	-.0079343
_cons	5.666549	.1969766	28.77	0.000	5.256913	6.076184

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APPENDIX V

STATA 11 RAW DATA

Question 9 and Question 10 responses.					
Ratings:	1= strongly agree, 2= agree, 3= unsure, 4= disagree and 5= strongly disagree				
	Responses	WLC	meeting investors r	Detecting irregulariti	Application of rigorou
	1	5	1	1	2
	2	5	1	1	1
	3	4	2	2	2
	4	4	3	1	1
	5	2	4	2	4
	6	4	2	2	2
	7	4	3	1	3
	8	3	2	3	2
	9	5	1	1	2
	10	3	3	4	3
	11	2	4	3	5
	12	4	1	1	1
	13	4	3	2	2
	14	2	4	5	4
	15	4	1	2	2
	16	4	1	2	1
	17	1	5	4	5
	18	3	4	1	4
	19	4	2	1	2
	20	4	1	2	2
	21	3	4	3	1
	22	1	5	4	4
	23	1	5	5	4
	24	4	1	1	2
	25	4	1	2	1