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The effects of auditors' workloads on audit quality

BY

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R103428T

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Approval Form

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Dedication

I would like to dedicate this dissertation to my parents Moses and Maria Chinzou for their profound support from the beginning until end, may the Lord richly bless them!

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I would like to acknowledge my profound gratitude especially to the Lord Almighty who has made it possible for me to come thus far.

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Abstract

This research study was triggered by the researcher's experiences during her internship at Grant Thornton Camelsa. The researcher observed that it is likely that audits performed under workload compression conditions are likely to be of lower audit quality when compared to audits performed under non-workload compression conditions. The objective was to establish "remedies" to curb the effects of compressed workloads. Literature was reviewed on definitions of audit quality, workload compression and relationship between audit quality and workload compression. A descriptive research design was adopted and the target population was Grant Thornton Camelsa's audit staff which was selected by judgemental and random stratified sampling. The researcher used questionnaires, interviews and secondary data to obtain information. Collected data was analyzed and presented in the form of tables, pie charts and graphs. The researcher found out that audit quality is compromised under workload compression conditions which are high during the first quarter of the year and recommended that Grant Thornton increase the firm capacity, introduce more permanent positions for trainees and schedule advanced deployment schedule to alert auditors what is ahead of them.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter covers the background of the proposed study, the statement of the problem, the main research question, sub-research questions and research objectives will be listed, an outline of the significance of the study to the student, the university and the firm will also be given. Delimitation, abbreviations and summary of this study will also be clearly defined.

1.1 Background of the problem

This study investigates the effects of workload compression demands and audit team capacity on the quality of audited financial statements with the technical element of sampling being a contributory factor affecting audit quality. 2009 to 2012 high profile audit failures have highlighted the importance of the auditors' oversight function in the financial reporting process. Using my practical work related learning experience at Grant Thornton Camelsa, an upcoming medium sized firm, I seem to have noticed that audits performed under workload compression conditions are likely to be of lower audit quality when compared to audits performed under non-workload compression conditions.

Workload compression (WLC), better known by auditors as the "busy season," occurs as a result of most companies having their fiscal years aligned with the calendar year. For many auditors, the busy season is plagued with long hours, an average of 12 hours a day compared to an average of seven and half hours in normal seasons, fatigue, and demanding time budget constraints. In many cases, most of the listed companies have their fiscal year ends on or around the year ending 31 December. DeAngelo (1981) defines **audit quality** as the probability that the auditor will both discover and report a breach in the client's accounting system. Tight time budgets and fatigue are common conditions in workload compressed

audits which have an impact on auditors’ capacity to either discover or report any existing exceptions.

This study represents one of the few attempts to investigate the effects of workload compression and sampling on audit quality from a practical perspective. Experimental studies have shown that auditor exhaustion and budget constraints may lead auditors to perform lower quality audits.

A majority of domestic corporations close their fiscal year on or around December 31, forming what is known as the “busy season.” Experimental and survey evidence indicates that time budget pressures lead auditors to engage in dysfunctional behaviour or to perform substandard audit work and sampling is an aspect which contributes to audit quality.

Below is a representation of how Grant Thornton’s clients’ fiscal year ends are distributed.

Table 1.1

Clients’ fiscal year ends distribution

YEAR	Jan	Feb	Mar	A	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	0.87%	4.97%	9.43%	2.45%	1.36%	2.78%	0.99%	6.08%	14.73%	2.89%	1.07%	52.38%
2011	0.00%	2.91%	9.71%	0.00%	0.00%	0.00%	0.00%	5.83%	22.33%	0.00%	0.00%	58.25%
2012	0.00%	2.00%	8.13%	1.01%	0.00%	4.07%	0.00%	4.88%	21.95%	1.63%	0.00%	58.77%

Source: Grant Thornton’s yearly master plan

Due to the high number of clients being clustered, there is the risk of using sample sizes which do not match to client’s volumes of transactions. Partners have assessed sampling risk as high during the busy season since big and listed companies highly dominate during this period when there is need to meet deadlines. Cumbersome sample sizes then pose audit sampling risk and have an impact on audit quality.

There is then a cause for concern on how to control quality under compressed workloads in the view of audit sampling.

1.2 Statement of the problem

Audit firms are posed with the inherent challenge of clustered clients who have their fiscal year ends aligned with the calendar year. Furthermore deadlines have to be met and yet the need to perform thorough audits for each client with the available firm's capacity remains the ultimate mission. The compressed workloads spread across the firm and pressure mounts as we climb up the hierarchy.

1.3 Main research question

The main research question is The effects of auditors' workloads on audit quality.

1.4 Sub-research questions

The main question gives rise to the following sub research questions:

- What is the firm's policy on workload for auditors?
- How is the policy implemented?
- What controls are in place over policy implementation?
- What relationship exists between work load and audit quality?
- Are there reviews over the controls on workload?
- What is the best practice on work load to achieve audit quality?

1.5 Research objectives

The sub research questions give rise to the following research objectives:

- To establish the existence of a policy governing work load of auditors
- To assess if the firm adopts the policy and to what extent is it followed
- To assess the controls over policy implementation and their effectiveness
- To establish the relationship between workload and audit quality
- To assess the rate of reviews, if any, by management over controls on workloads.
- To establish the best practice on workload in order to achieve audit quality

1.6 Significance of the study

To the researcher

This study is a partial fulfilment of requirements of the researcher's Bachelor of Commerce Honours Degree in Accounting with Midlands State University. It will also help the researcher to make an assessment on the relevance of the theoretical academic knowledge gained for the past four years to the practical practices in industry.

To the university

This study will be an addition to the university's library to give other scholars a reference on their research areas.

To the firm

The study will be a source of recommendations to be made for adoption.

1.7 Delimitation of the study

This study is limited to Grant Thornton Camelsa office in Harare. It will cover the period from August 2012 to May 2013.

1.8 Limitations

Time – the researcher is a full time student in pursuit of a Bachelor in Accounting Honours degree and so there will be time constraints. Effort to utilise free and extra time was made to finish the research on time.

Financial –Communication, transport and research material needed financial resources. The Institution has free internet to meet some communication costs and the use of emails and Skype. Personal financial sacrifices were also made.

Confidentiality – The nature of some information is sensitive and cannot be conveyed to the public. The use of estimates and copyrights will be adopted in this research. Guarantee was provided that findings would be confidential and be used for academic purposes only.

1.9 Abbreviations

WLC- Workload Compression

ISA- International Standards on Auditing

IAS- International Accounting Standards

ISQC- International Standards on Quality Control

1.10 Definition of Terms

Audit quality - meeting investors' needs for independent and reliable audits and robust audit committee communications on financial statements, including related disclosures; assurance about internal control and going concern warnings.

Audit risk - the risk that the auditor will get the audit opinion wrong

Sampling risk - relates to the possibility that a properly drawn sample may, by chance, not be representative of the population

Audit evidence- information obtained by the auditor in arriving at the conclusions on which the audit opinion is based.

1.11 Summary

This proposal gives a brief summary of the anticipated study, the introduction, background of the problem, statement of the problem, main research question, sub research questions, research objectives, significance of the study, and delimitation of the study, limitations, abbreviations and definition of terms. This research will be of use to other scholars and organisations .Chapter two is on literature review.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter serves a critical and evaluative purpose of the empirical and theoretical literature of the research topic. It covers the definition of audit quality, audit quality measurement, quality control policies, workload compression, the relationship between workload compression and audit quality, supervision and management control over staff and the best practices to achieve audit quality.

2.1 Definition of audit quality

There has not been a consensus of an audit quality definition over the years such that the definition is subjective. PCAOB in a SAG Meeting(May 15-16 2013) asserts that a working definition of audit quality is based on common understanding of business thrust by meeting the essentials of clients and by recognition of concepts already widely accepted. PCAOB (May 15-16:p3-4) also cites that “we define audit quality as meeting investors’ needs for independent and reliable audits and robust audit communications on financial statements, including related disclosures, assurance about internal control and going concern warnings.”

Brown (2004) describes audit quality as the extent and ability to detect and report material misstatements in financial statements to minimize information irregularity between management and stakeholders in pursuit of protecting stakeholders’ interests.

A Framework for Audit Quality cites audit quality as an intricate subject that has no definition or analysis which is universally recognized. A Framework for Audit Quality the IAASB views audit quality as the reliance the stakeholders can place on an audit opinion of audited financial statements where sufficient and appropriate audit evidence have been obtained by an audit team which is competent, exhibits appropriate values, ethics and attitude and quality control procedures.

Quick (2012) cites that “Audit quality relates to the ability of the auditor to detect material misstatements in the financial statements and the auditor’s willingness to issue an appropriate audit report based on the audit findings (DeAngelo, 1981:186).”

2.2 Audit Quality Measurement

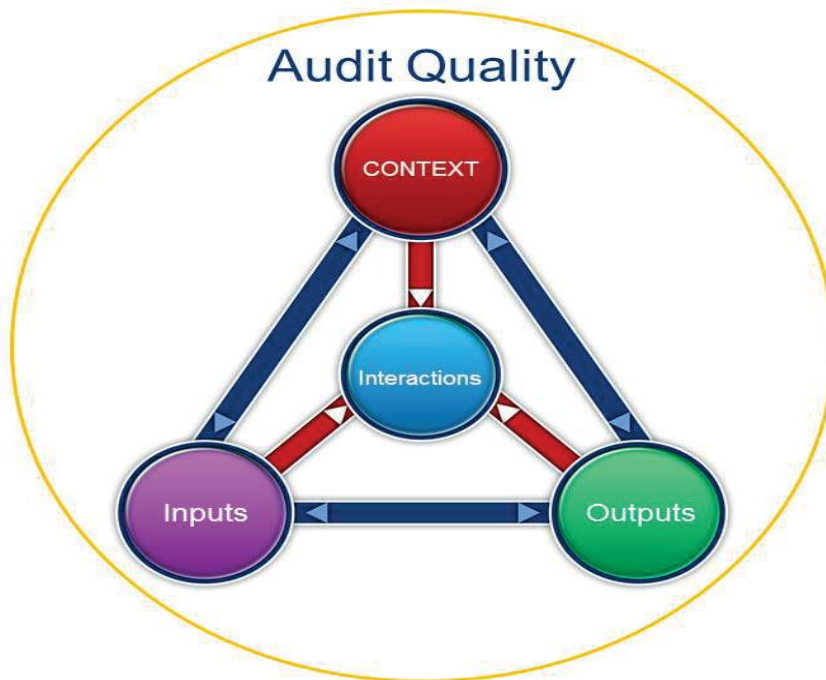
Hussein & Mohd Hanefah (2013) says that the measurement of audit quality remains controversial, there is no agreed measurement of audit quality and that there are several factors which contribute in the measurement of audit quality amongst which they have listed, audit firm size, litigation, audit tenures, non-audit services, industry experience and peer review. There are arguments for and against these factors as measurements of audit quality.

Arezoo Aghaeichadegani (2011) indicates the direct and indirect measures of audit quality where the direct measures are compliance with GAAP in financial reporting, quality control reviews, bankruptcy, desk review and SEC performance. The indirect measures indicated are audit firm industry size, auditor tenure, try expertise, audit fees, economic dependence, reputation and cost of capital.

Krishnan and Schauer (2000) studied the relationship between firm size and compliance with reporting requirements by non-profit organizations and discovered that there is a positive correlation between compliance and firm size and compliance increases audit quality.

The Framework’s objectives are to raise awareness of the key demands of audit quality, encouraging key stakeholders to explore ways to improve audit quality and facilitate greater dialogue between key stakeholders. The framework cannot solely be sufficient for audit quality evaluation PCAOB (2013).

Fig 2.1 Audit Quality Framework elements



Source: IAASB Paper on A Framework for Audit Quality (2013:19)

2.2.0 Audit quality indicators

According to the PCAOB there are two types of audit quality indicators which are output based indicators and input based indicators. Output based indicators are those derived from the firms' performance in its engagements, that is, the post and current events in the business operations of its clients such as fraud, dissolution and embezzlement in poor audit quality cases. Input based indicators are those procedures and policies a firm adopts in detecting fraud, experience of staff and staff turnover in the firm. It further outlines the possible audit quality indicators to operational inputs as partners workloads as a ratio of number of partners to staff, staff workloads as to chargeable professional hours.

Brown (2004) also says audit quality can be differentiated and categorized into market perceived audit quality and actual audit quality where actual audit quality can only be observed after an audit engagement.

De Angelo (1981) suggests that audit firm size is an indicator of audit quality since large firms have more equipment.

2.2.1 Audit Quality Indicators related to operational inputs

According to a report by the PCAOB (2013) quality indicators can be classified into operational inputs indicators. These are listed below and described.

i. Partners work loads

This indicator considers the ratio of partners to staff, that is, the number of staff members a partner has to manage. A wide span of control may mean excessive responsibility such that not enough time will be devoted in reviewing audit procedures thereby affecting audit quality

ii. Staff's work loads

It takes into account the chargeable hours per professional which are important to determine the level of devotion to clients' responsibilities. Excessive workload may counter thorough review of audit procedures therefore affecting audit quality.

iii. Audit team

The rate of turnover and transfers of auditors need not be high, professional experience, years of experience, *industry expertise* and proficiency are considered. This is also supported by Wooten (2003) who says a firm with a client portfolio which has a greater percentage of clients in the same industry has a deeper understanding of the unique risks associated with a particular industry. According to Faud Elmahedi and Mustafa Mohd Hanefah (2013), Meyer (2009) says that auditors who are specialized in a certain industry develop industry specific knowledge that may enable them to provide better audit quality than non-specialized auditors.

iv. Supervision and review

This considers partner, manager and engagement quality reviewers' hours and time relative to total audit effort, the number of audits and consultations they have done, the technical resources FTEs, specialist hours as a percentage of overall engagement hours and fly in partners on the audit. This is supported by Albring et al (2007) who say that peer review is a quality control mechanism intended to confirm that all audit processes detect minimum quality standards.

2.2.2 Audit Quality Indicators related to Audit Process

v. Tone at the top

This indicator considers professional skepticism, objectivity and independence. Quick and Rasmussen (2005) gave an example of the Enron case which showed that the provision of Non Audit Services can counter auditor independence. Mustaf also says Non Audit Services reduce objectivity and independence therefore affecting audit quality.

vi. Control Activities

Control activities will include technical competence, percentage of clients assessed as high risks.

vii. Monitoring

This considers the number, nature, extent and findings of external reviews such as those of the PCAOB, PAAB and affiliate firm reviews.

2.2.3 Audit Quality Indicators related to output/results of audit

i. Audit results market impact

This considers the frequency and nature of reported frauds, frequency of restatements for errors, trends in litigation against auditors, nature of review findings, inspection findings by external reviewers and going concern opinion which had subsequent bankruptcy. For example on litigation against auditors Mustaf says the proxy of litigation is used on audit quality since it was discovered that big firm auditors were less likely to be involved as defendants in audit litigation assuming that the higher quality auditor is involved in less audit litigation than the lower quality auditor.

2.3 Quality Control Policies

Quality control is a procedure or set of procedures intended to ensure that a performed service adheres to a defined set of quality criteria or meets the requirements of the client. Quality control is similar to, but not the same as quality assurance where quality assurance is defined as a procedure or set of procedures to ensure that a product or service under development meets specified requirements. (www.techtarget.com 13320 hrs. 21/03/14)

Mangino et al (2013) define quality control as a system of routine technical activities to measure and control the quality of a service.

According to Grant Thornton's Audit Manual (2010) the firm adopts the requirements of ISQC1 which requires the firm to establish policies and procedures to provide reasonable assurance that:

- a) Appropriate consultation takes place on difficult contentious matters
- b) Sufficient resources are available to enable appropriate consultation
- c) The nature and scope of such consultation are documented
- d) Conclusions resulting from consultations are documented and implemented

The objective of International Standard on Quality Control ISQC 1 (2009) is to establish and maintain a system of quality control to provide reasonable assurance that the firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and reports issued by the firm are appropriate in the circumstances.

The ISQC1 says quality control for firms that perform audits and reviews of Historical Financial Information and other Assurance and related Service engagements, a firm has an obligation to establish a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and regulatory and legal requirements and that the auditors' reports issued by the firm or engagement partner are appropriate.

ISA 220 Quality Control for audits of Historical financial Information's purpose is to establish standards and provide guidance on specific responsibilities of firm personnel regarding quality control procedures for audits of historical financial information, including audits of financial statement. This ISA is used in conjunction with part A and B of the IFC Code of ethics for professional Accountants.

Effectiveness of audit quality control policies

Zajarsks and Ruzevicius (2010) says evaluation of the activities of an enterprise is an integral part of the management function and it is necessary to evaluate factors influencing long term success of the business for example meeting the expectation of a client, constant improvement among other factors. Research has proven firms that implemented the ISO 9001 Quality Management system have a competitive advantage.

The research established that the implementation of Quality Management Systems is the most efficient when the project of implementation is coordinated by the leaders of the company. If the quality policy of the authorities is not clear or not defined well enough or if the executives do not engage in strategic management, the implementation of quality system is slow, it does not give the expected results and is not accepted by most of the employees of the firm.

Serafinas and Ruzevicius (2009) say it takes time for a new culture of quality management system to spread throughout the organization and change a well-established culture.

An effective quality control system needs to do more than ensure the quality with which work was performed. It also needs to determine what the work accomplished and how the result was viewed by the client and stakeholder

2.4 Workload Compression

Lopez & Pitman (2013) says a large number of publicly traded companies in the U.S have fiscal year end dates of December. The customary business norms and values as well as local laws have an influence on the selection of companies' year ends. It has been noted that in the U.S, the use of the month Dec is hightherefore creating a 'busy season'. The clustering of companies with the same fiscal year end in an audit firm's client portfolio is referred to as workload compression.

According to Craig R. Ehlen et al (,work load compression is a condition of excessive job demands as a result of the 1986 Tax Reform Act (TRA) which limited businesses to choose a fiscal year end reporting for tax purposes therefore leading professional accountants to find

tax and audit work compressed in the first quarter of the year. The American Institute of Certified Public Accountants (AICPA) described the January to March time frame as a period of workload compression.

Lopez-Acevedo (2011) expressed workload compression as the increase in density of work that has to be done by a person within a stipulated time and this is characterized by fatigue and tight time budgets and reporting deadlines which lessen the capacity of an auditor to detect or report any existing exceptions.

2.4.1 Factors influencing audit team composition

An audit team is made up of one or more auditors of which one is appointed as the auditor in charge and a team may include trainees. An audit team is supported by guides and technical experts to assist them but these are not auditors.(ISO audit definitions www.praxion.com 0316 hrs.28/03/14).

An article by Dronkers (www.asq.org 0319 hrs. 28/03/2014) asserts that the importance of audits necessitates that they be done professionally therefore audits have to be performed in adherence to professional standards set by professional boards. He also notes that candidates for a team is a key factor and aspects to be considered in the selection of an audit team are the scope of the audit, purpose of the audit, the organizational area to be audited and the availability of potential audit team members.

International Education Standard (IES) 8 on Competence requirements for Audit Professionals, effective date July 1 2008, prescribes competence requirements for audit professionals including those working in specific environments and industries. All audit team member therefore have to be competent.

ISQC1 governs audit team composition in that it requires an engagement partner for each client therefore the engagement forms part of the audit team and communication to staff on client independence to ensure audit team members on each engagement satisfy the independence requirement.

2.4.2 Factors Contributing towards Auditor's workloads

Samra et al (2012) in article on Workload management say there are elements that affect employees' psychological responses to work and its conditions and these are psychosocial factors which can be described as the manner in which work is executed for example work resources, deadlines and work methods.

Lopez and Pitman (2013) in their article assert that work load compression is influenced by the frequent use of months like December by companies as their fiscal year end causing clustering of clients in the same period. A client portfolio with most companies in the same fiscal year end is referred to workload compression.

In an article written by Ehlen (2011) et al, they view the TRA (Tax Reform Act) as an influencing factor on work load compression as this act limited businesses and companies to select a fiscal year end not other than a calendar year end reporting for tax purposes and this led to professional accountants and auditors having to work in the first quarter of the year.

Sigauke (2013) says workload compression is popularly known as the busy season by auditors and this is a result of most companies having their fiscal year ends aligned with the calendar year and this season is greatly influenced by tight time budgets(deadlines), long working hours(overtime) and exhaustion.

2.4.3 Policies to manage auditors' workloads

Ehlem (2011) says there are "remedies" available to relieve workload pressures in public accounting firms and there are common versions of policies adopted during the busy season. These policy techniques are using experienced staff to mentor junior staff, maintaining well defined overtime bonus, offering current career paths, encouraging the use of flex time by projecting monthly or quarterly work schedules and using temporary staff to meet seasonal demands. The concern was to persuade staff to be aware of what is expected of them during the busy season.

2.5 Relationship between workload compression and audit quality

Sweeny and Summers (2002) says auditor commitment decreases as workload demands increase.

According to Coram et al (2004) ,some behavioral studies have noted that time budget pressures may lead auditors to perform deficient audit work or to participate in dysfunctional behaviors such as premature sign off, superficial reviews of documents and acceptance of insufficient client explanation. Cassell et al (2010) has studied there is an association between auditor client realignments and risk with three major sources of auditor risk ,that is, earnings manipulation risk, financial performance risk and litigation risk.

The Treadway Commission COSO issued a report on the influencing factors which lead to fraudulent financial reporting. The report states that audit firms should identify and rectify individual pressures that may potentially reduce audit quality where tight and rigid reporting deadlines are some of the identified pressures. Deadline pressures which typically occur in the “busy season” may prematurely urge auditors to quit pursuing identified problems therefore resulting in fraudulent financial reporting. Sigauke (2013).

According to Lopez & Peters (2012) in a study of 8289 audit firms from 2006-2009 it was discovered that busy season companies have a higher degree of abnormal accumulations in transactions in a year such that these relations enhance the extent of auditor workload compression. Former surveys have indicated that workload pressures lead to dysfunctional behaviors and reduce audit quality among individual auditors such that work load pressures can surpass the quality control mechanisms of a firm affecting quality at the engagement level.

Lopez-Acevado (2011) expresses emphasis on the thrust to meet tight deadlines has been said to influence audit quality behaviors negatively such that there is a positive correlation between time budget pressures with audit quality.

The panel on Audit Effectiveness of the Public Oversight board in 2000 reported their view on the relationship between audit quality and workload compression in which the report cited “...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. These threats to audit quality frequently appear at or near the completion of the engagement in the form of client pressures on Lopez and Walton (2011).

2.6 Supervision and Management Control over staff

According to Deloitte Canada (2011) they assert that they appoint individuals who are independent from the audit team to conduct a quality control review for all their deliverables. It also asserts that partners and senior managers review colleagues' work regularly to ensure compliance with firm policies and procedures.

The International Federation of Accountants (IFAC) Code of ethics has been developed to harmonize national differences in culture, language, legal and social systems as it believes that the identity of the accountancy profession is characterized worldwide by its endeavor to achieve a number of common objectives. IFAC therefore recognizing the responsibilities of the accountancy profession as such, it has deemed it essential to establish an international code of ethics for professional accountants to be the basis on which the ethical requirements, that is, code of ethics, detailed rules, guidelines and standards of conduct.

The international code intends to serve as a model on which to base national ethical guidance. It sets standards of conduct for professional accountants. Its fundamental principles are integrity, objectivity, professional competence and due care, confidentiality, professional behavior and technical standards. The IFAC Code of Ethics has to be adopted by all professional accountants.

Grant Thornton Camelsa issues an ethical training work book to all staff as a control to assess staff's comprehension of the IFAC code as it expects its staff to abide by the code.

2.7 Best practices to achieve audit quality

Best practices are commercial or professional procedures that are accepted, prescribed as being correct or most effective. (www.google.co.zw 1338 hrs. 21/03/14).

A method or technique that has consistently shown results superior to those achieved with other means and that is used as a benchmark. (www.businessdictionary.com 1340 hrs. 21/03/14).

Gupta (2006) says audits are conducted to examine business processes and their compliance with internal and external requirements as well as to implement continuous improvements. He also emphasizes that audits allow management to learn about potential problems, identify failure points within a process and determine the effectiveness of controls within a particular process. Five basic activities have been identified, best practices for an audit to be most successful and the encompass audit quality which are scheduling, planning, managing, reporting and verifying. He also asserts that the most successful auditing programs automate these five steps.

According to Supreme Audit Institution (SAI) 2010 report, EUROSAI wrote a document to offer assistance to SAIs to be more effective in achieving high quality audits through selecting and communicating proven good practices. Quality is seldom achieved impulsively but needs to be succeeded into the organization and should be based on continuous improvement. It identifies conditions necessary to effect audit quality which are leadership, ability to identify and manage risks in meeting objectives, adopting ISQC, formal rules, requirements and reviews, staff training, availability of financial resources and sufficient investment in information technology. Topics in which good practices need to be adopted to ensure audit quality are governance, audit matters, human resources, communication and dialogue.

Table 2.1 is an outline of good practices in relation to ISSAI/ISQC 1 elements.

Table 2.1 Good practices in relation to ISSAI/ISQC 1 elements

Good practice topic	ISSAI 40/ISQC 1 element
1.1 Risk Management System	Element 1 :Leadership responsibilities for quality within the firm
1.2 Performance Indicators	Element 1 :Leadership responsibilities for quality within the firm
1.3 Self-assessment of the Organization	Element 1 :Leadership responsibilities for quality within the firm
1.4 Peer Review	Element 6: Monitoring
2.1 Selection of Audit task	Element 3: Acceptance and continuance of client relationships and specific engagements
2.2 Supporting the audit process	Element 5: Engagement performance
2.3 Cooperation with the auditee during the audit process	Element 5: Engagement performance
2.4 Monitoring audit impact	Element 6: Monitoring
2.5 Quality review of completed audits	Element 6: Monitoring
3.1 Staff Performance Appraisal	Element 4: Human Resources
3.2 Professional Training	Element 4: Human Resources
3.3 Staff satisfaction	Element 4: Human Resources
4.1 Internal Communication Dialogue	Element 1 :Leadership responsibilities for quality within the firm
4.2 External Communication and Relationship with Stakeholders	Element 1 :Leadership responsibilities for quality within the firm

This table outlines the link of goods practices to the elements of quality control in regard to the recognized international standards governing audit quality which are highly relevant to improve audit quality. It also stipulates that an effective quality management system covers enablers that are concerned with how the organization undertakes its activities such as leadership, human, financial and information resources, operation processes and the results achieved with regards to the requirements of stakeholders. [EUROSAI document (2010)]

2.8 Summary

This chapter was on empirical and theoretical literature review and it covered the definition of audit quality, audit quality measurement, audit quality indicators, quality indicators related to operational inputs, quality indicators related to the audit process, quality indicators related to output, quality control policies, effectiveness of audit quality control policies, workload compression, factors influencing audit team composition, factors contributing towards auditors' workloads, policies to manage auditors workloads, the relationship between workload compression and audit quality, supervision and management control over staff and the best practices to achieve audit quality. Chapter three is on research methodology.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter is on research methods to be adopted for data collection in order to accomplish the research objectives. It will cover the research design, population and sampling, data sources, research instruments, data collection, data validity and reliability and data analysis and presentation.

3.1 Research Design

Kumar (2011) says a research design is a strategy structured to enable an investigation on a research problem in order to achieve research objectives and to obtain answers to the research questions.

The overall strategy chosen to interrogate different components of the study in a coherent and logical way to ensure that a research problem is effectively addressed is referred to as a research design. Labaree (2013) at www.libguides.usc.edu 1232hrs. 10/04/14. A research design constitutes the blueprint for the collection, measurement and analysis of data of research into one or a few easily researchable examples.

Research designs are derived from the nature of research being undertaken for example an experimental research will have an experimental research design.

Types of Research Design

Experimental Research Design

According to Burns and Burns (2011) an experimental research design entails planning interference in the natural order of events since researchers are rarely satisfied to describe events they observe.

An article by the Human Supervisory Control (2004) expresses that an experimental research design falls under quantitative research methods. The basics of an experimental design are its data gathering methods which are observation and experiments. Under observation one cannot prove the cause and effect but can establish association whereas under experiment there is a cause and effect and the variables of interest an independent variable and a dependent variable.

According to Arthur (www.arthurlab.tamu.edu 13:46hrs. 23/04/2014) says a technical definition of an experiment as a study or research design where variables are manipulated. The implication is that experimental designs are characterized by random assignments to groups, treatments or conditions. Random assignment is a control technique that equates groups of participants by ensuring every member on a sample has an equal chance of being assigned to any group.

Merits

It offers a wider knowledge base through practical experience and active manipulation of the stream of events. It allows observation of events as a tool to collect data therefore increasing the diversity of data collecting methods.

Demerits

It uses assumptions and does away with other correlational aspects during the experiment therefore leading to data bias. Observations may not give enough data to make valid conclusions if some crucial events go unobserved. There is no proof of data collected through observation.

Justification

For the purposes of this study the experimental research design will be used partially for observation data collection. The researcher was attached at an audit firm and observed the trends of effects of auditors' workload on audit quality. As cited by the Human Supervisory control, observation as a data collecting method *cannot prove* the cause and effect but can establish an association between variables.

Descriptive Research Design

According to Burns and Burns (2011) a descriptive research design is where the researcher attempts to document what is actually occurring. The design can either be qualitative or quantitative and information is summarized by descriptive statistics.

Burns and Grove (2003) say a descriptive research design provides a picture of a situation as it naturally happens. It may be used to justify current practice and make judgments. Theories are also developed under descriptive research designs.

Merits

This offers information for further research and also helps in making decisions. Data is easy and fast to collect. Accurate information is usually obtained when using the descriptive research design. A descriptive research design will allow the researcher to give justifications and make judgments.

Demerits

Some information can be highly confidential and this might reduce the quality of information collected.

Justification

The methods selected in this research will be subject to the nature of data sources, research instruments, research approaches and the contacts. The thrust of this research is to analyze the effects of auditors' workloads on audit quality such that qualitative and quantitative data will be used. This research will largely rely on primary data there the descriptive research design will be used for purposes of this study.

3.2 Population, sampling and sampling techniques

3.2.1 Population

A population is the total number of people who have a certain characteristic and are of interest to the researcher. Monoharan (2010) defines population as group of individuals, social interactions and events that is divided into target and accessible population.

According to Burns and Burns (2012) in research, a population is not the demographic population but the entire collection of all observations of interests as defined by the researcher. The researcher must specifically define the target population, that is, the entire group about which they want to make judgments. In this research the target population will be the audit staff at Grant Thornton office in Harare.

3.2.2 Sampling

Burns and Burns define a sample as a portion representing the population selected for study. A sample is a subset of the target population which is used by the researcher to obtain evidence as expressed by Data Analysis Australia (2009:1). It is a representation of the population with the assumption that it is a true representation with all relevant details. Sample size is determined by the population.

3.2.3 Sampling techniques

i. Stratified random sampling techniques

According to Sigauke (2013) stratified random sampling is a sampling technique whereby the target population is divided into strata. It is suitable for use whereby the researcher needs to highlight specific groups in the target population. Strata are divisions in a population as expressed by Burns and Burns (2012).

Merits of Stratified Random Sampling

Subgroups or strata are scheduled for a more intensive analysis than just a simple random sample since strata will be chosen according to the different characteristics in a population sample. It also reduces sampling error and increases precision without having to increase the sample size. They also allow the variations on questions or forced choice answers which are necessary for the different strata. It is a modification of random sampling which therefore ensures that each stratum in the population is sampled randomly.

Demerits of Stratified Random Sampling

In some populations, the people in some subgroups may interlink groups and there is the risk of repeating random selection of one person.

ii. Judgmental sampling

According to Burns and Burns (2012) judgmental sampling involves the selection of people on the basis of expert judgment as the representatives of the population of interest and therefore serving the research purpose.

A technique whereby the researcher chooses the strata she wants to answer questions in the questionnaire or interviews. This is a result of the purpose of data which might need to be answered by a group with an area of specialty and therefore only the groups with influence on the research objective will be chosen. A larger sample size will be chosen from the most influential strata. Sigauke (2013)

Merits of Judgmental Sampling

There is more confidence in the results of the research since a judgment sample is directly proportionate to the expertise used to identify and select the sample.

Demerits of Judgmental Sampling

Judgment sampling requires the recommendation of an expert's opinion as with convenience sampling, when only preliminary, exploratory information is required.

Justification

The strata which are found in an audit firm would be partners, managers and supervisors, audit seniors and audit juniors. For the purposes of this research the partners' stratum is excluded for data collection. There is also need to use a judgmental sample in order to analyze the views of different categories of auditors.

3.3 Data Sources

In this research a combination of primary sources of data and secondary sources of data will be used.

3.3.1 Primary sources of data

Primary source of data which is also referred to as raw data is data obtained from where it is generated. It is important for the purposes of its relevance to the research problem and the researcher is reasonably assured of its accuracy.

According to (www.corncodia.edu 21:56hrs. 20/04/14) primary source is a document created at the time a research is being undertaken and the document is based on the research topic. Documents are directly connected with the events or people being researched. Examples of primary data sources are data and original research, diaries, journals, interviews etc.

For the purposes of this research, questionnaires, interviews and observations were used in gathering primary data.

Advantages of Primary data

Primary data is relevant to the research being undertaken such that it will be easy to achieve the set research objectives. Planning and designing questionnaires and interview questions is easy and ensures that every aspect of the research is administered. Interviews also allow the researcher to depict other aspects to be considered in the research during conversation as well as explain to interviewee the requirements of questions that may be difficult to comprehend.

Disadvantages of Primary Data

Data collection is time consuming since individuals may vary in time dedicated to attend to questionnaires. Personal interviews have to be scheduled at times suitable for the interviewees only and this may take time or conflict with the researcher's lecture times since she is a full time student and has to complete the research within a stipulated period of time.

Data collected may be subject to the respondents' attitude on the subject. Some data is confidential and may be left out or answered vaguely. Primary data collection is more expensive than secondary data.

3.3.2 Secondary sources of data

According to (www.concordia.edu/library 2156hrs. 20/04/14) secondary source is a document created at a later time than event being researched. These documents do not have direct connection with the events or people being researched. Examples of secondary sources given are most published books and journal unless they have been written at the time of the research, encyclopedias, biographies, journal abstracts etc.

Secondary data is data which has been previously collected for other or related purposes apart from the research being undertaken and it is historical and already assembled. Secondary data is obtained from authentic internal and external sources.

Secondary data is essential for the purposes of this research since it reflects on previous citations on related topics by other scholars and that the research defers to internationally recognized standards and requirements. Electronic journals, International Auditing standards and internet publications are the major sources of secondary data used in this research.

Advantages of Secondary Data

Secondary data is readily available and accessible making data collection inexpensive and fast. The University's library gives a variety of reputable scholars from electronic journals and therefore provided a good starting point to addressing research questions. Secondary data seldom needs modification.

Disadvantages of Secondary Data

Secondary data may not be specific to the research being undertaken therefore being of little use. Some information may be also be outdated therefore inclusion in the research will distort the results obtained. Accuracy of data cannot be ascertained since the primary source of data cannot be accessed or even known. There was also the limitation of inaccessibility to relevant

and crucial information sources on the internet on sources that required purchasing of such journals.

3.4 Research Instruments

These are tools used in the collection of data which is relevant in substantiating the research objectives. Questionnaires and personal interviews were the tools used in this research.

3.4.1 Questionnaires

A questionnaire is a list of survey questions designed to answer specific questions. Its purpose is to ensure that the correct data is collected, data is comparable and analyzed, to minimize bias in the formulation of question and to make questions engaging and varied.

According to Kumar (2011) the questions in a questionnaire can be open ended or closed, where open ended questions give the respondents the liberty to express themselves and closed questions are limited to answer options provided by the researcher.

Wilkison and Birmingham (2003) say that an effective questionnaire enables the transmission of useful and accurate information or data from the respondent to the researcher. There are three types of questionnaires which are the mail delivery questionnaire, the group administered and the household drop off. For the purposes of this research the mail delivery questionnaire and group administered will be utilized.

Advantages of a questionnaire

Questionnaires give respondents the liberty to be honest in their answers since they will remain anonymous and not held liable for answers or opinions they give. They also give time to think through the questions before answering and the questions guide them in the lines of thought of the researcher. A questionnaire is a low cost data collection instrument.

Disadvantages of a questionnaire

Questionnaires have the limitation that there is the possibility of misinterpretation of some questions such that defective data may be collected. Further still, work pressure may lead

respondents to be reluctant to fill in the questionnaires or some questions being left unattended.

3.4.2 Personal interviews

A personal interview is a two way conversation which is initiated by the interviewer to obtain information from the interviewee and in this case this is a face to face interview. Interviews can be group interviews or individual where in group interviews, interviewees participate by helping each other to answer questions and individual interviews the interviewee says out their mind without being influenced by others' answers. For the purposes of this research, individual interviews were used.

Advantages of Personal Interviews

Personal interviews provide a platform of clarification on ambiguous questions or answers therefore enabling the collection of relative and useful data. They also enable the researcher to detect issues of concern through impromptu speeches by the interviewee as well as emotion or attitude towards certain questions. Continuous probing to get information can be exercised on intricate matters unlike through other instruments such as questionnaires.

Disadvantages of Personal Interviews

Accessibility to people who can be interviewed can be difficult because of work pressures or deployments. Some respondents may feel uneasy to give their contributions due to aftermath consequences should it be known that they are the ones who disseminated the information.

3.4.3 Types of Questions

Open-ended questions

These are questions that allow the participant/respondent to express their opinions or feelings on a certain topic without being limited to responses expected by the researcher. The responses given are mainly used as qualitative data. The researcher incorporated the use of open-ended questions in her questionnaire because they allow respondents to express themselves without being limited.

In an article written by Jason Kleid, open ended questions are questions that invite and allow a person to explain how they feel and why they feel that way. These usually begin with who, what, where, when, why and how.

Merits of Open-ended questions

These allow respondents to express themselves freely without being limited to certain answers. There are a lot of potential responses giving room to highlight on certain aspects which might not have come to light to researcher during the research. They give a basis for qualitative data collection.

Demerits of Open-ended questions

Open-ended questions reduce comparability if responses are vast and cannot be closely correlated.

Close-ended questions

These are questions with predetermined responses expected to be given by the respondent for example male or female, yes or no and these responses are used as quantitative data. For the purpose of this research, close-ended questions were used to enable statistical data comparability and analysis.

Merits of Close-ended questions

Responses from different participants can easily be compared since the answers are predetermined and therefore can be quantified for purposes of analysis for example the number of 'yes' responses and 'no' responses to a certain question. They are also fast and easy to administer on the part of the respondents since answers to choose from are already given.

Demerits of Close-ended questions

Close-ended questions limit the participants' responses therefore reducing exhaustive data retrieval. Respondents might fail to comprehend some of the questions but will still tick on a

possible response since there are possible answer options provided and this may result in information bias.

Likert Scale

This is a series of possible answers given to a respondent to choose their most preferred answer from for example strongly agree, agree, not sure, disagree and strongly disagree. According to Kumar (2012) a likert scale takes the assumption that each item on the scale has equal attitudinal value in terms of reflecting an attitude towards the issue in question, that is, it shows the strength of one respondent's view in relation to that of another but does not show the absolute attitude.

In an article posted by Vanek (www.surveygizimo.com 2217hrs. 19/04/2014) a likert scale is termed as the number of responses to several likert items and a likert item is a statement that the respondent is asked to evaluate. A good likert scale is balanced on both sides of a neutral option to create a less biased measurement. He further outlines that the likert scale options be given points for example

Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	2	3	4	5

The points are added together and the score is used to assess the trait of responses. The likert scale is used in thriving to get an overall measurement of a particular topic, opinion or experience and also specific data on contributing factors.

Bertram (2007) in his article, a likert scale is defined as a psychometric response scale used in questionnaires to obtain respondents' preferences or extent of agreement with a statement or statements. Likert scales vary from five point scale to seven or nine point scales. The five point scale ranges from strongly agree to an extreme of strongly disagree. Depending on how the likert scale questions are treated, a number of different analysis methods can be applied.

Merits of the Likert Scale

It is a fast and easy way to collect data since. The strength of an emotion can be easily picked up from the responses given. Data analysis is also made easy.

Demerits of the Likert Scale

It limits respondents to further expression of their emotions or feelings towards a certain question or topic. The scale is difficult to construct. Respondents may assess the importance of a particular statement differently such that the respondents' attitude might not be reflected.

3.5 Data Triangulation

This is the use of feedback from different data sources with the intent of increasing research validity. It involves comparing the data collected and noticing areas where it agrees or diverges. Data triangulation is easy to use with research instruments such as questionnaires and interviews as these allow for the comparison. Patton (2007).

In an article written by Bryman, triangulation refers to the use of more than one method to the investigation of a research question in order to enhance confidence in the resultant findings. It is highly associated with measurement practices in social and behavioral research. Triangulation is distinguished into four forms which are data triangulation, investigator triangulation, theoretical triangulation and methodological triangulation. Data triangulation entails gathering data through several sampling strategies so that slices of data at different times, social situations as well as a variety of people are gathered.

Guian et al from the University of Florida say data triangulation involves using different sources of information in order to increase the validity of a study. During the analysis stage, feedback from stakeholders would be compared to determine areas of agreement as well as those of divergence.

In this research data triangulation was used since the researcher adopted two sampling methods as well as questionnaires and interviews in the data collection process in order to enhance confidence in the results.

3.6 Data Collection

Personal interviews will be scheduled and done on appointed dates and times so as to avoid missing interviewees. Questionnaires will be distributed through email and personal delivery and a date for collection will be set. Follow ups on unreciprocated questionnaires will be done after the collection date in order to increase the response rate and to clarify any issues with the respondents.

3.7 Data validity and reliability

The quality of research instruments or research procedures determines whether data is valid and reliable or not and therefore measure quality of data to its intended use. It is essential that the researcher ascertains data validity and reliability before data analysis so that conclusions and recommendations given are not based on erroneous data. To ensure that data is valid and reliable, the researcher has to go through the questionnaire to note if there are any blank spaces left out or ambiguous statements written and seek clarity from respondents.

Pre testing /Pilot testing

According to Kumar (2011) a pilot test is a test on a small scale study which is undertaken to detect questionnaire components that need refurbishment and is undertaken prior to the full size research. A pilot test is usually used as a prediction to difficulties or flaws that are likely to be encountered before data collection which might not be noticed by the researcher. This gives room to the researcher to reformulate or correct ambiguous, wrong or unclear items in the research instrument.

In an article by Impact: Center for evaluation and research (2011) a pilot test basically means finding out if the research survey, interview guide or questionnaire will work in the practical industry of work by trying it out first on a few people. Its purpose is to make sure that everyone on the sample not only understand the questions but understand them in the same way.

Due to time constraints, a pilot test was not carried out by the researcher. Effort was put to structure the questionnaires and interview guides used in the least ambiguous manner and minimal technical jargon.

3.8 Data Analysis

According to (www.businessdictionary.com 2303hrs.10/04/14) data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. Data analysis is the process of evaluating and transforming raw data into information, that is, a form whereby data can be made meaningful interpreted and understood. The purpose of analysis is to give meaning and be able to draw conclusions and recommendations. Qualitative and quantitative methods of data analysis will be used. The mean, mode, median and regression analysis will be used to analyze collected data statistically.

A slideshow article by Q-Sense Basic training (2006) says the purpose of data analysis is to obtain useable and useful information analysis can be in the form of description and summarizing, identifying relationships between variables, comparing variables, identifying the difference between variables and forecasting variables. These apply regardless of the data being qualitative or quantitative.

For data analysis, the aid of a computer will be extensively used with the use of applications such as Microsoft Word and Excel. This will be essential for accuracy and speed since these applications are suitably equipped for summations, drawing of tables and calculating percentages. The computer will also be of paramount use to store data.

3.9 Data Presentation

After analysis data collected was presented in a qualitative and quantitative manner. It was presented using graphs, pie charts and tables. Data was expressed in percentages in order to convey how analysis conclusions were reached. Graphs, pie charts and tables are also easier to understand. At this stage the data was now processed therefore useful information, it can be interpreted and understood by other scholars or readers.

3.10 Summary

This chapter was on research methodology and it covered research design, types of research design which are experimental research design and descriptive research design, merits and demerits of the respective research designs, population and sampling, primary and secondary data sources, advantages and disadvantages of primary and secondary data sources, questionnaires and personal interviews as research instruments, advantages and disadvantages of the research instruments, data collection, data validity and reliability and data analysis and data presentation. Chapter four is on data presentation and analysis.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter will cover the data response rate and data presentation and analysis. Data will be presented in the form of tables, graphs and pie charts.

4.1 Data Response rate

Questionnaires and interviews were the data collection tools used in this research. The researcher issued out 30 questionnaires out of which 26 were returned and conducted 2 interviews.

4.1.1 Questionnaire Response rate

A total of 30 questionnaires were issued out to Grant Thornton's audit staff and 26 questionnaires were returned making 83.33% response rate on questionnaires. The selection of the sample to distribute questionnaires was based on stratified random sampling and judgmental sampling. The following table presents the different strata chosen for data collection.

Table 4.1 Questionnaire Response Rate

	Managers	Supervisors	Audit Seniors	Audit Juniors	Total
Total no. of staff in particular category	10	16	25	19	70
Number of questionnaires issued out	4	10	10	6	30
Percentage of chosen sample to total staff group	40%	62.5%	40%	31.58%	42.86%
Number of questionnaires returned	4	8	9	5	26
Response rate	100%	80%	80%	83%	83.33%

The total target sample size was 42.86% of the total audit staff at Grant Thornton. According to an article written by Naresh Malhotra (2012) a sample size of 30% is a fair and reliable representation given that a credible sampling procedure has been adopted.

4.1.2 Interview response rate

Two interviews were scheduled and conducted making a 100% response rate. The interviews were targeting audit supervisors and managers.

4.2 Data Presentation and Analysis

4.2.1 Gender

The questionnaire sought to differentiate the participation of the different gender in the process of data collection. Of the 26 respondents 18 were male (69.23%) while the remaining 8 respondents (30.77%) were female. This research contains the views of both genders and is reflective of the total population at Grant Thornton.

4.2.2 Position

This requirement of the questionnaire sought to group the respondents into specific categories to be able to target the people with the most influence under audit engagements. The stratified random sampling technique was used to divide the population into target groups here under which the partners were excluded. Judgmental sampling technique was used by way of issuing more questionnaires to the expert or influential group. The following table represents the number of respondents under a certain position.

Table 4.2 Position Statistics

Position	Number of respondents	Percentage
Manager	3	11.54%
Supervisor	8	30.77%
Audit Senior	10	38.46%
Audit Junior	5	19.23%
Total	26	100%

As shown in table 4.2 most of the questionnaires were distributed to supervisors and audit seniors. The supervisors and audit seniors are more crucial in audit engagements and therefore play a bigger role on achieving audit quality.

4.2.3 Audit Experience

The number of years in a field is influential when carrying out a research as it determines the level of experience and expertise. The table below outlines the number of years experienced in audit by the respondents.

Table 4.3 Audit Experience

Number of years in audit	Number of respondents	Percentage of respondents
2 years	5	19.23%
3 years	2	7.69%
4 years	7	26.92%
5 years	6	23.08%
6 years	1	3.85%
7 years	1	2.85%
Over 7 years	4	15.38%
Total	26	100%

As shown in table 4.3 19/26 (73.07%) have at least 4 years of experience which implied that data collected would be reliable. Experience of the auditors forms part of the assurance that data being collected is reasonable and reliable holding everything else constant.

4.2.4 Professional Qualifications

This was to seek the professional qualification of each respondent in order to determine their competence in the audit industry and also to obtain satisfaction that responses are reasonable and reliable.

Table 4.4 Professional qualifications

Professional Qualification	Number of respondents	Percentage
First Degree only	2	7.69%
CTA	8	30.77%
ICAEW	2	7.69%
CA(Z)	3	11.54%
ACCA	12	46.15%
ACFE	1	3.85%
Total	28(ref 1)	

All audit staff at Grant Thornton office has obtained their first degree as they do not take audit clerks for training who do not have a relevant first degree. The table 4.4 gives an outline of the professional qualifications of the respondents.

Ref 1Two of the ACCA professionals have an ICAEW and the other an ACFE professional qualification.

As reflected in table 4.4 above every respondent has a professional qualification which implies that all respondents are competent for their profession. Competence will have a bearing on the quality of responses as well as their reliability.

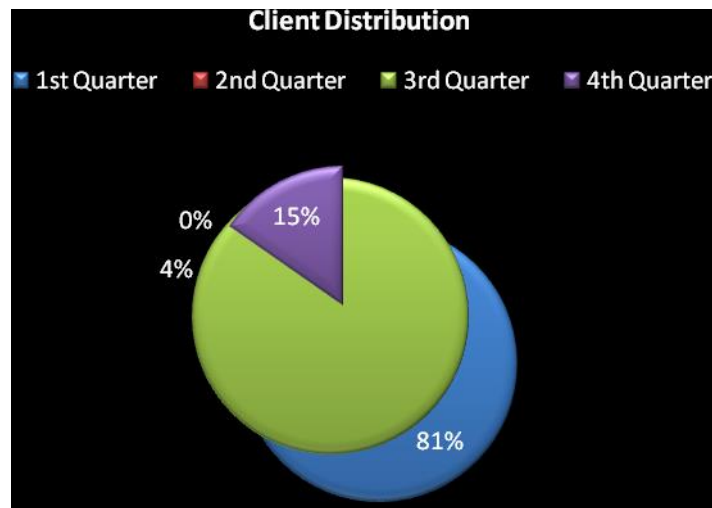
4.2.5 Period in which the firm has the most clients to attend to

This question was aiming at indicating the period in which the auditors have the most clients to attend to, that is, the busy period. The table below shows the distribution of clients to be audited in the four quarters of the year as the respondents highlighted.

Table 4.5 Client distribution

Time of the Year	Number of respondents	Percentage
1 st Quarter	21	80.77%
2 nd Quarter	1	3.85%
3 rd Quarter	0	0%
4 th Quarter	4	15.38%
Total	26	100%

Fig 4.1 Client Distribution



From the results obtained as shown in the table 4.5 above 21/26 (80.77%) view the first quarter of the year as the one which has the most clients to attend to, 4/26 (15.38%) view the fourth quarter of the year as the busy period, 1/26(3.85%) views the second quarter as the busy period and 0/26 (0%) on the third quarter.

Using the mode the researcher concluded that the first quarter of the year is the busy period where auditors have the most clients to attend to.

In an article written by Craig R. Ehlem (2011) he is of the view that the Tax Reform Act (TRA) influenced the workload compression in the first quarter of the year since this act

limited businesses and companies to select a fiscal year end aligned to the calendar year for tax reporting purposes.

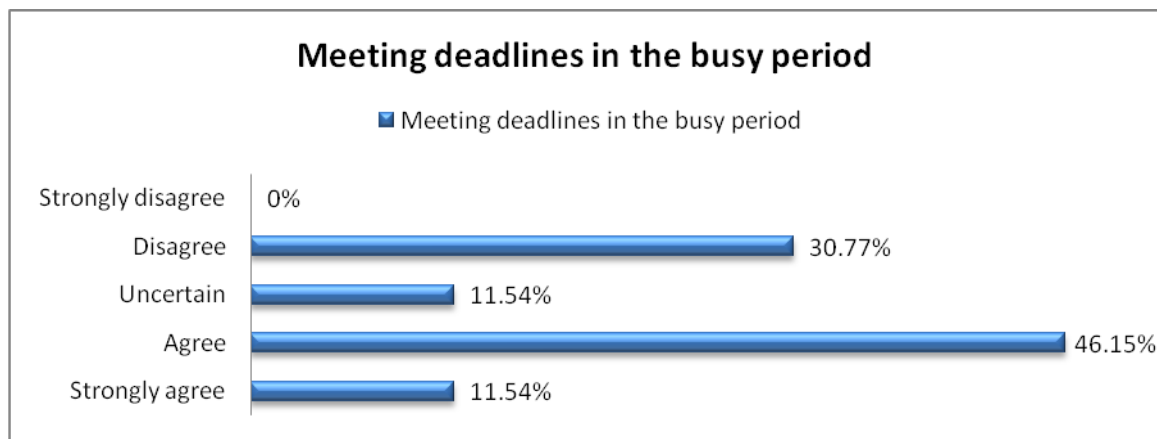
4.2.6 Deadlines are met during the busy period

This statement of the questionnaire aimed at weighing whether auditors meet deadlines during the busy period despite the amount of workload and pressure. The results of the survey are tabulated below.

Table 4.6 Meeting deadlines during the busy period

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	3	12	3	8	0	26
Percentage	11.54%	46.15%	11.54%	30.77%	0%	100%

Fig 4.2 Meeting deadlines during the busy period



As shown in the table above 3/26 (11.54%) strongly agree, 12/26 (46.15%) agree, 3/26 (11.54%) are not sure, 8/26(30.77%) disagree, 0/26 (0%) strongly disagree that deadlines are met in the busy period.

15/26 (57.69%) agreed whilst 11/26 (42.31%) did not agree.

This is also supported by the interview question ‘Do you feel the busy season workload pressure has an impact on audit quality?’ where one of the interviewee posed that in as much

auditors are under pressure during the first quarter of the year, they have to meet deadlines and do not have a choice unless under rare justified circumstances.

Using the mode the researcher concluded that deadlines are met during the busy period.

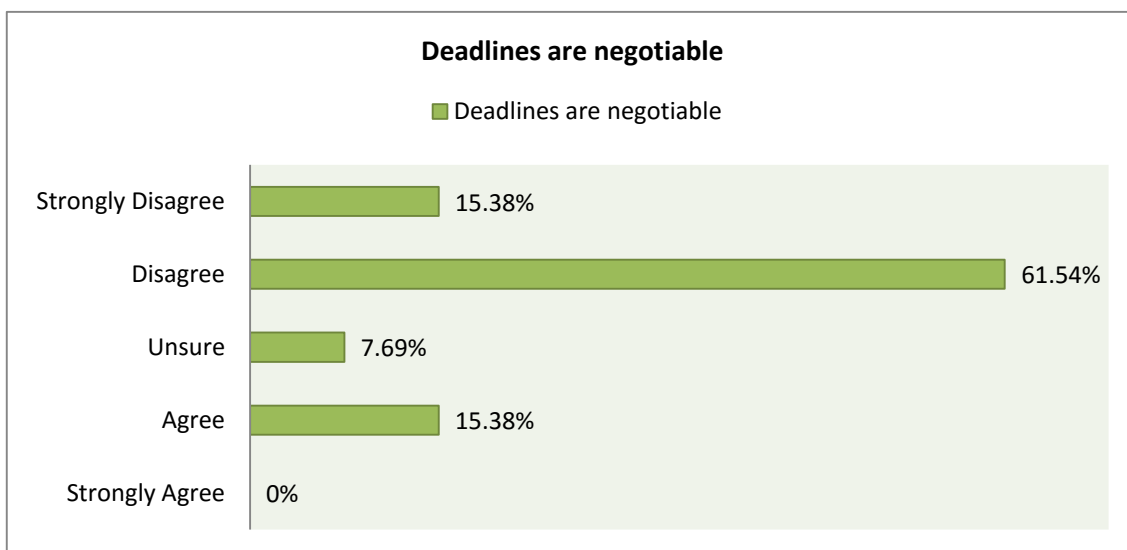
4.2.7 The deadlines are negotiable

This Likert item serves to ascertain if some deadlines can be negotiated to be stretched further to give more time to audit. The table below shows the results obtained from the survey.

Table 4.7 Deadlines are negotiable

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	0	4	2	16	4	26
Percentage	0%	15.38%	7.69%	61.54%	15.38%	100%

Fig 4.3 Deadlines are negotiable



As shown in the table above 0/26 (0%) strongly agree, 4/26 (15.38%) agree, 2/26 (7.69%) are unsure, 16/26(61.54%) disagree, 4/26 (15.38%) strongly disagree that deadlines for completing audits are negotiable.

4/26 (15.38%) agreed whilst 22/26(84.62%) did not agree.

Using the mode the researcher concluded that deadlines for completing audits cannot be negotiated.

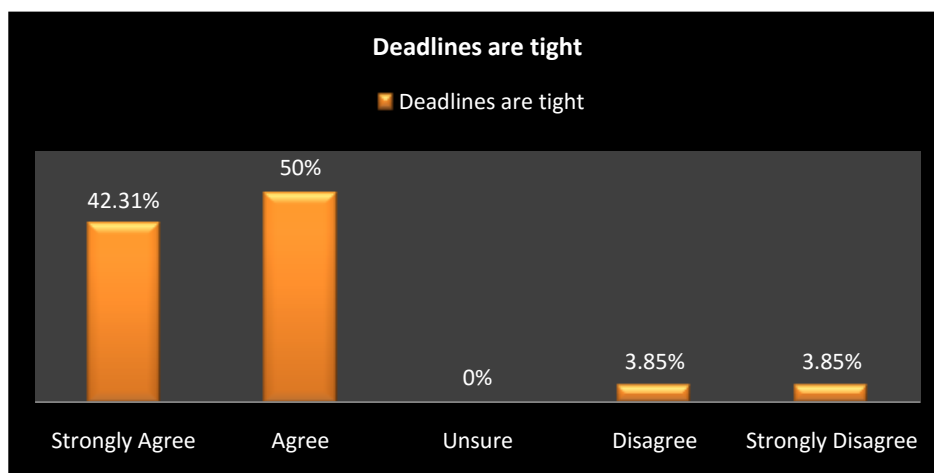
4.2.8 The deadlines are tight

This Likert item aimed to evaluate the auditors’ view pertaining to the tightness of deadlines in the busy season. The table below shows the results obtained from the survey.

Table 4.8 Tight Deadlines

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	11	13	0	1	1	26
Percentage	42.31%	50%	0%	3.85%	3.85%	100%

Fig 4.4 Tight deadlines



As shown in the table above 11/26 (42.31%) strongly agree, 13/26 (50%) agree, 0/26 (0%) are not sure, 1/26(3.85%) disagree, 1/26 (3.85%) strongly disagree that deadlines are tight during the busy season.

24/26 (92.31%) agreed whilst 2/26 (7.69%) did not agree

The Treadway Commission COSO supports this position in part of their report when it says that tight and rigid reporting deadlines are some of the identified pressures during the busy season.

Using the mode the researcher concluded that deadlines are tight during the busy season.

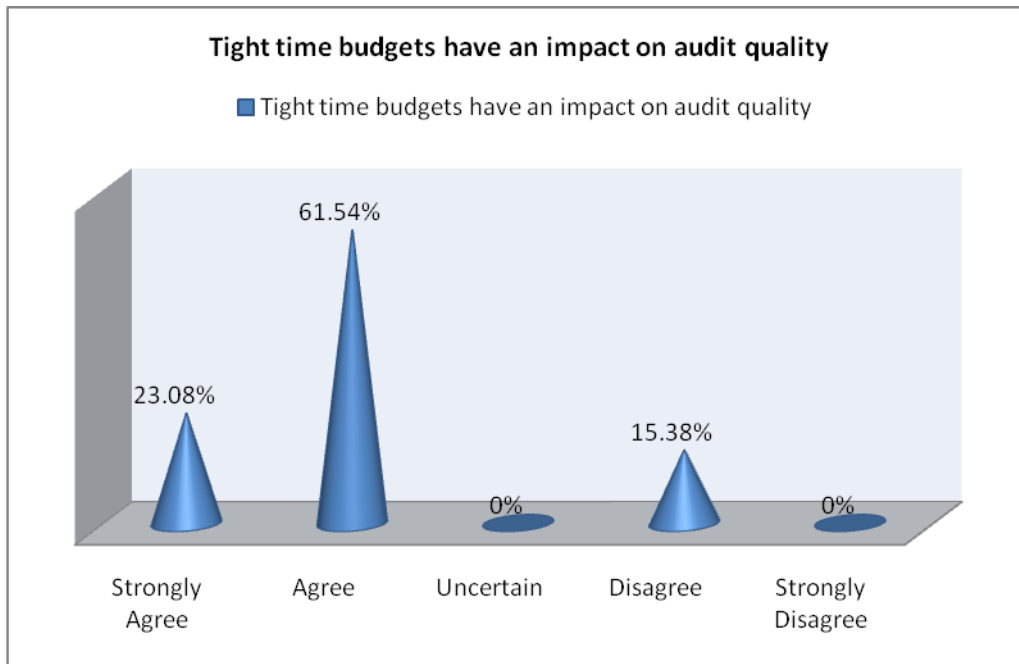
4.2.9 Tight time budgets have an impact on audit quality

This Likert item was meant to figure out auditors' opinions on whether audit quality is affected by tight time budgets. The table below shows the responses of auditors.

Table 4.9 Tight time budgets have an impact on audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	6	16	0	4	0	26
Percentage	23.08	61.54	0	15.38	0	100%

Fig 4.5 Tight time budgets have an impact on audit quality



As shown in the table 4.9 above 6/26 (23.03%) strongly agree, 16/26 (61.54%) agree, 0/26 (0%) are unsure, 4/26(15.38%) disagree, 0/26 (0%) strongly disagree that tight time budgets have an impact on audit quality.

22/26 (84.62%) agree whilst 4/26 (15.38%) did not agree.

Using the mode the researcher concluded that tight time budgets have an impact on audit quality.

According to Coram et al (2004) they support the position that tight time budgets have an impact on audit quality and they cite that some behavioral studies have shown that tight time budget pressures may lead auditors to perform deficient work therefore compromising audit quality.

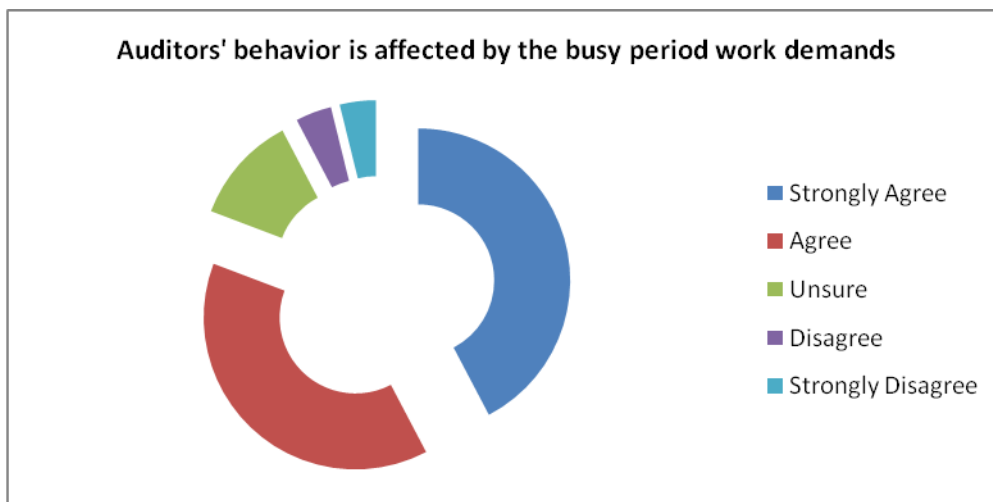
4.2.10 Busy period work demands have an effect on auditors' behaviour

The purpose of this statement was to detect if at all the behaviour of auditors is affected by work load compression. The responses are tabulated below.

Table 4.10 Work demands impact on auditors' behaviour

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	11	10	3	1	1	26
Percentage	42.31%	38.46%	11.54%	3.85%	3.85%	100%

Fig 4.6 Work demands impact on auditors' behaviour



The table 4.10 and fig 4.6 above show that 11/26 (42.31%) strongly agree, 10/26 (38.46%) agree, 3/26 (11.54%) are uncertain, 1/26 (3.85%) disagree and 1/26 (3.85%) strongly disagree that work load compression has an impact on auditors' behavior.

21/26 (81.77%) agreed whilst 5/26(19.24%) did not agree.

Using the mode the researcher concluded that workload compression has an impact on auditors' behaviour.

This is also supported by The Treadway Commission (COSO) report that audit firms should identify and rectify individual pressures that may potentially reduce audit quality where tight and rigid reporting deadlines are some of the pressures identified.

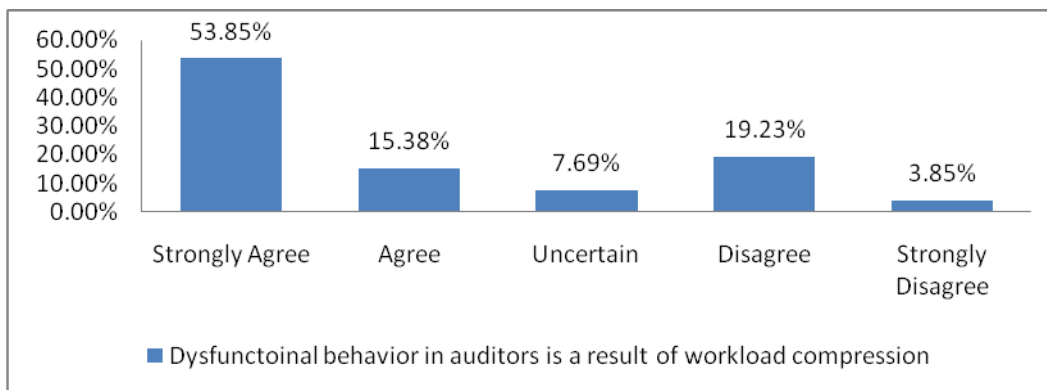
4.2.11 Dysfunctional behaviour in auditors is a result of workload compression

This question was aimed at further probing that if auditors' behavior is affected by workload compression, does it mean that if auditors are not working properly or normally in the busy period it is a result of the high work demands. The table below shows the responses of the auditors pertaining to this Likert item.

Table 4.11 Dysfunctional behaviour in auditors is a result of workload compression

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	14	4	2	5	1	26
Percentage	53.85%	15.38%	7.69%	19.23%	3.85%	100%

Fig 4.7 Dysfunctional behaviour in auditors is a result of workload compression



As shown in the table 4.11 and fig 4.7 14/26 (53.85%) strongly agreed, 4/26 (15.38%) agree, 2/26 (7.69%) are uncertain, 5/26 (19.23%) disagree and 1/26(3.85%) strongly disagree that dysfunctional behaviour is a result of work load compression.

18/26 (69.23%) agreed whilst 8/26 (30.77%) did not agree.

Using the mode the researcher concluded that dysfunctional behavior in auditors is a result of workload compression.

This position is also supported by the response to interview question 1 where the interviewee said that auditors are affected by these workloads such that they engage into dysfunctional behaviours resulting in fatigue.

According to D. Lopez and G F Peter (2012), the authors are also of the view that workload pressures lead to dysfunctional behaviors and reduce audit quality such that workload pressures can surpass the quality control mechanisms of a firm affecting quality at the engagement level.

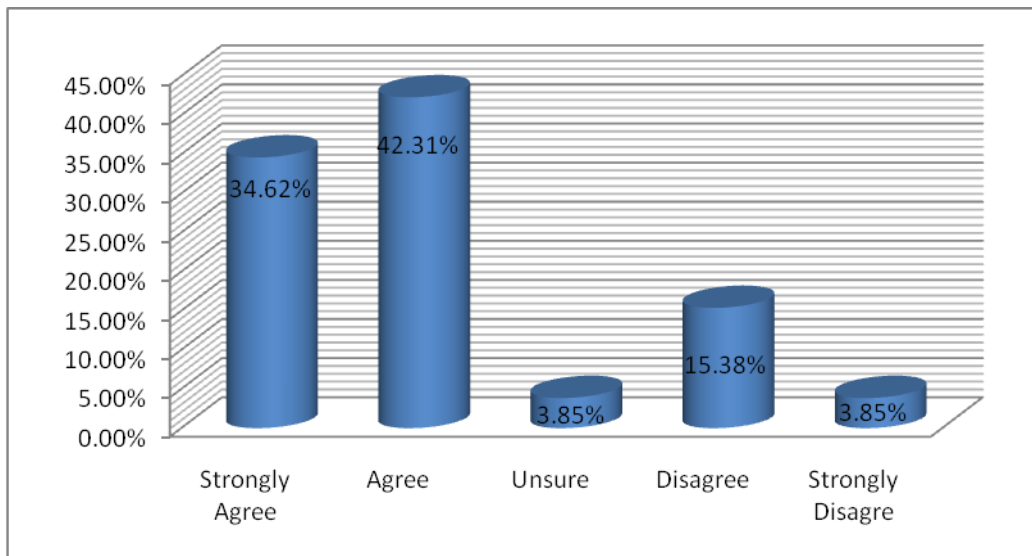
4.2.12 Work load Compression during the busy period has an effect on audit quality.

This Likert item aimed at evaluating if workload compression affects audit quality. The table below shows the responses given by auditors in relation to this position.

Table 4.12 Workload compression has an effect on audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	9	11	1	4	1	26
Percentage	34.62%	42.31%	3.85%	15.38%	3.85%	100%

Fig 4.8 Workload compression has an effect on audit quality



As shown by table 4.12 and Fig 4.8, 9/26 (34.62%) strongly agree that workload compression affects audit quality, 11/26 (42.31%) agree, 1/26 (3.85%) is unsure, 4/26 (15.38%) disagree and 1/26 (3.85%) strongly disagree.

20/26 (76.92%) agreed whilst 6/26 (23.08%) disagreed.

As shown by the mode workload compression during the busy period has an effect on audit quality.

Lopez-Acevedo (2011) supports this position when he says that the thrust to meet deadlines influences audit quality such that there is a negative correlation between tight time budget pressures and audit quality.

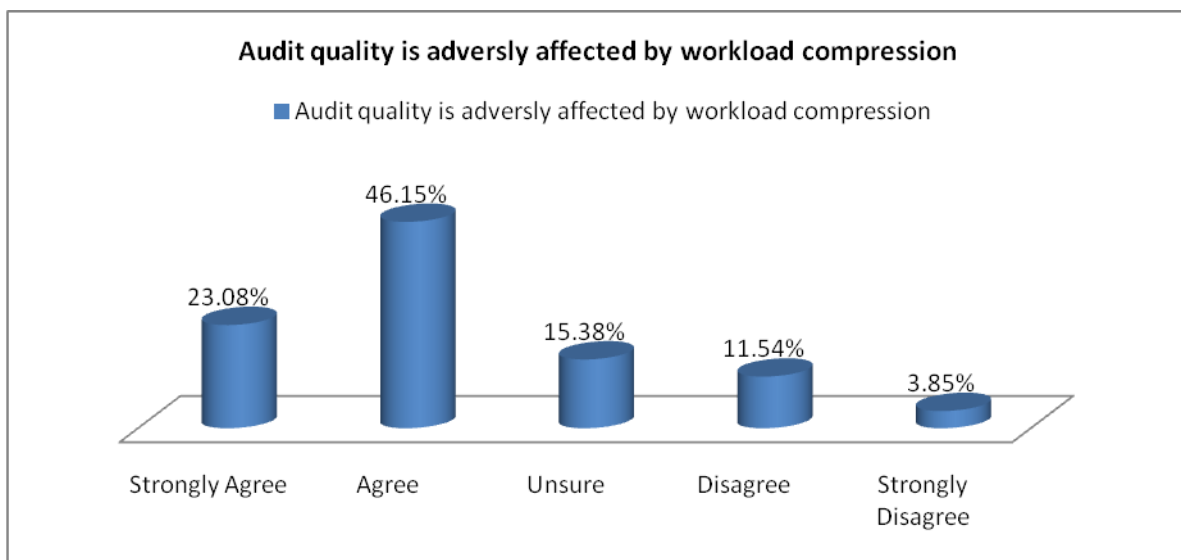
4.2.13 Audit quality is affected adversely to a greater extent by the workload compression

This question was aimed at evaluating the manner and extent in which audit quality is affected by workload compression. The table below represents the responses given by auditors.

Table 4.13 Audit quality is adversely affected to a greater extent by workload compression

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	6	12	4	3	1	26
Percentage	23.08%	46.15%	15.38%	11.54%	3.85%	100%

Fig 4.9 Audit quality is adversely affected by workload compression



As shown by table 4.13 and Fig 4.9, 6/26 (23.08%) strongly agree, 12/26 (46.15%) agree, 4/26 (15.38%) is unsure, 3/26 (11.54%) disagree and 1/26 (3.85%) strongly disagree that audit quality is adversely affected by workload compression to a greater extent.

18/26(69.23%) agreed that whilst 8/26 (30.77%) disagreed.

As shown by the mode the researcher can conclude that audit quality is greatly affected by workload compression.

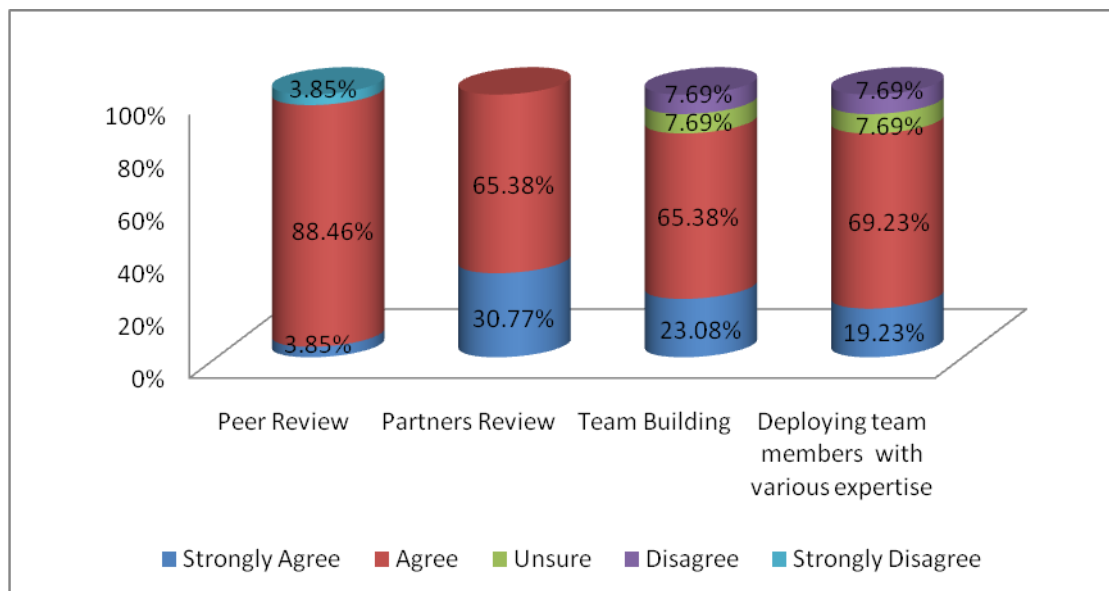
This position is supported by Sigauke (2013) when he says that deadline pressures which typically occur in the busy season may prematurely urge auditors to quit pursuing identified problems therefore resulting in fraudulent financial reporting, an audit quality indicator.

4.2.14 Measures in place to manage workload compression

Table 4.14 Measures in place to manage workload compression

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
i)Peer Review	1	23	1	0	1	26
Percentage	3.85%	88.46%	3.85%	0%	3.85%	100%
ii)Partners Review	8	17	1	0	0	26
Percentage	30.77%	65.38%	3.85%	0%	0%	100%
iii)Team Building	6	17	1	2	0	26
Percentage	23.08%	65.38%	3.85%	7.69%	0%	100%
iv)Deploying team members with various expertise	5	18	1	2	0	26
Percentage	19.23%	69.23%	3.85%	7.69%	0%	100%

Fig 4.10 Measures in place to manage workload compression



As evidenced by table 4.14 above 1/26 (3.85%) strongly agree, 23/26 (88.46%) agree, 1/26 (3.85%) is unsure, 0/26 (0%) disagree and 1/26 (3.85%) strongly disagree that peer review is a measure in place on workload compression.

24/26 (92.31%) agreed whilst 2/26 (7.70%) disagreed.

As shown by the mode the researcher can conclude that the peer review is a measure to manage workload compression.

The response to interview question 3 'How are auditors' workloads managed' emphasized that apparently there is no set procedure within the firm to manage auditors' workloads. Auditors already know it is the busy season and are required to adhere to professional ethics and standards all the time.

Deloitte Canada (2011) in their report supports this position when they cite that partners and senior managers review colleagues' work regularly to ensure compliance with firm policies and procedures.

As shown by table 4.12 above 8/26 (30.77%) strongly agree, 17/26 (65.38%) agree, 1/26 (3.85%) is unsure, 0/26 (0%) disagree and 0/26 (3.85%) strongly disagree that partners review is a measure in place to manage workload compression.

25/26 (96.15%) agreed whilst 1/26 (3.85%) did not agree.

The mode indicates that the researcher can safely conclude that partners review is a measure to manage auditors' workload compression.

Deloitte Canada (2011) in their report supports this position when they cite that partners and senior managers review colleagues' work regularly to ensure compliance with firm policies and procedures.

The table 4.14 above shows that 6/26 (23.08%) strongly agree, 17/26 (65.38%) agree, 1/26 (3.85%) is unsure, 2/26 (7.69%) disagree and 0/26 (0%) strongly disagree that team building is a measure in place to manage workload compression.

23/26 (88.46%) agreed whilst 3/26(11.54%) did not agree.

As shown by the mode, the researcher can conclude that team building is a measure to be put place to manage workload compression.

This position is supported by John Dronkers when he says that candidates for a team are a key factor.

As shown by table 4.14 above 5/26 (19.23%) strongly agree, 18/26 (69.23%) agree, 1/26 (3.85%) is unsure, 2/26 (7.69%) disagree and 0/26 (0%) strongly disagree that deploying audit team members with various expertise is a measure in place to manage workload compression.

23/26 (88.46%) agreed whilst 3/26(11.54%) did not agree.

The mode indicates that respondents agreed therefore it can be concluded that deploying audit team members with various expertise is a measure in place to manage workload compression.

John Dronkers supports this position when he says that one of the aspects to be considered in the selection of an audit team is to check the availability of the potential audit team members and their experience.

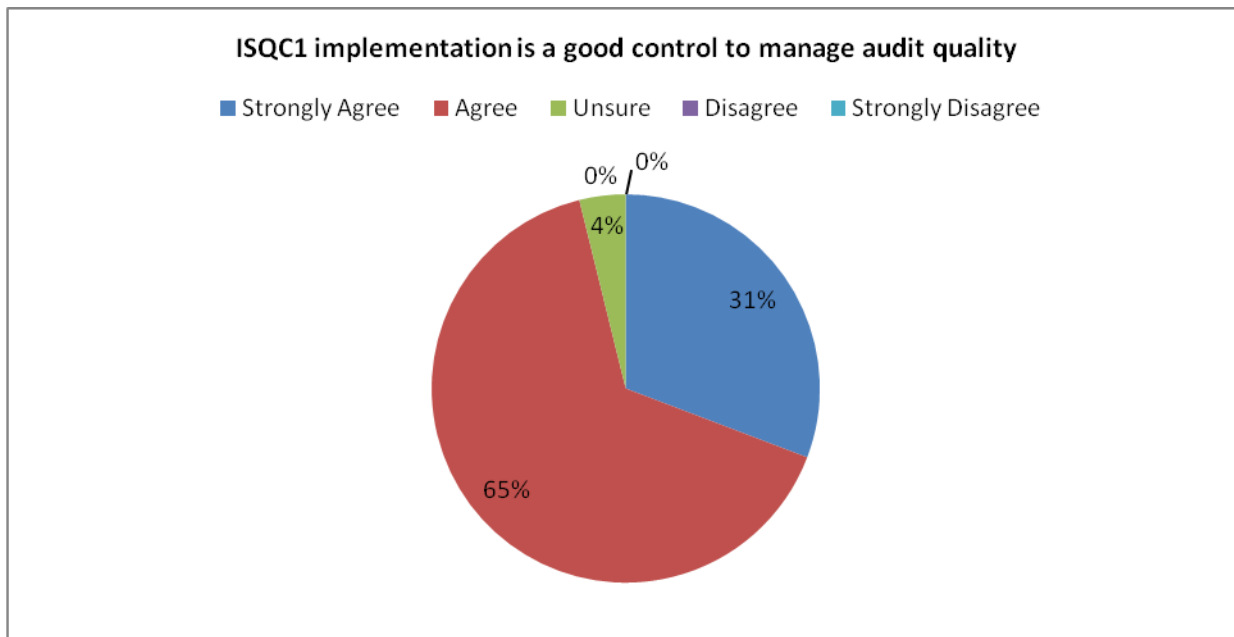
4.2.15 The ISQC1 implementation is a good control to manage audit quality

This Likert item aimed to confirm if the ISQC1 is implemented and is a good control to manage audit quality. The results of the survey are tabulated below.

Table 4.15 ISQC1 implementation a good control to manage audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	8	17	1	0	0	26
Percentage	30.77%	65.38%	3.85%	0%	0%	100%

Fig 4.11 ISQC1 implementation a good control to manage audit quality



As shown in the table above 8/26(30.77%) strongly agree, 17/26(65.38%) agree, 1/26 (3.85%) is unsure, 0/26 (0%) disagree, 0/26 (0%) strongly disagree that the implementation of ISQC 1 is a good control to manage audit quality.

25/26 agreed whilst 1/26 disagreed.

Basing on the mode the researcher could safely conclude that the implementation of ISQC1 is a good control to manage audit quality.

This position is supported by Supreme Audit Institution 2010 report which states that quality is seldom achieved impulsively but needs to be succeeded into organization and should be based on continuous improvement. Conditions necessary to effect audit quality were adopting ISQC1 among others.

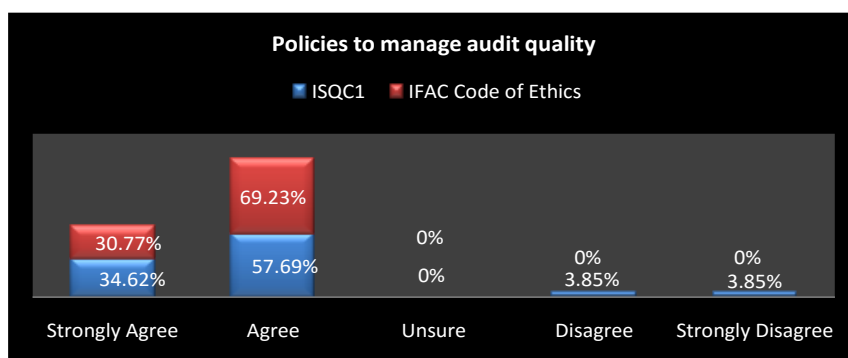
4.2.16 Policies implemented to manage audit quality

This Likert item served to confirm the policies implemented by the firm to manage audit quality. The results are shown in the table 4.16.

Table 4.16 Policies to manage audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
i) ISQC1	9	15	0	1	1	26
Percentage	34.62%	57.69%	0%	3.85%	3.85%	100%
ii) IFAC Code of Ethics	8	18	0	0	0	26
Percentage	30.77%	69.23%	0%	0%	0%	100%

Fig 4.12 Policies to manage audit quality



As shown by the table 4.16, 9/26 (34.62%) strongly agree, 15/26 (57.69%) agree, 0/26 (0%) are unsure, 1/26 (3.85%) disagreed and 1/26 (3.85%) strongly disagreed that the ISQC1 is a policy implemented to manage audit quality.

24/26 (92.31%) agreed whilst 2/26(7.69%) disagreed.

From the results obtained using the mode the researcher safely concluded that the ISQC1 policy is implemented to manage audit quality.

This position is supported by Supreme Audit Institution 2010 report which states that quality is seldom achieved impulsively but needs to be succeeded into organization and should be based on continuous improvement. Conditions necessary to effect audit quality were adopting ISQC1 among others.

As shown by the table above 8/26 (30.77%) strongly agree, 18/26 (69.23%) agree, 0/26 (0%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that the IFAC Code of Ethics is a policy implemented to manage audit quality

26/26 (100%) agreed whilst 0/26 (0%) disagreed.

Using the mode the researcher concluded that the IFAC Code of Ethics is implemented to manage audit quality.

The IFAC Code of ethics supports this position by its fundamental principles which are objectivity, professional competence and due care, confidentiality, professional behavior and technical standards and it is adopted by all professional accountants.

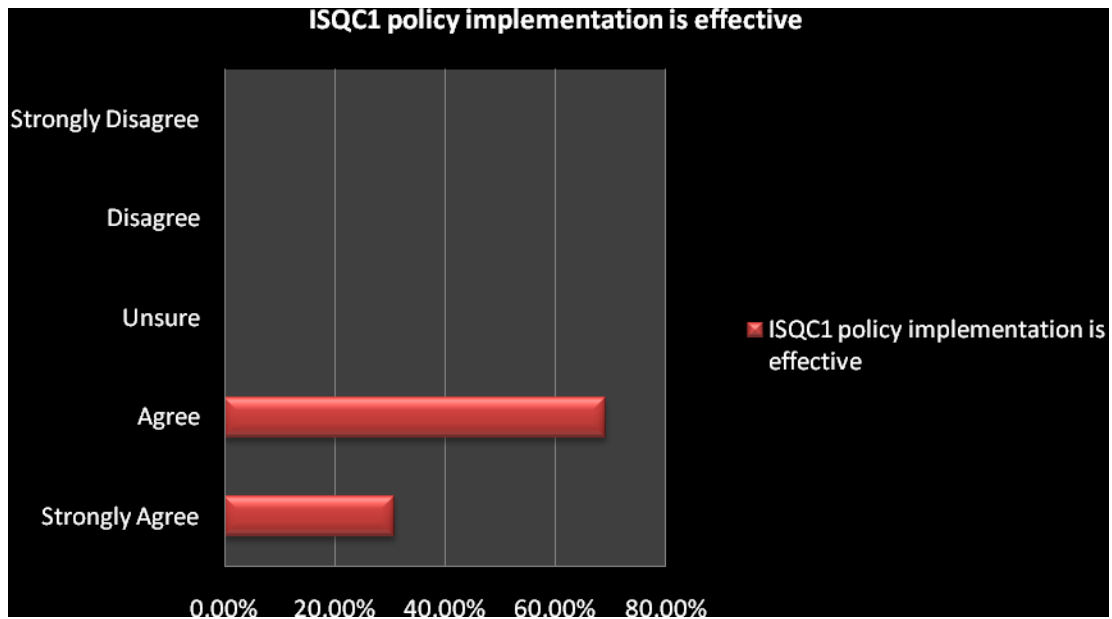
4.2.17 The ISQC 1 implementation is effective

This Likert item aimed to derive the effectiveness of the ISQC1 policy as a tool to manage audit quality. The responses from the survey are shown in the table below.

Table 4.17 ISQC1 policy is effective

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	8	18	0	0	0	26
Percentage	30.77%	69.23%	0%	0%	0%	100%

Fig 4.13 ISQC1 policy is effective



As shown by the table 4.17 and fig 4.13 above 8/26 (30.77%) strongly agree, 18/26 (69.23%) agree, 0/26 (0%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that the implementation of the ISQC1 policy is effective.

26/26 (100%) agreed whilst 0/26 (0%) disagreed.

Using the mode the researcher concluded that the implementation of the ISQC 1 policy is effective.

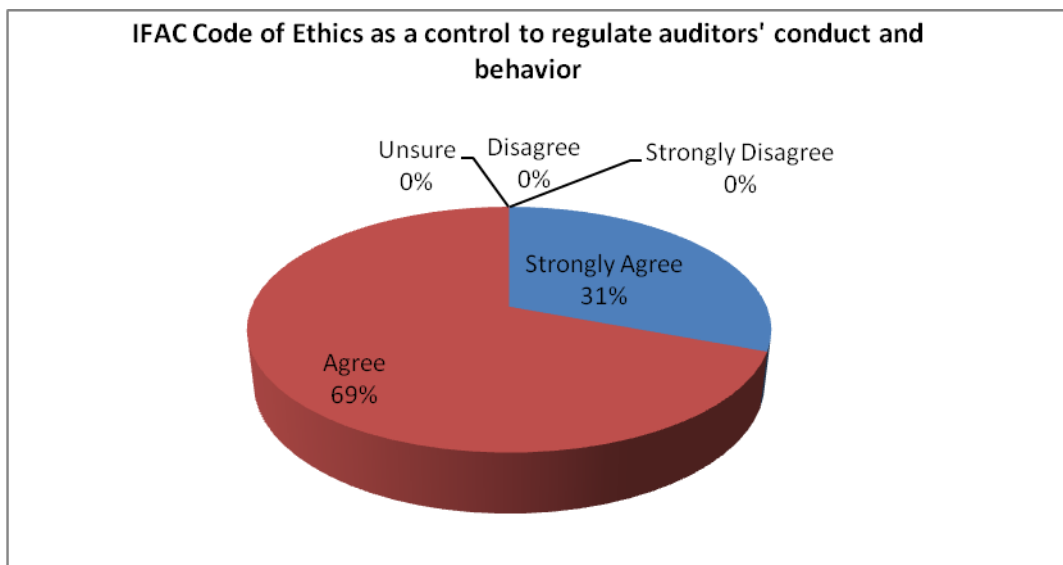
4.2.18 The IFAC Code of ethics is a control to regulate auditors’ conduct and behavior.

This Likert item aimed at deriving the recognition of the IFAC Code of ethics by auditors. Table 4.18 shows the responses given by the auditors.

Table 4.18 IFAC Code of ethics as a control to regulate auditors’ conduct and behavior

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	8	18	0	0	0	26
Percentage	30.77%	69.23%	0%	0%	0%	100%

Fig 4.14 IFAC Code of ethics as a control to regulate auditors’ conduct and behavior



As shown by the table 4.18 and Fig 4.14, 8/26 (30.77%) strongly agree, 18/26 (69.23%) agree, 0/26 (0%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that the IFAC Code of Ethics is a control to regulate auditors conduct and behavior.

26/26 (100%) agreed whilst 0/26 (0%) did not agree.

Using the mode the researcher concluded that the IFAC Code of Ethics is a control to regulate auditors’ behaviour.

This position is supported by the IFAC Code of ethics fundamental principles of professional competence and due care, integrity and professional behaviour.

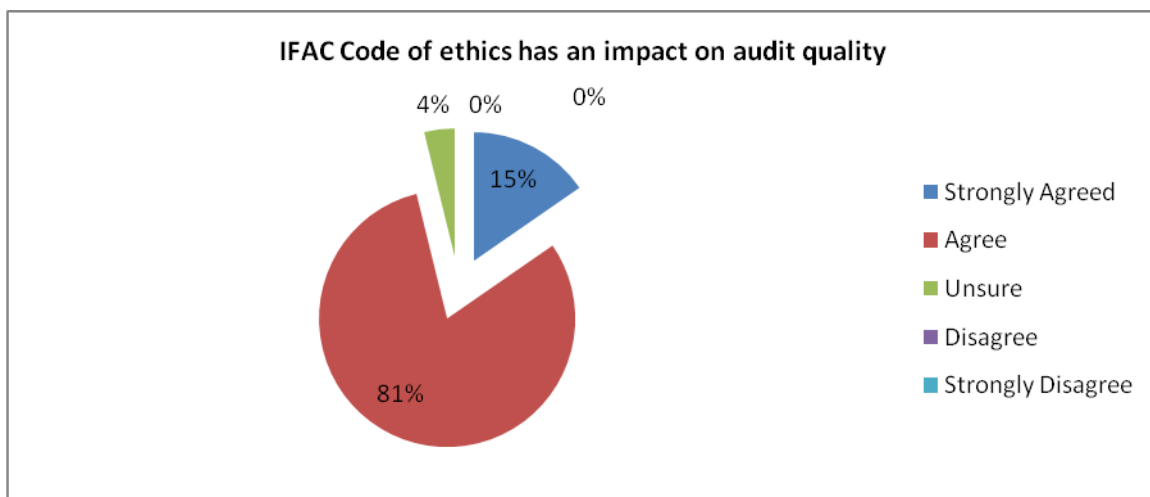
4.2.19 The implementation of the IFAC Code of ethics has an impact on audit quality

This Likert item aimed to derive impact of the IFAC Code on audit quality. The table below shows the responses obtained.

Table 4.19 IFAC Code has an impact on audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	4	21	1	0	0	26
Percentage	15.38%	80.77%	3.85%	0%	0%	100%

Fig 4.15 IFAC Code has an impact on audit quality



As shown by the table 4.19, 4/26 (15.38%) strongly agree, 21/26 (80.77%) agree, 1/26 (3.85%) is unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that the implementation of the IFAC Code of Ethics has an impact on audit quality.

25/26 (96.15%) agreed whilst 1/26 (3.85%) disagreed.

Using the mode the researcher concluded that the IFAC Code of ethics has an impact on audit quality.

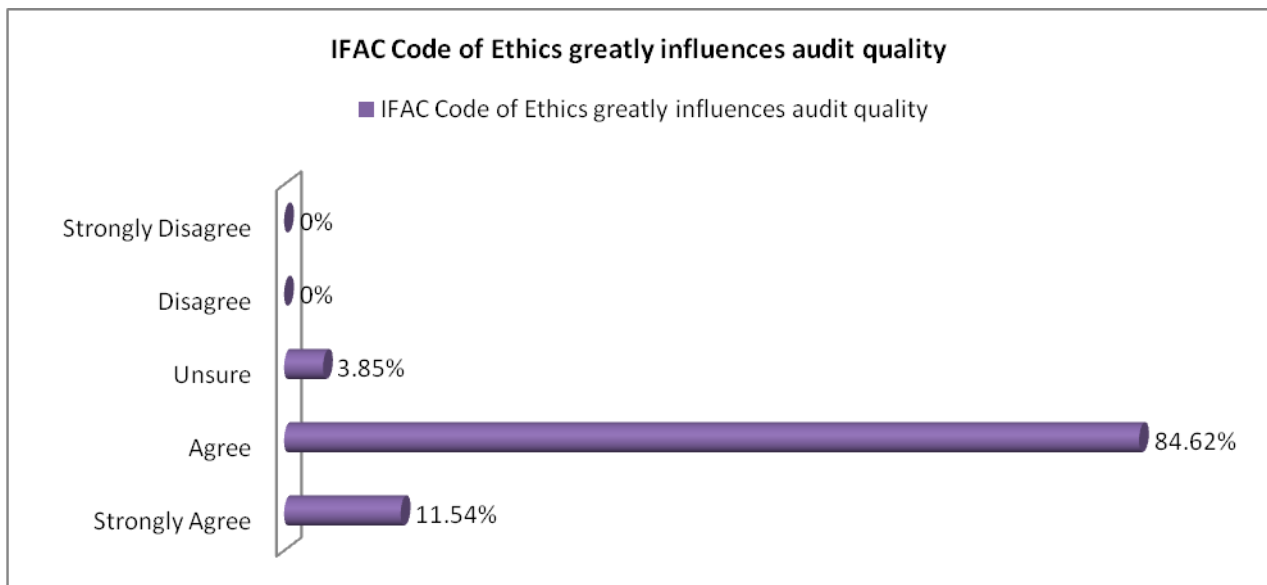
4.2.20 The IFAC Code of ethics influences audit quality to a greater extent

This Likert item aimed at measuring the role of the IFAC Code of ethics on audit quality. The responses of the survey are tabulated below.

Table 4.20 IFAC Code influences audit quality to a greater extent

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	3	22	1	0	0	26
Percentage	11.54%	84.62%	3.85%	0%	0%	100%

Fig 4.16 IFAC Code influences audit quality to a greater extent



As shown by the table above 3/26 (11.54%) strongly agree, 22/26 (84.62%) agree, 1/26 (0%) is unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that the IFAC Code of Ethics influences audit quality to a greater extent.

25/26 (90.15%) agreed whilst 1/26 (3.85%) disagreed.

Using the mode the researcher concluded that the IFAC Code of Ethics greatly influences audit quality.

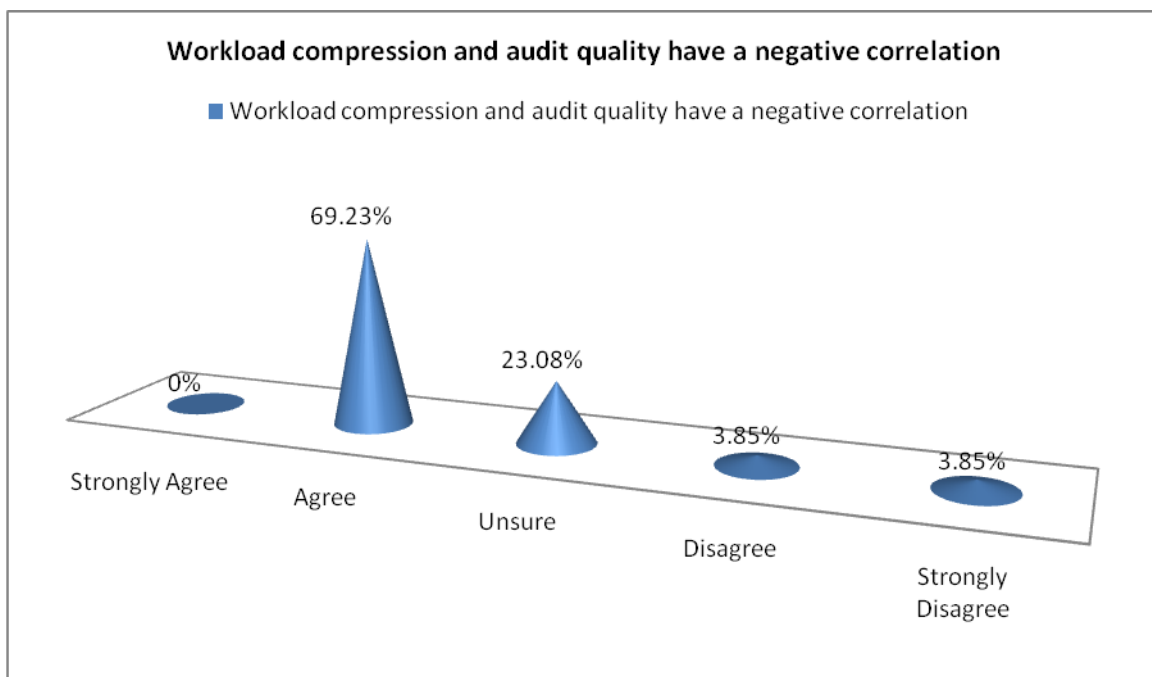
4.2.21 There is a negative correlation between workload compression and audit quality

This Likert item aimed at evaluating the relationship between workload compression and audit quality in the busy season. The table below shows the responses obtained.

Table 4.21 The relationship between workload compression and audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	0	18	6	1	1	26
Percentage	0%	69.23%	23.08%	3.85%	3.85%	100%

Fig 4.17 The relationship between workload compression and audit quality



As shown by the table above 0/26 (0%) strongly agree, 18/26 (69.23%) agree, 6/26 (23.08%) are unsure, 1/26 (3.85%) disagreed and 1/26 (3.85%) strongly disagreed that there is a negative correlation between workload compression and audit quality during the busy season.

18/26 (69.23%) agreed whilst 8/26 (30.77%) did not agree.

Using the mode the researcher concluded that there is a negative correlation between workload compression and audit quality during the busy season.

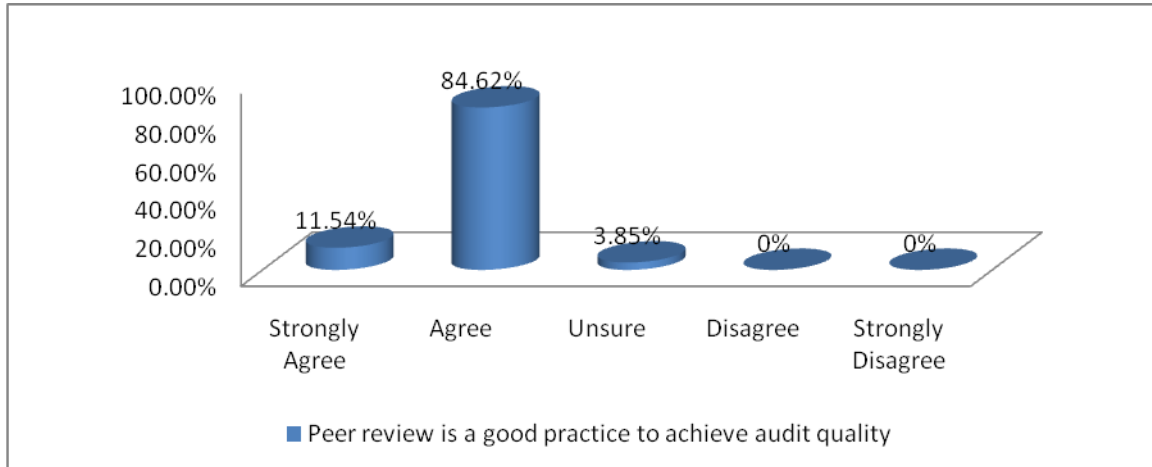
4.2.22 Peer review is a good practice to achieve audit quality

This Likert item aimed to figure out if peer review is a good practice to achieve audit quality under a compressed workload environment. The responses are tabulated below.

Table 4.22 Peer review as a good practice to achieve audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	3	22	1	0	0	26
Percentage	11.54%	84.62%	3.85%	0%	0%	100%

Fig 4.18 Peer review as a good practice to achieve audit quality



As shown by the table above 3/26 (11.54%) strongly agree, 22/26 (84.62%) agreed, 1/26 (3.85%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that peer review is a good practice to achieve audit quality.

25/26 (96.15%) agreed whilst 1/26 (3.85%).

Using the mode the researcher concluded that peer review is a good practice to achieve good audit quality.

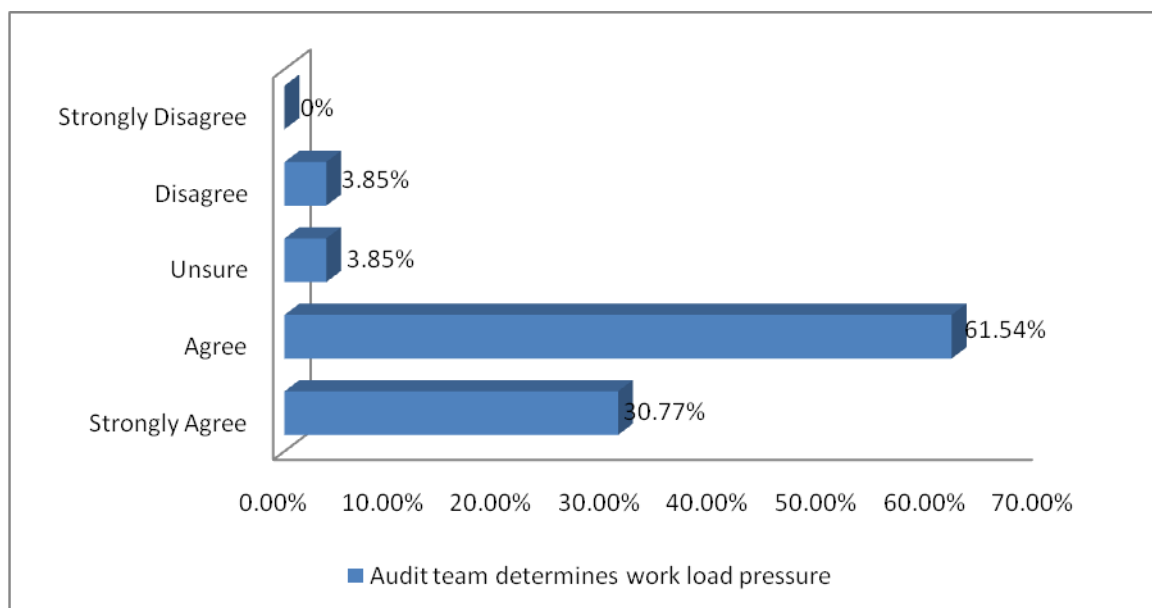
4.2.23 The audit team members determine workload pressure

This Likert item aims to determine if the audit team determines workload pressure. The responses obtained are tabulated below.

Table 4.23 Audit team composition determines workload pressure

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	8	16	1	1	0	26
Percentage	30.77%	61.54%	3.85%	3.85%	0%	100%

Fig 4.19 Audit team composition determines workload pressure



As shown by the table above 8/26 (30.77%) strongly agree, 16/26 (61.54%) agreed, 1/26 (3.85%) is unsure, 1/26 (3.85%) disagreed and 0/26 (0%) strongly disagreed that the audit team determines workload pressure.

24/26 (92.31%) agreed whilst 2/26 (7.69%) did not agree.

This position is supported by interview question 4 ‘What factors influence audit team composition during the busy season?’ in which the respondent said that audit teams are influenced by the number of clients to be attended and the staff capacity. In the end on average 3 auditors may be deployed to each client. Those with more experience are given more complex clients for example supervisors and audit seniors.

Basing on the mode the researcher concluded that the audit team composition determines the workload pressure.

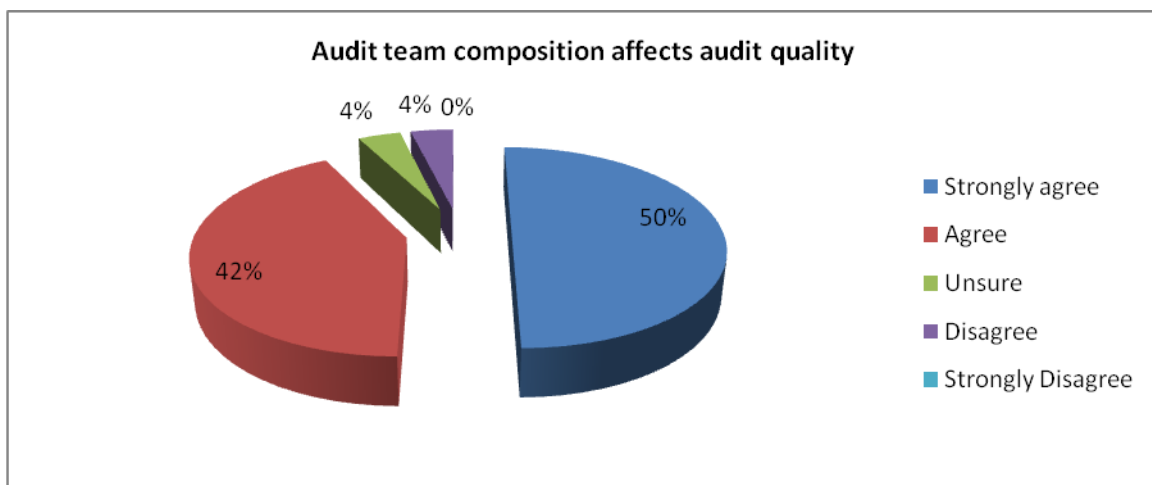
4.2.24 Audit team composition affects audit quality

This Likert item aimed at deriving if audit team composition has an impact on audit quality. The table below shows the results obtained.

Table 4.24 Audit team composition affects audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
Number of respondents	13	11	1	1	0	26
Percentage	50%	42.31%	3.85%	3.85%	0%	100%

Fig 4.20 Audit team composition affects audit quality



As shown by the table above 13/26 (50%) strongly agree, 11/26 (42.31%) agreed, 1/26 (3.85%) is unsure, 1/26 (3.85%) disagreed and 0/26 (0%) strongly disagreed that the audit team composition affects audit quality.

24/26 (92.31%) agreed whilst 2/26 (7.69%) did not agree.

This position is supported by interview question 5 ‘How are audit teams selected in order to reduce workload compression?’ in which the responses given were that audit teams are selected qualitatively more importantly and then quantitatively. Experience and qualification are considered before deploying auditors as team members have an impact on audit quality.

Using the mode the researcher concluded that audit team composition affects audit quality.

4.2.25 Best practices to achieve audit quality

This Likert item aimed at evaluating if the best practices apply to achieve audit quality. The table below show the responses obtained.

Table 4.25 Best Practices to achieve audit quality

Response	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Total
i)Quality review of completed audits	16	10	0	0	0	26
Percentage	61.53%	38.46%	0%	0%	0%	100%
ii)Staff performance appraisal	9	17	0	0	0	26
Percentage	34.62%	65.38%	0%	0%	0%	100%
iii)Professional training	15	10	1	0	0	26
Percentage	57.69%	38.46%	3.85%	0%	0%	100%
iv)External Communication relationship with stakeholders	7	15	4	0	0	26
Percentage	26.92%	57.69%	15.38%	0%	0%	100%

Fig 4.21 Best Practices to achieve audit quality



As shown by the table 4.25 16/26 (61.53%) strongly agree, 10/26 (38.46%) agreed, 0/26 (0%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that quality review of completed audits is a best practice adopted by the firm.

26/26 (100%) agreed whilst 0/26 (0%) did not agree.

Using the mode the researcher concluded that quality review of completed audits is a best practice adopted to achieve audit quality.

As shown by the table 4.25 9/26 (34.62%) strongly agree, 17/26 (65.38%) agreed, 0/26 (0%) are unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that staff performance appraisal is a good practice adopted by the firm to achieve audit quality.

26/26 (100%) agreed whilst 0/26 (0%) did not agree.

Basing on the mode the researcher concluded that staff performance appraisal is a good practice adopted to achieve audit quality.

As shown by the table 4.25 15/26 (57.69%) strongly agree, 10/26 (38.46%) agreed, 1/26 (0%) is unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that professional training is a good practice to achieve audit quality.

25/26 (96.15%) agreed whilst 1/26 (3.85%) did not agree.

Using the mode the researcher concluded that professional training is a good practice to achieve audit quality.

As shown by the table 4.25, 7/26 (26.92%) strongly agree, 15/26 (57.69%) agreed, 4/26 (0%) is unsure, 0/26 (0%) disagreed and 0/26 (0%) strongly disagreed that external communication relationship with stakeholders is a good practice to achieve audit quality.

22/26(84.62%) agreed whilst 4/26(15.38%) did not agree.

Using the mode the researcher concluded that external communication is a good practice to achieve audit quality.

4.3 Interview Questions

These are the responses which were given by the audit senior and audit manager during the interviews held by the researcher.

4.3.1 Have you ever accepted a weak client explanation because of budget pressure?

The interviewees said that they have never really accepted a weak client explanation but there are aspects which can be hurriedly addressed and if these aspects fulfill procedures on the audit program they can be left without further questioning. This is so since there will be not much time to be thorough on insignificant or immaterial items or aspects.

4.4 Summary

This chapter covered data presentation and analysis, questionnaire response rate, interview response rate, questionnaires questions presented singly and analyzed. Chapter 5 will be on summary, recommendations and conclusion.

CHAPTER 5

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The preceding chapter was on data presentation and analysis. This chapter will cover a summary of the whole research, major findings of the research, conclusion and recommendations of the study.

5.1 Chapter Summaries

This study was based on the effects of auditors' workloads and their effects on audit quality. Chapter 1 covered the background of the problem which was the effects of auditors' workloads on audit quality. The objectives of the research were to find out if there are any firm's documented policies to manage auditors' workloads during the busy season, if the policies are implemented, how they are implemented, to establish the relationship between compressed workloads and audit quality, establish if there are any reviews over the controls of workloads and to find out if there are any best practices adopted to counter the effect of these workloads on audit quality.

Chapter 2 of the study served assessing other scholars' opinions on the research. It covered the definition of audit quality and Brown (2004) describes audit quality as the extent and ability to detect and report material misstatements. The key author to define audit quality and is acknowledged by many other scholars is DeAngelo (1980) and says that audit quality shows the ability of an auditor to detect material misstatements in the financial statements and the auditors' willingness to give an appropriate audit report based on audit findings. It also covered the relationship between workload compression and audit quality and this was described by Lopez-Acevado (2011) that they are negatively correlated. The key author to write on auditors' workload compression is Lopez -Acevado (2011) who describes workload compression as the increase in density of work that has to be done by a person within a stipulated time and this is characterized by fatigue and tight time budgets and reporting deadlines which lessen the capacity of an auditor to detect or report any existing exceptions.

Chapter 3 was on the research design and methodology. The researcher used the descriptive research design because the research largely relied on primary and secondary data. Stratified random sampling and judgmental sampling were the techniques used to come up with the sample to which questionnaires were administered. Interviews were also done as part of the data collection. Ranjit Kumar was the popular author to describe the research designs and methodologies used.

Chapter 4 covered the data presentation and analysis of the data collected through questionnaires, interviews as well as secondary sources such as journals. Under this chapter were also the questionnaire response rate and their credibility in relation to the study. Demographic questions were analyzed for purposes of authenticity of data collected and the research as a whole. Data was presented through pie charts, bar graphs and tables.

5.2 Major Findings

The following were the major findings of this research.

- There is no documented policy specific to manage auditors' workloads. The firm adopts the internationally recognized professional policies such as IFAC Code of Ethics and ISQC1 which have elements to use as policies to manage auditors' workloads and professional conduct.
- The policies are implemented by way of training sessions where training workbooks are filled in by auditors and filed in staff personal files. The controls over these policies are reviews, personal files where every training, hearing, achievements or awards are documented and kept.
- Controls over implementation and documentation of policies are in place but are not regularly reviewed.
- The more the workload the lower the audit quality. Tight time budgets are not negotiable therefore deadlines have to be met. In pursuit to meet deadlines in time there are certain aspects which may be left hanging and not done thoroughly.

- There are no documented criteria to select audit team members for an audit engagement. All audit staff except for managers and partners are regarded as audit clerks who are of different levels depending on how far they are with their professional studies and are considered to be under training and not permanently employed by the firm.

5.3 Conclusion

The research was a success as it obtained findings which related to the practical events in an audit firm. Findings show that audits performed under compressed workloads are likely to be of lower audit quality than those done at the time of the year when there are less clients to attend to.

5.4 Recommendations

The following recommendations arise from the research:

- The firm can have a documented policy to manage auditors' workloads and specifically the maximum number of hours they can put in as overtime and paid for the extra time. Ehlem (2011) supports this position when he cites that there are remedies available to relieve workload pressures in public accounting firms and one of the techniques was well defined overtime bonus.
- Increase the firm capacity so as to deploy larger teams in order to meet deadlines without compromising quality. This is supported by Dronkers when he cites that candidates for a team is a key factor and some of the aspects to be considered is the availability of potential audit team members and the organizational area to be audited.
- Regular reviews of staff's personal files should be done in order to identify individual weaknesses in staff so as to train them to improve.
- Create more permanent posts for the firms' audit clerk trainees so as to retain more experienced and qualified personnel who have proven to be passionate about audit.

- Inform auditors in time of the deployment schedules so that they are aware of the clients ahead of them. It makes the audit faster when one is more familiar with the client system and knows the issues associated with it. Ehlem (2011) also encourages the use of flex time by projecting monthly or quarterly work schedules with the concern of persuading staff to be aware of what is expected of them during the busy season.

5.5 Areas for further research

Areas for further research would be the effects of auditors' workload compression on technical variables such as sampling and audit materiality.

5.6 Summary

This chapter covered chapter summaries, major findings, conclusion of the research, recommendations and areas for further research.

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APPENDIX I

COVER LETTER



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

8 April 2014

The Manager
Grant Thornton
135 Enterprise Road
Highlands
Harare

Dear Sir/Madam

RE: RESEARCH ASSISTANCE REQUEST

I am a final year student at the above mentioned institution and I am currently carrying out a research on the topic 'Auditors' workload and its effects on audit quality.' I am carrying out this research in partial fulfillment of a Bachelor of Commerce Accounting Honors Degree.

I am kindly requesting for your assistance in the form of responses to the questions in the questionnaire and interview guide attached to this letter. The information that you provide on this questionnaire will be highly confidential and used strictly for academic purposes.

Yours faithfully

Ruvimbo Chinzou

Registration No. R103428T

Strongly Agree Agree Unsure Disagree Strongly Disagree

4. The deadlines are negotiable.

Strongly Agree Agree Unsure Disagree Strongly Disagree

5. The deadlines are tight.

Strongly Agree Agree Unsure Disagree Strongly Disagree

6. Tight time budgets have an impact on audit quality

Strongly Agree Agree Unsure Disagree Strongly Disagree

7. Busy period work demands have an effect on auditors' behaviour

Strongly Agree Agree Unsure Disagree Strongly Disagree

8. Dysfunctional behaviour in auditors is a result of work load compression

Strongly Agree Agree Unsure Disagree Strongly Disagree

9. Work load compression during the busy period has an effect on audit quality

Strongly Agree Agree Unsure Disagree Strongly Disagree

10. Audit quality is affected adversely to a greater extent by the workload compression.

Strongly Agree Agree Unsure Disagree Strongly Disagree

11. The following measures are in place on 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					

12. The ISQC 1 implementation is a good control to manage audit quality

Strongly Agree Agree Unsure Disagree Strongly Disagree

13. The following policies are implemented to manage audit quality.

	Policy	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i	ISQC1					
ii	IFAC Code of ethics					

14. The ISQC 1 implementation is effective

Strongly Agree Agree Unsure Disagree Strongly Disagree

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

Strongly Agree Agree Unsure Disagree Strongly Disagree

16. The implementation of the IFAC Code of ethics has an impact on audit quality.

Strongly Agree Agree Unsure Disagree Strongly Disagree

17. The IFAC Code of ethics influences audit quality to a greater extent

Strongly Agree Agree Unsure Disagree Strongly Disagree

18. There is a negative correlation between workload compression during the busy period and audit quality

Strongly Agree Agree Unsure Disagree Strongly Disagree

19. Peer review is a good practice to achieve audit quality.

Strongly Agree Agree Unsure Disagree Strongly Disagree

20. Audit team composition determines workload pressure

Strongly Agree Agree Unsure Disagree Strongly Disagree

21. Audit team composition affects audit quality

Strongly Agree Agree Unsure Disagree Strongly Disagree

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

		Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
i	Quality review of completed audits					
ii	Staff performance appraisal					
iii	Professional training					
iv	External Communication relationship with stakeholders					

Any other comments to alleviate workload compression

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.....Thank You!

APPENDIX III

INTERVIEW GUIDE

Interview Questions

1. Do you feel the busy season workload pressure has an impact on auditors' performance?
2. Have you ever accepted a weak client explanation because of time budget pressures?
3. How are auditors' workloads managed?
4. What factors influence audit team composition during the busy season?
5. How are audit teams selected in order to reduce workload compression?
6. Do you feel that work load pressure has an impact on audit quality?
7. What factors would you consider in assessing audit quality?