Evaluation of Audit Quality in Accordance with Algerian Auditing Standards Requirements and Its Impact on Reducing the Audit Expectation Gap

تقييم جودة التدقيق وفق متطلبات معايير التدقيق الجزائرية وتأثيرها على تقليل فجوة التوقعات في التدقيق

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Abstract:

This study aims to evaluate audit quality in accordance with the requirements of Algerian auditing standards and to explore the impact of these requirements on reducing the audit expectation gap. To address these questions, the following problem was posed: How do the requirements of Algerian auditing standards influence the improvement of audit quality and the reduction of the gap between expectations and audit outcomes? We employed a descriptive-analytical approach to tackle this issue.

The study found that adherence to Algerian auditing standards significantly enhances audit quality by improving the accuracy of financial reports and reducing errors and discrepancies between expected and actual results. One of the key recommendations of the study is the need for the rigorous implementation of quality standards and the training of auditors in effectively applying these standards to ensure a reduction in the expectation gap and achieve a high level of transparency and credibility in the auditing process.

Keywords: Auditor;Audit; Audit Quality; Algerian Auditing Standards; Expectation Gap.

JELClassificationCodes: M42,M48,D78

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ملخص:

تهدف هذه الدراسة إلى تقييم جودة التدقيق وفقًا لمتطلبات معايير التدقيق الجزائرية، واستكشاف تأثير هذه المتطلبات على تقليل فجوة التوقعات في التدقيق. للإجابة على هذه التساؤلات، تم طرح الإشكالية التالية: كيف تؤثر متطلبات معايير التدقيق الجزائرية على تحسين جودة التدقيق وتقليل الفجوة بين التوقعات ونتائج التدقيق؟ استخدمنا المنهج الوصفي التحليلي لمعالجة هذه الإشكالية.

توصلت الدراسة إلى أن الالتزام بمعايير التدقيق الجزائرية يعزز من جودة التدقيق بشكل ملحوظ، وذلك من خلال تحسين دقة التقارير المالية وتقليل الأخطاء والاختلافات بين النتائج المتوقعة والنتائج الفعلية. من أهم ما توصي به الدراسة هو ضرورة تفعيل معايير الجودة بدقة، وتدريب المدققين على تطبيق هذه المعايير بفعالية لضمان تقليل فجوة التوقعات وتحقيق مستوى عالٍ من الشفافية والمصداقية في عملية التدقيق.

كلمات مفتاحية: المدقق.، التدقيق.،جودة التدقيق.، معايير التدقيق الجزائرية.، فجوة التوقعات.

تصنيفات JEL : M42، M48، D78

1. INTRODUCTION

Audit quality plays a critical role in ensuring transparency and credibility in financial information, which in turn enhances the confidence of users and investors in financial reports. Audit quality relies on a set of standards and procedures designed to provide reasonable assurance regarding the accuracy and fairness of financial statements. The auditor's role is to rigorously apply these standards to ensure that financial reports reflect the true condition of the organization. In this context, Algerian auditing standards provide a regulatory framework that governs auditors' work and guides them towards achieving best practices in auditing.

These standards encompass a range of procedures aimed at improving audit quality and reducing the expectation gap between auditors and stakeholders. The audit expectation gap is a key issue in the auditing profession, arising from the disparity between what financial report users expect and what auditors can actually deliver. To reduce this gap, it is crucial to enhance audit quality through strict adherence to established standards and procedures.

Research Problem:

In light of rapid economic and technological developments, the auditing profession faces increasing challenges that require adaptation to new demands for improving audit quality. A prominent issue among these challenges is reducing the expectation gap, which may undermine users' trust in audited financial reports.

Therefore, the importance of studying the impact of audit quality, in accordance with Algerian auditing standards, on reducing the expectation gap emerges. How can audit quality contribute to improving the understanding between auditors and users? How can strict adherence to Algerian auditing standards reduce the expected gap in expectations? These questions represent the research problem that this study will analyze and explore.

Previous Studies:

In a 2006 study by Al-Nawaisa, the factors affecting audit quality from the perspective of external auditors in Jordan were examined. The study revealed that the most significant factors impacting audit quality relate to the audit team, office organization, workload, and the variety of services provided by the office to the client. The study also included recommendations directed at the Jordanian Association of Certified Public Accountants to improve performance and enhance audit quality in the country (Ibrahim., 2006).

A 2008 study by Salehi Mahdi and colleagues on accounts and the expectation gap in the auditing profession showed that the independence of auditors is crucial for ensuring the reliability of their reports, which helps in narrowing the expectation gap. The researchers highlighted factors negatively affecting this independence, such as economic dependence of the auditor on the client, competitive pressures between auditing firms, the provision of consulting services to the client, and the regulatory framework of the profession. To reduce this gap, the researchers emphasized the importance of developing the accounting and auditing profession in Iran to enhance auditor independence, as well as increasing investor awareness and improving communication between auditors and investors (al, February 2009).

This study distinguishes itself from previous research in several ways. It focuses specifically on Algerian auditing standards and their direct impact on reducing the expectation gap between audit results and expectations, whereas previous studies addressed broader issues or were not linked to specific

national standards. The study also provides detailed practical recommendations for improving audit quality and training auditors, based on a comprehensive descriptive analysis, making it unique compared to previous studies that offered general recommendations or addressed other aspects.

Importance of the Study:

The importance of this study lies in the critical role that audit quality plays in enhancing financial transparency and credibility for organizations. Linking audit quality to Algerian auditing standards aims to provide a powerful tool to help reduce the expectation gap between auditors and stakeholders. Adhering strictly to these standards is essential for achieving trust in audited financial reports, which positively affects the relationship between the organization and its investors and other stakeholders. By analyzing the impact of audit quality on reducing the expectation gap, the study contributes to raising awareness of the importance of Algerian standards and their effective application to ensure higher quality in auditing processes.

Methodology:

To analyze and understand the study variables related to audit quality and Algerian auditing standards requirements, a descriptive-analytical approach was adopted. A literature review was conducted to gather information from various sources such as books, laws, scientific articles, and master's theses to derive the theoretical relationship between audit quality and reducing the expectation gap, according to Algerian standards. Through this approach, the study aims to provide a comprehensive analysis of the relationship between audit quality and reducing the expectation gap, with a focus on how the application of standards impacts the improvement of audited financial report quality and the reduction of the gap in expectations between auditors and stakeholders.

Study Structure:

This study consists of three main sections: The first section evaluates audit quality in accordance with Algerian quality management standards, the second section analyzes the expectation gap in auditing, and the third section focuses on the impact of Algerian auditing standards on reducing the expectation gap and enhancing trust in financial reports.

2. Evaluation of Audit Quality According to Algerian Quality Management Standards

2.1 Concept of Audit Quality: The definition of audit quality by DeAngelo (1981) is among the most widely accepted. It focuses on the likelihood that an auditor will detect and report material misstatements and errors in a client's financial statements. This definition reflects the importance of the auditor's ability to identify and address significant issues effectively, which enhances audit quality and reliability in financial reporting (DeAngelo, 1981, pp. 11-14).

2.2 Quality Auditing in Algerian Legislation: "Standards and Procedures" In Algerian legislation, quality auditing refers to the process of evaluating and reviewing the quality systems and procedures followed by audit firms to ensure they meet the required quality standards in providing audit and review services. The aim of quality auditing is to ensure that audit practices align with established standards and yield accurate and reliable results (Course No. 121 , 01 June 2024, , pp. 1-2).

Recently, the National Accounting Council issued new standards on June 1, 2024, addressing quality auditing and defining quality management requirements and procedures in the auditing process. These standards include: (Course No. 121 , 01 June 2024, , p. 1)

2.2.1Quality Management Standard 01: "Quality Management Standard for Firms Conducting Audits or Limited Reviews of Financial Statements or Other Assurance or Related Services." This standard specifies the quality management requirements that audit firms must adhere to in order to provide high-quality audit services. It includes elements such as work planning, team supervision, and ensuring compliance with specified standards.

2.2.2Quality Management Standard 02: "Quality Review of Audit Assignments." This standard focuses on reviewing the quality of work performed by audit teams. It includes evaluating performance, verifying that all processes comply with prescribed standards, and ensuring that results reflect accuracy and reliability.

2.2.3Auditing Standard 220: "Quality Management for Financial Statement Audits." This standard outlines quality management requirements in the context of auditing financial statements. It covers aspects such as planning, developing, and executing the audit, aiming to ensure accurate and reliable results in audit processes.

These standards aim to enhance the quality and reliability of auditing services by ensuring that audit firms adhere to the highest levels of quality and performance standards.

2.3 Conditions for Evaluating Audit Quality: To evaluate auditassignments according to Algerian Quality Management Standard 02, several necessary conditions must be met to ensure that the review is conducted objectively and effectively. These conditions include appointing a Quality Review Manager who must meet the following criteria: (Course No. 121 , 01 June 2024, , p. 6)

- The Quality Review Manager must possess competencies related to conducting reviews, including the ability to analyze judgments and conclusions made by the audit team.
- The manager must have sufficient time to conduct a thorough quality review.
- The manager must have the necessary authority to make decisions regarding the quality review independently.
- The manager must adhere to relevant professional ethics, focusing on maintaining objectivity and independence in evaluating assignments.

2.4.Stages of Evaluating an Audit Assignment: Based on the requirements of Algerian Quality Management Standard 02, a detailed table of the stages of evaluating an audit assignment can be prepared as follows:

Table 1: Stages of Evaluating an Audit Assignment

Stage	Description	Required Tasks	Standards to be Evaluated
1. Appointing the Manager	Appoint a Quality Review Manager according to qualification standards.	- Appoint a qualified individual for the quality review. - Define qualification standards.	- Qualification and competence. - Independence from the audit team. - Adherence to professional ethics.
2. Planning the Review	Develop a plan for the quality review including scope, timing, and content.	- Prepare a quality review plan. - Define scope and timing of the review.	- Plan alignment with Quality Management Standard 01. - Clear scope of the review.
3. Conducting the Review	Execute the quality review according to the defined plan.	- Review information provided by the audit team. - Evaluate judgments and results. - Discuss with the audit team if necessary.	- Compliance of judgments and results with professional standards. - Objective review of documents and results.
4. Addressing Issues	Address any issues or concerns related to judgments or conclusions.	- Report concerns to the assignment manager. - Take appropriate measures to resolve concerns.	- Effective resolution of concerns. - Notify relevant authorities if needed.
5. Completing the Review	Ensure completion of the quality review and document procedures and results.	- Verify completion of the review per standards. - Inform the assignment manager of review completion.	- Comprehensive documentation of review procedures. - Clear report on quality review.
6. Documentation	Prepare comprehensive documentation of the quality review and include it in the assignment documentation.	- Prepare a quality review documentation file. - Include documentation in assignment files.	- Completeness and clarity of documentation. - Include key information such as manager's name and review details.

Source: Prepared by the researchers based on the standards outlined in the circular No. 121 dated June 1, 2024, including Algerian Auditing Standards (01, 02, 220).

Table 1 outlines the stages of evaluating audit quality systematically, starting with appointing a qualified Quality Review Manager to ensure competence and independence. The planning stage involves preparing a specific plan for the review's scope and timing. The review is then executed according to this plan, with any issues addressed effectively. The process concludes with verifying the review's completion and comprehensive documentation, ensuring quality and transparency according to Algerian auditing standards.

2.5 Factors Affecting Audit Quality: Factors affecting audit quality can be categorized as follows: (Tamimi, 2013, pp. 207-208)

2.5.1Organizational Factors: Organizational factors are fundamental elements influencing audit quality. This starts with effective planning of the audit process, including defining the scope, developing a timeline, and establishing specific procedures. Office organization plays a crucial role, including team management, task distribution, and appropriate resource allocation. Additionally, workload size significantly affects audit quality, as handling different sizes and types of work requires effective management. The diversity of services provided to clients also impacts audit complexity, necessitating appropriate methods and procedures.

2.5.2Behavioral Factors: Behavioral factors include aspects related to the auditors' behavior and interaction during the audit. Integrity and independence are core pillars, requiring auditors to maintain objectivity and avoid bias or personal interests. Cooperation and coordination with the team enhance the audit process, requiring auditors to work integrally and share information effectively. Mental and analytical abilities of auditors significantly impact audit quality, necessitating critical thinking, analysis, and problem-solving skills.

2.2.3Personal Factors: Personal factors play a significant role in determining audit quality. These include practical experience, where more years of experience in auditing enhance the ability to handle various cases effectively. Education and professional certifications are also crucial, requiring academic qualifications like a bachelor's degree or diploma in accounting and recognized professional certifications such as CPA or CMA. Continuous

training through workshops and courses is essential to stay updated with the latest auditing standards and improve professional skills.-

2.5.4Scientific Basis of the Auditing Profession: Adherence to generally accepted principles is a key aspect of the scientific basis of the auditing profession. Auditors must adhere to principles of objectivity and integrity and apply recognized professional standards. Accurate report preparation is also a critical component, requiring reports to clearly reflect audit results and detail conclusions and recommendations. Effective use of resources and control systems enhances audit quality, with auditors benefiting from available internal control systems. Finally, the ability to detect fraud and manipulation is crucial, with auditors needing to identify signs of fraud and perform procedures to verify the accuracy of financial data.

3. The Audit Expectation Gap:

3.1. Emergence of the Expectation Gap: In 1974, the Cohen Commission (Bouras, 2010), formed by the American Institute of Certified Public Accountants (AICPA), conducted a detailed study on auditors' responsibilities. The study revealed a gap between what auditing can realistically achieve and what society expects from auditors. Several key reasons for this gap were identified: (Abdul-Lawi, 2014, p. 184)

- **Unrealistic Expectations:** Society expected auditors to uncover all errors and irregularities, which may be impractical given the nature of auditing.
- **Institutional Overlap:** Auditors may face difficulties in identifying all illegal activities within organizations due to the complexity and overlap of their operations.
- **Standard Deficiencies:** Some accounting and auditing standards may be inadequate to keep pace with modern challenges in the auditing process.
- **Lack of Auditor Competence:** There may be a lack of skills or methods necessary to effectively evaluate information.
- **Increasing Volume and Complexity of Information:** The growing volume and type of information that auditors must handle can make examination and reporting challenging.

In 1988, the public accounting profession attempted to address the expectation gap, but complaints about unmet public expectations persisted. The growing complexity and new challenges further complicate the ability to meet user expectations. The gap continues to exist due to the prevalence of fraud and bankruptcies, which raise increasing concerns and criticisms about the effectiveness of auditing, along with society’s desire for greater accountability

and transparency from institutions. This gap highlights the need for continuous improvement in standards, practices, and auditor training to reduce the gap between expectations and reality.

3.2. Concept of the Expectation Gap: The expectation gap refers to the difference between the performance levels expected by financial statement users and the levels of performance that auditors themselves deem appropriate. This difference between user expectations and the standards set by auditors represents the expectation gap (El-Fayoumi, 2003, p. 28).

In auditing, the expectation gap is the discrepancy between what stakeholders expect from the auditing process and what auditors actually provide. This gap reflects the degree of variance between what auditing is supposed to achieve in terms of standards and performance, and what is actually delivered (Sardouk, 2015, p. 273).

From the aforementioned definitions, it can be said that the expectation gap results from the differing expectations between financial statement users and auditors. It manifests in the disparity between what users expect from auditing in terms of providing absolute assurance in detecting errors or financial manipulations, and what auditors believe they can realistically achieve based on professional standards. This difference leads to misunderstandings or unrealistic expectations from users regarding the actual role of auditing, necessitating the clarification of auditors' responsibilities and the enhancement of effective communication among all concerned parties.

3.3. Causes of the Expectation Gap: The causes of the expectation gap vary and can be summarized as follows:

3.3.1. Differences in Understanding the Role of the Auditor in Society:(Abdul-Lawi, Mufeed, 2014, p. 159)There is a divergence in understanding the auditor’s role in society, which is one of the main reasons for the expectation gap. The duties and responsibilities of the auditor are defined by professional standards, and as a result, the expectations of financial statement users may be unreasonable due to the lack of clarity about the auditor’s role.

3.3.2. Doubt about Auditor Independence and Neutrality: Auditor independence is essential for the success of the auditing process, as it represents a fundamental principle in providing the assurance offered by the auditor. Independence is one of the key auditing standards that instills confidence in financial report users. If the auditor's independence is questioned, confidence in the certified financial statements may be negatively impacted. The loss of independence undermines the reason for the auditor's

existence, leading to a discrepancy between actual and expected performance, and thus to the emergence of the expectation gap.

3.3.3. Lack of Professional Competence of the Auditor: If the auditor fails to perform his professional duties with competence, it can increase users' distrust of his work. These users expect the auditor to be capable of detecting fraud and manipulation that may be perpetrated by the management of the organization. While the auditor's responsibility is limited to exercising due professional care to express a fair opinion on the credibility of the financial statements, this leads to a gap between actual performance and expectations (Chadri, 2014, p. 184).

3.3.4. Decline in the Quality of Professional Performance: When the audit process is not conducted properly, it affects the value of the profession and harms the integrity of financial reports, reflecting negatively on society. Thus, there has been an increased focus on the quality of the audit report, and it has become necessary to improve the quality of the profession to keep up with developments in the auditing environment. Reasons for the decline in the quality of professional performance include: (Abdel-Fattah & Mohamed, 2011, p. 65)

- Competition among auditors to obtain new audits or retain existing ones.
- Acceptance of low fees that do not match the efforts exerted due to competition.
- Providing additional services to clients at low fees to ensure their satisfaction and continued engagement.
- Failure to express reservations about continuing the audit when necessary.

3.3.5. Deficiencies in Auditing Standards and Accounting Reports in Keeping Up with Societal Changes: Despite the issuance of several standards related to the expectation gap by professional organizations, these standards are still insufficient compared to society's increasing needs from the auditing profession. The deficiencies in standards include aspects such as the auditor's responsibility for detecting fraud, illegal activities, and reporting on them, as well as the auditor's responsibility for assessing the entity's ability to continue as a going concern.

3.4. Mechanisms for Narrowing the Expectation Gap: To narrow this gap, it is essential first to identify its main causes and address them effectively. This requires improving the clarity of auditors' roles and responsibilities, enhancing auditor independence, developing accounting and auditing standards, and providing education and awareness to the beneficiaries of auditing services. By following these measures, better alignment can be

achieved between stakeholder expectations and what is presented in financial reports, thereby enhancing trust and credibility in the auditing profession. The mechanisms can be identified as follows:

3.4.1 Strengthening the Independence of the External Auditor To achieve independence and impartiality of the auditor and increase public confidence in audit reports, and to narrow the expectation gap and prevent management from exerting pressure on the auditor, the appointment, determination of fees, and dismissal of the auditor should be in the hands of the company's external audit committee. If the auditor's appointment is not renewed or he is dismissed, it is proposed that the auditor submit a report to the professional organization to which he belongs, explaining the reasons to absolve himself of responsibility. The new auditor should also obtain a certificate from the professional organization absolving the previous auditor of responsibility before accepting the appointment. Other suggestions to strengthen auditor independence include setting a specific percentage of the total professional fees for the audit firm that cannot be obtained from a single client, ensuring that there is no excessive reliance on one client, which could threaten independence. This practice has become common in developed countries, with a 15% limit established in some countries such as Britain and Ireland (Jarboua, 2004, p. 382).

3.4.2 Continuous Improvement in Accounting and Auditing Standards Accounting and auditing standards are the framework that regulates accounting work and the auditor's work during the examination, investigation, and reporting on the financial situation. With the increasing complexity and changing general conditions, the relevant authorities must amend these standards to meet new situations and ensure the clarity and comprehensiveness of the standards. By establishing professional standards and legislation that align with the realistic expectations of society and the reasonable expectations of auditors, the expectation gap can be narrowed. In Algeria, despite the presence of international standards, the Algerian society needs standards that align with its culture and environment, based on Islamic principles in their preparation (Sadiki, 2004, p. 156).

4.Assessing Audit Quality in Light of Algerian Auditing Standards: Its Impact on Reducing the Expectation Gap and Enhancing Confidence in Financial Reports

4.1 Objectives of Assessing Audit Quality in Light of Algerian Auditing Standards: Assessing audit quality in accordance with Algerian auditing standards aims to achieve the following objectives:

4.1.1 Ensuring Compliance with Standards: Evaluating audit quality according to Algerian auditing standards contributes to ensuring that auditing firms comply with

the standards set by the National Accounting Council. This includes Quality Management Standards 01 and 02, and Auditing Standard 220, which aim to improve and unify auditing practices. By verifying compliance with these standards, it can be confirmed that auditing processes are conducted in a professional and consistent manner, thereby reducing the gap between stakeholder expectations and the actual requirements of the audit.

4.1.2 Enhancing Accuracy and Reliability: The process of assessing audit quality helps to enhance the accuracy and reliability of audit results. Through regular and comprehensive review of the procedures and processes followed, shortcomings or errors can be identified and corrected. This leads to improved overall performance of auditing firms and ensures the delivery of accurate and reliable results. Achieving accuracy in audit results contributes to reducing the expectation gap between auditors and stakeholders, thus enhancing trust in the financial information provided.

4.1.3 Promoting Independence: By assessing audit quality, it is possible to ensure the maintenance of the auditors' independence and objectivity. This is achieved by reviewing how audit processes are implemented and the extent to which external pressures affect auditors. Quality assessment enhances transparency in the processes and provides additional oversight on the quality of work, ensuring that auditors operate independently and without external influences. Independence boosts confidence in audit results and reduces concerns related to bias or manipulation.

4.1.4 Reducing the Expectation Gap: The audit quality assessment process helps in reducing the expectation gap between auditors and stakeholders by clarifying the roles and responsibilities of auditors better. Quality assessment provides a clear view of how audit processes are executed and the extent of their compliance with standards. Improving communication and reporting on audit quality contributes to reducing uncertainty and meeting reasonable expectations of stakeholders, thereby enhancing trust in financial reports.

4.1.5 Enhancing Confidence in Financial Reports: Assessing audit quality enhances confidence in financial reports by ensuring the achievement of the highest levels of quality in audit processes. This is accomplished by adhering to standards and ensuring transparency in reporting. Accurate and reliable audit results increase the credibility of the financial information provided, thereby boosting the confidence of end users of the reports. The transparency and credibility resulting from quality assessment contribute to enhancing confidence in financial reports and reducing the expectation gap.

The process of assessing audit quality according to Algerian auditing standards plays a fundamental role in reducing the expectation gap and enhancing confidence in financial reports. By achieving compliance with standards, enhancing accuracy and reliability, ensuring independence, reducing the expectation gap, and boosting confidence in financial reports, audit quality can be improved, and results can be delivered that accurately and transparently reflect the financial reality.

4.2The Relationship Between Assessing Audit Quality and Reducing the Expectation Gap:

The following table outlines the relationship between assessing audit quality and reducing the expectation gap:

Table 2 the relationship between assessing audit quality and reducing the expectation gap

Element of Audit Quality Assessment	Description	Impact on Reducing the Expectation Gap
Compliance with Standards	Ensuring that auditing practices align with standards set by regulatory authorities.	Reduces variance between expectations and actual standards, thus enhancing alignment with stakeholder requirements.
Performance and Procedure Review	Comprehensive review of performance and procedures to ensure alignment with standards and needs.	Helps improve performance and correct errors, thereby reducing the gap between expectations and actual outcomes.
Promoting Independence	Ensuring that auditors work independently without external influence.	Enhances confidence in audit results and reduces concerns related to bias or external influences.
Clarifying Roles and Responsibilities	Identifying and improving the understanding of the roles and responsibilities of auditors and stakeholders.	Helps meet reasonable stakeholder expectations, reducing the expectation gap.
Improving Communication and Reporting	Enhancing the effectiveness of communication between auditors and stakeholders and providing clear and comprehensive reports.	Reduces uncertainty and enhances stakeholder understanding of the information, contributing to reducing the expectation gap.
Ensuring Transparency and Credibility	Ensuring the delivery of accurate and reliable results and enhancing transparency in reports.	Enhances confidence in financial reports and helps reduce the gap between expectations and actual results.
Detecting Fraud, Errors, and Illegal Activities	Ensuring that the audit includes accurate detection and documentation of fraud, errors, and illegal activities.	Reduces concerns related to illegal practices and errors, thus enhancing confidence in audit results.

Source: Prepared by the Researchers

Table No. (02) above illustrates how each element of audit quality assessment contributes to reducing the expectation gap. Through adherence to standards, performance improvement, ensuring independence, and guaranteeing transparency, better alignment between expectations and what is presented in financial reports can be achieved, thereby enhancing confidence in the auditing profession and reducing the gap between stakeholder expectations and actual results.

5.Conclusion:

Assessing audit quality according to the requirements of Algerian auditing standards is a critical step in enhancing the effectiveness of the audit process and reducing the associated expectation gap. By adhering to established standards, auditors can enhance confidence in financial reports and achieve a high level of credibility. These standards contribute to improving the accuracy and efficiency of the audit by guiding auditors through various stages of their work, from initial planning and risk assessment to evidence gathering and final reporting.

The study demonstrates that auditors' adherence to Algerian auditing standards not only helps improve audit quality but also contributes to narrowing the gap between stakeholder expectations and the reality of auditing practices. Through this precise assessment, the need for extensive and detailed testing can be reduced, making the audit process more effective and efficient.

Ultimately, it becomes clear that working in accordance with Algerian auditing standards significantly contributes to achieving the desired objectives of the audit process and enhances confidence in the results obtained. By following these standards accurately, auditors can provide reports that accurately and transparently reflect the financial situation of institutions, thereby promoting transparency and accountability in the financial environment.

Based on the results obtained and the information covered in the study on assessing audit quality in light of Algerian auditing standards and their impact on reducing the expectation gap, the study recommends the following:

- Auditors should enhance their skills and knowledge of the latest Algerian and international auditing standards through continuous training and qualification programs to ensure compliance with applicable requirements.
- It is recommended to develop and improve risk assessment methodologies to ensure accurate identification of high-risk areas and the effective allocation of resources in audit processes.
- Comprehensive and clear audit reports should be provided, explaining audit results and recommendations, thereby enhancing transparency and reducing the expectation gap between stakeholders.
- Regular assessment of audit process quality should be conducted to ensure alignment with Algerian standards and improve audit effectiveness based on the results of these assessments.

- The use of technology in audit processes, such as digital analysis and verification tools, should be leveraged to improve the efficiency and quality of the audit.

Based on the study results on assessing audit quality in light of Algerian auditing standards and their impact on reducing the expectation gap, several future avenues for studying this topic can be proposed:

- Analyzing the impact of using artificial intelligence in data auditing on reducing the expectation gap according to Algerian standards.
- Exploring the effectiveness of internal institutional evaluation strategies in reducing the expectation gap and improving audit quality.
- Studying the relationship between the level of education and training of auditors and audit quality in the context of Algerian standards and its impact on the expectation gap.
- Assessing the impact of regulatory changes in Algerian auditing standards on the effectiveness of auditing and reducing the gap between expectations and actual outcomes.
- The role of corporate governance in improving audit quality and reducing the expectation gap according to Algerian auditing standards.
- Evaluating the impact of applying Algerian audit quality standards on audit outcomes in the banking and financial sectors.
- Studying the effectiveness of advanced financial analysis tools in improving audit quality and reducing the expectation gap according to Algerian standards.

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