

## **An Analysis of the Perceptions of Auditors, Preparers, and Users of Audited Financial Statements in the United States**

**Audrey A. Gramling<sup>1</sup>, Jeffrey W. Schatzberg\*<sup>2</sup>, Wanda A. Wallace<sup>3</sup>  
and Cassandra Walsh<sup>4</sup>**

<sup>1</sup>Wake Forest University, Winston-Salem, NC USA

<sup>2</sup>University of Arizona, Tuscon, AZ USA

<sup>3</sup>College of William and Mary, Williamsburg, VA USA

<sup>4</sup>University of Connecticut, Storrs, CT USA

---

In this study we examine the differences in perceptions among auditors, preparers, and financial statement users regarding an array of auditing related issues. We surveyed auditors, chief financial officers, and financial analysts about issues related to (1) auditors and the auditing process, (2) the auditor's role with respect to audited financial statements and audit clients, (3) parties to whom auditors should be responsible, (4) current and possible prohibitions and regulations on audit firms, (5) attributes of auditor performance, and (6) perceptions about actions that auditors would be likely to take in specific circumstances. The results of this study suggest that there are several areas in which an "expectations gap" exists between auditors, financial statement preparers, and financial statement users regarding auditing issues. Additionally, the results indicate that the extent of the gaps differ among groups and issues.

---

### **I. INTRODUCTION**

This paper reports the descriptive results of a comprehensive comparative analysis of the perceptions of auditors, financial statement preparers, and financial statement users on several issues related to auditing in the United States. The existence of an "expectations gap" among auditors, preparers, and users of audited financial statements is a widely debated issue in the practitioner press and has been the subject of lengthy discussion by standard setters (e.g. AICPA 1993a; AICPA 1993b; Guy & O'Neil 1986; Guy & Sullivan 1988; Collins 1989). Despite its apparent importance to both practitioners and the Auditing Standards Board (ASB), little empirical research evidence exists regarding the differences in perceptions among parties in the United States.