

Research Article

Assessment of Clients' Perceptions towards the Quality of Audit Services Offered by Auditing Firms in Botswana

Lillian Wally-Dima, Christian John Mbekomize and Gobona Tobedza,
University of Botswana, Faculty of Business, Private Bag 00701, Gaborone, Botswana

Abstract: The purpose of this study was twofold: to investigate clients' perceptions towards the quality of audit services offered by the big four and non-big four audit firms in Botswana and to evaluate clients' views about their satisfaction with performance of audit firms and audit teams. Data was collected from all companies regardless of their listing status including state owned enterprises. Respondents were clients' officers expected to have high level interaction with external auditors during the course of the audit. The results suggest that clients perceive audit firms as having slightly higher quality attributes than the audit teams and big four audit firms ranking higher than non-big four in executing quality audits. However, we did not find a significant difference in audit quality provided by big four audit teams and that of non-big four. In addition, the results suggest that on the overall audit clients in Botswana are highly and equally satisfied with the audit performance of both audit firms and teams. Although the clients of big four audit firms appeared to be more satisfied with performance of audit firms and teams than the clients of non-big four, no statistically significant difference was found. The study also found that only audit firm's independence and responsiveness to clients' needs, and audit team's industry expertise and interaction with audit committee were most important indicators of client satisfaction. These findings have implications to all audit firms, their clients and regulators all of whom have responsibility to improve the quality of audit services in Botswana.

Keywords: Audit clients, audit quality attributes, audit teams, big four audit firms, client satisfaction, non-big four audit firms, perceptions

INTRODUCTION

The imperative of audit quality in building trust in company's financial statements and fostering confidence in capital markets and consequently fuelling economic growth is an undeniable reality in the financial community (Tackett *et al.*, 2004; The Association of Chartered Certified Accountants, 2011). A report by the World Bank (2006) suggested that economic growth in Sub Saharan Africa (SSA) could not be maintained without a good accounting infrastructure and a properly trained accounting profession. The report further noted that in many countries in (SSA) accounting and auditing had been unsatisfactory over many years due to primarily shortage of accountants, lack of recognised and accepted accounting and auditing standards and the inadequacy of accounting development. This underscored the importance of the accounting and auditing profession in achieving economic growth in a country.

However, the combination of high profile businesses collapse and audit failures climaxing in

financial crisis that engulfed the world in the recent past shook the confidence of users of audited financial statements and brought renewed attention to the issues of audit quality. The concerns over the erosion of quality of audit services ignited a series of stringent measures to restore the integrity of audit function. These remedies came in the form of tight legislations and improved auditing and ethical standards. For example, in the USA the Sarbanes-Oxley Act was enacted in 2002 with intention of strengthening the oversight function over the accounting profession. This sparked the introduction of accounting oversight regimes in many countries. For example, in Botswana, the Financial Reporting Act of 2010 created the Botswana Accounting Oversight Authority to regulate the accounting profession in the country.

In relation to audit quality, the Financial Reporting Act of 2010 in Botswana requires the auditors to express opinion on audited financial statements in accordance with auditing standards and relevant laws. The act also requires auditors to report suspected or confirmed material irregularities to the board of directors or to higher authorities if the board fails to

Corresponding Author: Lillian Wally-Dima, University of Botswana, Faculty of Business, Private Bag 00701, Gaborone, Botswana

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take adequate corrective measures. It is expected that such a law will add incentive for auditing firms in Botswana to ensure execution of higher quality audits than before.

Moreover, in pursuit of advanced audit quality, the international Auditing and Assurance Board completed the Audit Clarity project in 2009 which brought about revised and redrafted auditing standards with a key objective of enhancing the understandability and consistent application of auditing standards with potential improvement in audit quality. Furthermore, the International Ethics Standards Board for Accountants continues to bring improvements in the Code of Ethics for Professional Accountants with sole purpose of boosting the quality and consistency of accounting profession services. The aforesaid highlights the high importance that has been attached to the provision of quality audit services by the accounting profession as well as regulators of the profession.

This study attempted to examine how audit firms and teams have responded to such high demand of quality services from the clients' perspective. The study sought to answer two key questions of how clients perceive the quality of services provided by auditors and whether they are satisfied with such services. The quality of audit services was assessed based on the audit firm and team attributes which have been identified in literature as indicators of audit quality (Behn *et al.*, 1997; MohdIskandar *et al.*, 2010; Yuniarti and Zumara, 2013). DeAngelo (1981) defines the quality of audit services as "the market-assessed joint probability that a given auditor will both (a) discover a breach in the client's accounting system, and (b) report the breach"(p.186).

Botswana like other developing countries needs foreign investors who could help in diversifying the economy as well as job creation. A sound accounting and auditing environment is crucial in convincing investors that their investment will be safe. The audit market in Botswana, which according to Botswana Institute of Chartered Accountant website consisted of 32 auditing firms in 2015, is perceived to be dominated by the big four audit firms namely Deloitte, KPMG, PricewaterhouseCoopers and Ernst and Young. Some researchers have suggested that the audit quality is directly related to the size of the auditing firm, that is the bigger the audit firm the higher the quality of audit that firm is offering (Behn *et al.*, 1997; Craswell *et al.*, 1995; Francis and Stokes, 1986; MohidRahmat and MohdIskandar, 2004). The question is: Does the perceived dominance of big four audit firms translate into high audit quality in the country?

The general objective of this study was to measure the perceptions of audited companies towards the quality of audit services offered by the auditing firms in Botswana. Specifically the study attempted:

- To establish whether there is a difference in the quality of audit services provided by audit firms and audit teams.
- To establish whether there is a difference in the quality of audit services provided by big four audit firms and non-big four audit firms.
- To establish whether there is a difference in overall clients' level of satisfaction with audit firms and audit team performances.
- To establish whether there is a difference in clients' level of satisfaction with performances of big four and non-big four audit firms.
- To establish whether there is a difference in clients' level of satisfaction with performances of big four and non-big four audit teams.
- To determine the relationship between audit firm quality attributes and client satisfaction with audit firm performance.
- To determine the relationship between audit team quality attributes and client satisfaction with audit team performance.

PRIOR RESEARCH

Audit quality described: Due to its complex nature audit quality has been described in numerous ways (Aghaei Chadegani, 2011). However, the auditor's likelihood to uncover material misstatements and being able to report them has been a dominant theme in explaining audit quality (Dang, 2004). The International Standard on Quality Control 1 intimates that adherence to auditing standards and issuing the correct opinion in the circumstances is tantamount to audit quality work. Similarly, DeAngelo (1981) defines audit quality as a combination of the probability that the auditor will discover a material misstatement in the client's financial statements and the probability that they will report it. In this sense audit quality is seen to be highly influenced by two key auditor's characteristics namely, competence to discover the misstatements and independence to report them (The Association of Chartered Certified Accountants, 2014).

According to Vaicekauskas and Mackevicius (2014) audit quality refers to a level of confirmation between the value created by audit and the expectations of the audit clients and other third-party users. The authors contend that users expectations are met when the following take place:

- Reliable and accurate report is issued.
- Auditors providing useful recommendations to audited entity.
- Auditors are able to deter client personnel from engaging in fraudulent acts.

- Auditors comply with all relevant standards and laws.
- Competent and independent auditors are assigned to the audit engagement.
- Audited entities are aware of their responsibilities and have implemented quality internal controls.

International Auditing and Assurance Standards Board (2011) identify three main interrelated sources of influence of audit quality namely input, output and context factors. While the input construct include auditing standards, auditor's attributes and audit process the output construct comprise of auditor's report and communications to management and those charged with governance. According to International Auditing and Assurance Standards Board (2011) the third source of influence on audit quality is made up of highly interrelated factors such as corporate governance that fosters transparency and ethical behaviour in the organisation and law and regulations which create enabling environment for effective audit.

A recent survey in Australia sought the views of auditors regarding the importance of competence, independence and interaction factors to audit quality. The study revealed that auditors believed the significant drivers of audit quality were competence and interaction factors. Competence included attributes such as emphasis on continuing professional development and provision of high quality technical support by audit firms while interaction was measured by attributes such communication between audit team and client management and active involvement of the audit engagement partner in risk assessment, planning, supervising, and reviewing the work performed. However, the study did not find independence factors to be key drivers of audit quality (The Association of Chartered Certified Accountants, 2014).

Audit quality and size of audit firm: Previous research use big international audit firms to represent high quality audit and small firms to represent low quality audit (Francis and Stokes, 1986; MohidRahmat and MohdIskandar, 2004). Craswell *et al.* (1995) noted that big audit firms can offer high quality audit because they have more resources at their disposal to invest in better technology and training and as a result they are able to develop their expertise and reputation among clients. Also Behn *et al.* (1997) argued that big audit firms are expected to sustain the quality of audit services in order to maintain reputation and audit market. Earlier research by DeAngelo (1981) concluded that big audit firms are viewed as providing high quality audit because of their independence and competence.

Research by Khurana and Raman (2004) in the Association of South East Asian Nations (ASEAN) countries found that there was no significant difference

in the quality of audit between the big four and non-big four. The authors observed that where the audit environment is less litigious such as in emerging markets big auditing firms do not live to their expectation and as such their services are not that different from those offered by the non-big auditing firms.

Actual and perceived audit quality: Some authors have differentiated actual audit quality from perceived audit quality. According to Dang (2004) perceived audit quality appears to be a different concept when compared to actual audit quality. Actual audit quality is unobservable and it is usually difficult to measure directly and can be evaluated only after audits have been conducted. However, it is worth noting that if perceived audit quality does not reflect actual audit quality, then the use of audit quality to test the relationship among audit quality and other variables is problematic. Financial statements users may not be able to assess actual audit quality accurately because they do not have access to the audit process. Dang (2004) argues that although it is difficult to measure actual audit quality, market perceptions of audit quality are more amenable to measurement. If the market were completely efficient, market perceived audit quality would always capture actual audit quality. According to MohdIskandar *et al.* (2010) perceived audit quality may be measured by evaluating client satisfaction with the performance of auditors. This study focused on perceived audit quality since it sought the views of audit clients about their contentment with audit services.

Factors affecting audit quality and audit client satisfaction: Kotler (2006) described satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to her or his expectations. With regard to audit services, quality relates to audit clients perceptions of how the accounting firm meet their expectations. Clients expect that at the end of the audit the auditor will express a genuine opinion that the financial statements are free from material misstatements and when that happens customer satisfaction is achieved. Yuniarti and Zumara (2013) carried out a study to investigate the effects of audit quality attributes towards clients' satisfaction. According to the authors, attribute is defined as something that is inherent in a case, including the characteristics of the service or goods. Their findings were that prior experience in auditing, industry expertise, responsive to the company's needs, conduct of audit field work in an appropriate manner, commitment to quality, exercised due care throughout the engagement and high ethical standards significantly affect client satisfaction. Their findings also showed that technical competence in approved accounting standards and auditing standards, independence, effective interaction with the audit committee, active

involvement in the engagement and skeptical attitude throughout the audit engagement do not significantly affect client satisfaction. According to Yuniarti and Zumara (2013), audit quality attributes affect client satisfaction that is, for client satisfaction to improve the auditor should execute appropriate audit planning, prepare audit programs and supervise the implementation of the audit to produce a quality audit.

A significant positive relationship between many of the audit quality attributes and client satisfaction was also confirmed by Carcello *et al.* (1992). Al Sawalqa (2014) also came to the conclusion that a positive relationship between audit quality factors and client satisfaction exists.

Sawan *et al.* (2013) examined the impact of provision of non-audit services on the audit quality. The authors found that the provision of non-audit services gives the auditor more experience of the client's firm as well as more access to the client accounting system and therefore enhance the probability that problems would be discovered, hence increase the level of audit quality.

Neri and Russo (2014) argued that audit output has an influence on audit quality because stakeholders often consider auditors report in their assessment of audit quality. Sawyers (2006) cited in Yuniarti and Zumara (2013) also concurred that increase in the quality of an audit can be measured by the usefulness of findings and recommendations of the audit report.

A study by Gul *et al.* (2013) examined whether and how individual auditors affect audit outcomes using a large set of archival Chinese data. They found that individual auditors exhibit significant variation in audit quality. The effects that individual auditors have on audit quality are both economically and statistically significant, and are pronounced in both large and small audit firms. Moreover, Gul *et al.* (2013) also found that the individual auditor's effects on audit quality can be partially explained by auditor characteristics such as educational background, big audit firm experience, rank in the audit firm, and political affiliation.

Enofe *et al.* (2014) carried out a study to investigate the role of audit firm characteristics (auditor independence, auditor experience, and auditor accountability) in promoting audit quality in Nigeria. The authors found that auditor independence and auditor accountability have a significant relationship with audit quality while auditor experience does not affect audit quality. They concluded that auditor independence and auditor accountability lead to an increased level of audit quality whereas an auditor may be experienced but may not exercise due care and diligence in conducting his audit work. The authors also concluded that auditors held liable for not exercising due care and diligence has increased the quality of auditing in Nigeria by bringing accountability consciousness into their minds.

Qi *et al.* (2015) analyzed the variance in audit quality among a broad cross-section of listed firms in Chinese stock market from 1999 to 2012. The analysis

was to identify the importance of audit firm, audit client, and engagement auditor effects on the variance in audit quality. They found that engagement auditor can add about 19% of incremental explanatory power to the variance in audit quality. Their findings also suggested that audit firm effects and audit client effects have a significant influence on audit quality, which can add about 2% and 16% of incremental explanatory power to the variance in audit quality respectively. They however concluded that length of engagement auditor's experience has no significant incremental power in explaining variance in audit quality.

Hypothesis development: It is argued that in a country where litigation risk is low or non-existence, like Botswana, auditors have no motivation to enhance the audit quality (Khurana and Raman, 2004). Therefore there is a high likelihood that the bigfour and non-big four audit firms in Botswana will tend to provide same level of assurance. MohidRahmat and MohdIskandar (2004) could not find a difference in the level of expertise between Big four and Non-big four in Malaysia. Therefore we hypothesize as follows:

- Ho 1:** There is no significant difference in audit quality provided by big four audit firm and that provided by non-big four audit firms.
- Ho 2:** There is no significant difference in audit quality provided by big four audit teams and that provided by non-big four audit team.
- Ho 3:** There is no significant difference in level of satisfaction with audit firm's performance between the clients of big four and clients of non-big four.
- Ho 4:** There is no significant difference in level of satisfaction with audit team's performance between the clients of big four and clients of non-big four.
- Ho 5:** There is no significant relationship between audit firm quality attributes and client satisfaction with audit firm performance.
- Ho 6:** There is no significant relationship between audit team quality attributes and client satisfaction with audit team performance.

METHODOLOGY

Data was collected from companies that are listed on the Botswana Stock Exchange and state owned business entities (Parastatals). Listed entities and Parastatals are all presumed to be audited by the big four audit firms. Data was also collected from private companies which are presumed to be audited by both big four and Non-big four audit firms. The views of the heads of financial accounting section in the organisations selected were sought on their perceptions towards the quality attributes of audit firms and audit

teams and their overall satisfaction with audit services provided by audit firms. The aim was to get the views of persons who closely interact with the auditors in the auditing process and who are in a position to represent the views of management.

Instrument: The current study adopted the improved version of the questionnaire originally developed by Behn *et al.* (1997) in the USA and improved by MohdIskandar *et al.* (2010) in Malaysia. While Behn *et al.* (1997) captured the audit firm attributes and audit team attributes together, MohdIskandar *et al.* (2010) separated the attributes related to audit firm from the attributes related to audit team with a view of avoiding mixed clients' perceptions towards the audit team and audit firm. This separation resulted into prior experience, industry experience with the client and independence attributes appearing under both audit team and audit firm categories of attributes.

Unlike the two above mentioned studies, the current study did not restrict itself only to companies listed with stock exchange. It expanded the population to include all public interest entities and private companies. As an improvement from previous studies, this study also examined the perceptions of heads of financial accounting section over the wider spectrum of audit firms including both big four and non-big four audit firms. With this we could compare the audit quality and levels of satisfaction with audit performance of clients of big audit firms and small audit firms.

Both qualitative and quantitative approaches were employed in this study. A quantitative approach was employed in the first three sections of the questionnaire developed. The first section sought demographic information of respondent and the organisation. The second section asked the respondents to indicate their level of agreement to the five statements about the audit firm attributes and ten statements about the audit team attributes that contribute to audit quality services. The responses to fifteen statements were on a 5 point Likert scale which ranged from "strongly disagree" to "strongly agree". The third section sought the views of respondents on their level of satisfaction with the overall audit performance of their most recent audit firm and audit team. The level of satisfaction with audit performance was measured using 5 point Likert scale with 1 = Very dissatisfied, 2 = Dissatisfied, 3 = Neither satisfied nor dissatisfied, 4 = Satisfied and 5 = Very satisfied. A qualitative approach was employed in the fourth section in the form of an open ended question asking the respondents to suggest any other audit firm or audit team attribute (s) which should be considered when appointing the auditor.

The sample: The targeted population of this study was all the public and private companies and state-owned organisations operating in Botswana. However, the sample was drawn from entities operating in Gaborone,

the Capital City of Botswana. Gaborone is also the business capital of Botswana which accommodates most of business entities. Purposive sampling was used to select 100 entities to respond to the questionnaire with an intention of having a representation from private, public companies and parastatals. The questionnaire and the letter which introduced the research topic were delivered to selected companies by hand. The researcher asked the respondent who was appointed by the organisation to complete the questionnaire to do so immediately or give time for later collection.

ANALYSIS AND DISCUSSION

Out of 100 questionnaires distributed 92 questionnaires were returned and 90 were analysed using SSPS version 23 as the other two were not usable. Table 1 shows the characteristics of participating individuals. Respondents to this study were almost equally distributed between females (53%) and males (47%) and majority of them (69%) were below 40 years old. Majority of respondent (66%) were in positions they held for more than two years.

Table 2 presents the characteristics of participating organisations. Most of the participating organisations (64%) were in service industry and 54% of them were being audited by one of the big four audit firms. Just above half of the participating organisations (52%) had maintained the same audit firm for more than 4 years.

Table 3 shows the results of clients' perceptions towards the quality attributes of audit firm and audit team arranged in the descending order of the mean scores. In general the results suggest that clients perceive audit firms as having slightly higher quality attributes than the audit teams with an average mean score of 4.18 as compared to 4.00 of audit teams.

Although these results tend to suggest that the audit firm attributes were perceived to be more important to audit quality than team attributes, the t test of independent samples revealed that the average score of

Table 1: Characteristics of respondents

Characteristics	Frequency	Percentage
Gender		
Male	42	46.7
Female	48	53.3
Total	90	100
Age group		
Below 35 years	38	42.2
35<40 years	23	25.6
40<45 years	11	12.2
45<50 years	8	8.9
Above 50 years	10	11.1
Total	90	100
Position period		
less than 2 years	31	34.4
2<4 years	33	36.7
4<6 years	9	10.0
Above 6 years	17	18.9
Total	90	100

Table 2: Characteristics of Participating Organisations

Industry type	Frequency	Percentage
Service	58	64.4
Manufacturing	6	6.70
Trading	8	8.90
Mining	1	1.10
Others	17	18.9
Total	90	100
Type of audit Firm		
Big four	49	54.4
Non-big four	41	45.6
Total	90	100
Audit firm tenure with client		
less than 2 years	21	23.3
2<4 years	22	24.4
4<6 years	10	11.1
Above 6 years	37	41.1
Total	90	100

quality attributes of audit firms was not significantly higher than that of audit team. The calculated t value of 1.4802 was less than tabulated t value of 1.645 at 5% significance level. All five attributes received mean scores of 4 and above with the highest score of 4.31 being given to audit firm commitment to quality and lowest score of 4.00 assigned to firms' responsiveness to client's needs. These results underscore the importance of audit firm reputation in providing audit services. This implies clients would choose the provider of audit services based on the reputation built by the audit firm rather than attributes of audit personnel. The results also indicate the need for the audit firms to do more on the area of listening to the client's needs and responding to their concerns timeously and effectively.

The clients perceived the audit firms as reflecting higher prior experience with mean score of 4.22 as compared to 3.74 for the audit team. Also audit firms were considered to have higher industry experience (mean score 4.19) than audit team (mean score = 4.15).

Furthermore, according to respondents, audit firms reflected higher level of independence (mean score = 4.16) than audit team (mean score 4.03). Clients were not highly satisfied with audit teams' prior experience, involvement of engagement partners in the audit, level of interaction with audit committees and skeptical attitude exercised. These quality attributes of audit team received mean score of less than 4. This low ranking of audit team quality attributes could be ascribed to many factors which may include audit staff turnover and tendency of using non-experienced personnel to audit.

Table 4 reflects the differences in audit quality provided by big four and non-big four audit firms on the basis of the attributes of audit firms as perceived by clients. It is apparent from Table 3 that clients of big-four audit firms ranked their auditors highly with an average mean score of 4.4 as compared to 3.9 of non-big four in five attributes of prior experience, industry expertise, independence, commitment to quality and responsiveness. The t test of independent samples confirms that the difference in the average mean scores was statistically significant since the calculated t value of 2.663 was greater than tabulated t value of 2.37 at 1% significant level. Therefore, the hypothesis that there is no significant difference in audit quality provided by big 4 audit firms and that provided by non-big four audit firms could not be supported. The mean differences between the big-four and non-big four audit firms' audit quality were statistically significant in attributes of prior experience, industry expertise and independence. This implies that the non-big four audit firms were perceived to be weak in displaying their industry expertise and independence and did not appear to have adequate prior experience with their clients.

Table 3: Audit quality attributes of audit teams and audit firms

Audit firm quality attributes	Mean	SD
The audit firm as a strong commitment to quality.	4.31	0.630
Audit firm had an appropriate amount of prior experience in auditing your organisation	4.22	0.909
Audit firm (at the senior level and above) had the necessary industry expertise to effectively audit your organisation	4.19	0.833
In all of your dealings with the audit firm it never engaged in any actions that would compromise its independence, either in fact or in appearance.	4.16	0.856
The audit firm was responsive to your company's needs	4.00	0.871
Average mean score	4.18	0.820
Audit team quality attributes		
The audit team members conducted the audit field work in an appropriate manner.	4.16	0.623
Audit team (at the senior level and above) had the necessary industry expertise to effectively audit your organisation	4.15	0.796
The audit team members as a group were technically competent in their application of Approved Accounting Standards and Approved Auditing Standards	4.10	0.658
The audit team members had high ethical standards and were very knowledgeable about accounting and auditing.	4.09	0.788
The audit team members as a group always exercised due care throughout the engagement	4.06	0.697
In all of your dealings with individual audit team members, they never engaged in any actions that would compromise their independence, either in fact or in appearance.	4.03	0.867
Audit team had an appropriate amount of prior experience in auditing your organisation	3.74	0.877
The executives (partner/manager) from the audit firm were actively involved in the engagement	3.93	0.770
The audit team members interacted effectively with the audit committee before, during, and after the audit engagement.	3.86	0.891
The audit team members maintained a skeptical attitude throughout the audit engagement	3.85	0.922
Average mean score	4.00	0.789

Table 4: Differences in audit quality provided by big four and non-big four audit firms

Variables	Big four		Non-big four		t-test for equality of means	
	Mean	SD	Mean	SD	t	Sig.
Audit firm had an appropriate amount of prior experience in auditing your organisation	4.43	0.736	3.98	1.037	2.417	0.018
Audit firm (at the senior level and above) had the necessary industry expertise to effectively audit your organisation	4.49	0.681	3.83	0.863	4.058	0.000
In all of your dealings with the audit firm it never engaged in any actions that would compromise its independence, either in fact or in appearance.	4.42	0.821	3.85	0.802	3.258	0.002
The audit firm as a strong commitment to quality.	4.43	0.612	4.17	0.629	1.965	0.053
The audit firm was responsive to your company's needs	4.15	0.780	3.83	0.946	1.737	0.086
Average mean score	4.38	0.726	3.93	0.855		

Table 5: Differences in audit quality provided by big four and non-big four audit teams

Variables	Big four		Non-big four		t-test for equality of means	
	Mean	SD	Mean	SD	t	Sig.
The audit team members as a group were technically competent in their application of Approved Accounting Standards and Approved Auditing Standards	4.29	0.612	3.88	0.648	3.066	0.003
The audit team members as a group always exercised due care throughout the engagement	4.12	0.634	3.98	0.768	0.993	0.323
Audit team had an appropriate amount of prior experience in auditing your organisation	3.77	0.751	3.70	1.018	0.375	0.708
Audit team (at the senior level and above) had the necessary industry expertise to effectively audit your organisation	4.27	0.811	4.00	0.761	1.578	0.118
In all of your dealings with individual audit team members, they never engaged in any actions that would compromise their independence, either in fact or in appearance.	4.29	0.791	3.73	0.867	3.169	0.002
The audit team members conducted the audit field work in an appropriate manner.	4.25	0.601	4.05	0.639	1.510	0.135
The executives (partner/manager) from the audit firm were actively involved in the engagement	4.04	0.771	3.80	0.758	1.476	0.144
The audit team members interacted effectively with the audit committee before, during, and after the audit engagement.	4.13	0.741	3.55	0.959	3.102	0.003
The audit team members had high ethical standards and were very knowledgeable about accounting and auditing.	4.20	0.676	3.95	0.893	1.527	0.130
The audit team members maintained a skeptical attitude throughout the audit engagement	3.87	1.096	3.83	0.675	0.246	0.806
Average mean score	4.12	0.784	3.85	0.799		

Interestingly, there was no statistically significant difference between big four and non-big four audit firm's commitment to quality and responsiveness to client's needs. This means that according to audit clients in Botswana the big four and non-big four audit firms do not differ in their commitment to quality audit and responsiveness to clients' needs. This may be a positive element for non-big four audit firms as they are considered to display the same level of commitment to audit quality in general as their big four counterparts. From another point of view, the results suggest that both cohorts of respondents- big four and non-big four clients-consider the above mentioned audit firm attributes to be important in evaluating the performance of audit firms.

Table 5 reflects the views of audit clients about the audit quality delivered by big four audit teams as compared to that of non-big four audit teams on the basis of ten quality attributes. Like what was revealed under audit firms' discussion above, the audit clients still ranked the audit quality offered by big four audit teams higher than what is offered by non-big four audit teams. The audit teams in big four firms received average mean score of 4.12 as compared to 3.85 of non-big four audit teams. However, the t test of independent

samples revealed that the difference in these average mean scores was not statistically significant as the calculated t value of 1.661 was less than tabulated t value of 2.37 at 1% significance level.

Therefore, the hypothesis that there is no significant difference in audit quality provided by big four audit teams and that provided by non-big four audit teams was accepted. Nevertheless, in all ten audit team quality attributes the big four audit teams obtained higher mean scores than the non-big four audit teams. The notable significant differences at 1% significance level were recorded for audit teams' competence in accounting and auditing standards, independence and interaction with audit committee. This means that this study suggests that the clients perceived the big four audit teams to be more competent in professional standards than the non-big four audit teams. Also the study seem to suggest that the audit teams from big audit firms reflect higher level of independence and interact more with audit committees than their counterparts from non-big audit firms. Competence in professional standards and auditor's independence in mind and in appearance are very critical to audit function, they should therefore not be taken lightly by

Table 6: Overall client satisfaction with quality of services provided by audit firms and audit teams

Variables	Very Satisfied	Satisfied	Neutral	Dissatisfied
How satisfied are you with the overall audit performance of your audit firm	24.4	61.1	11.1	1.1
How satisfied are you with the overall audit performance of the audit team members as a group who audit your organisation.	24.4	62.2	8.9	2.2

Variables	Very dissatisfied	Mean	STD
How satisfied are you with the overall audit performance of your audit firm	2.2	4.04	0.778
How satisfied are you with the overall audit performance of the audit team members as a group who audit your organisation.	2.2	4.04	0.792

Table 7: Client satisfaction with quality of services provided by big four and non-big four audit firms and audit teams

Variables	Big four		Non-big four		t-test for equality of means	
	Mean	SD	Mean	SD	t	Sig.
How satisfied are you with the overall audit performance of your audit firm	4.12	0.781	3.95	0.773	1.041	0.301
How satisfied are you with the overall audit performance of the audit team members as a group who audit your organisation.	4.10	0.797	3.98	0.790	0.752	0.454

audit teams from non-big four audit firms as doing so may threaten their very existence.

Table 6 shows the clients' level of satisfaction with the overall performance of audit firms and audit teams.

The results suggest that audit clients in Botswana are highly and equally satisfied with the audit performance of both audit firms and audit teams with a mean score of 4.04 each.

Table 7 summarizes the clients' satisfaction with performance of audit firms and audit teams arranged according to size of audit firm. Clients of big audit firms seem to be more satisfied with quality of services provided by both audit firms and audit teams than the clients of non-big audit firms. The clients of big audit firms registered higher satisfaction mean scores of 4.12 as compared to mean score of 3.95 by non-big four audit firms with regard to performance of audit firms although the differences in these means were not statistically significant.

Therefore, the hypothesis that there is no significant difference in level of satisfaction with audit firm's performance between the clients of big four and clients of non-big four audit firms is accepted. Moreover, the clients of big audit firms showed a higher of level of satisfaction with performance of audit teams with mean score of 4.10 than the client of non-big audit firms who reflected mean score of 3.98. However, the results of the independent sample t tests did not reveal a statistically significant difference in the mean scores. This leads us to accept our null hypothesis that there is no significant difference in level of satisfaction with audit team's performance between the clients of big four and clients of non-big four.

Table 8 shows the results of the multiple regression analysis to determine the predictive power of audit firm quality attributes over the level of client satisfaction with performance of audit firms. The results suggest that the model consisting of five quality attributes is a good explainer of the audit client satisfaction with audit firm performance. The model portrays the adjusted R-squared of 0.314 to mean that 31% of variations in the level of client satisfaction with performance of audit

firms can be explained by a combination of audit firm's experience with the client, expertise, independence, commitment to quality and responsiveness. The F-ratio, a test statistic used to decide whether the model has statistically significant predictive capability, reveals that the model is statistically significant ($P = 0.000$). Therefore the hypothesis that there is no significant relationship between audit firm quality attributes and client satisfaction with audit firm performance was rejected. Table 8 also indicates that all except one audit firm quality attributes have a positive relationship with client satisfaction. Only audit firm previous experience with client was negatively associated with client satisfaction.

However, the results show that among the five audits firm quality attributes, only two attributes have a positive and significant association with client satisfaction. Responsiveness of audit firm to client's needs was the most important factor in explaining the client satisfaction ($\beta = 47\%$; $P = 0.001$). This is in congruent with findings of Behn *et al.* (1997), MohdIskandar *et al.* (2010) and Yuniarti and Zumara (2013). Independence demonstrated by the audit firm was second in importance in predicting client satisfaction with audit performance with standardised coefficient of 19% and P-value of 0.07. Audit firm's industry experience and commitment to quality work reflected a positive but weak association with client satisfaction while audit firm's prior experience with the client showed a negative and weak relationship with the client satisfaction.

Table 9 reflects the results of the multiple regression analysis to determine the strength of relationship between the model of ten audit team quality attributes and the client satisfaction with audit team performance and how significant is the relationship. The results suggest that 35% (adjusted R-squared) of the variability in audit client satisfaction can be explained by the combination of audit team quality attributes. The results also show that the relationship between audit team quality attributes is statistically significant ($F = 5.334$, $p = 0.000$).

Table 8: Regression coefficients for quality attributes of audit firms combined

Quality Attributes	Unstandardised Coefficients		Standardised Coefficients	
	B	Beta	t	Sig.
(CONSTANT)	1.419		2.555	0.013
Audit firm prior experience with client	-0.006	-0.006	-0.057	0.955
Audit firm industry experience	0.016	0.017	0.151	0.880
Audit firm independence*	0.173	0.187	1.824	0.072
Audit firm commitment to quality	0.042	0.034	0.265	0.792
Audit firm responsiveness***	0.425	0.472	3.423	0.001

*** Significance level at $p = 0.01$; * significance level at $p = 0.10$; Adjusted $R^2 = 0.314$; ($F = 8.776$, $P = 0.000$); $N = 90$

Table 9: Regression coefficients for quality attributes of audit teams combined

Quality Attributes	Unstandardised Coefficients		Standardised Coefficients	
	B	Beta	t	Sig.
(CONSTANT)	0.579		0.965	0.338
Audit team competent with professional standards	0.110	0.091	0.683	0.497
Audit team exercise of due care	-0.020	-0.018	-0.136	0.893
Audit team prior experience with client	-0.008	-0.008	-0.076	0.940
Audit team industry expertise**	0.274	0.275	2.254	0.027
Audit team independence	0.031	0.033	0.241	0.810
Audit team conduct of field work	0.093	0.072	0.487	0.628
Audit firm executive involvement in the engagement	0.067	0.064	0.513	0.609
Audit team interactions with audit committee*	0.225	0.252	1.0865	0.066
Audit team ethical and knowledgeable	0.113	0.112	0.869	0.388
Audit team maintains sceptical attitude	-0.034	-0.039	-0.382	0.704

** Significance level at $p = 0.05$; *: significance level at $p = 0.10$; adjusted $R^2 = 0.351$; ($F = 5.334$, $p = 0.000$); $N = 90$

Therefore the hypothesis that there is no significant relationship between audit team quality attributes and client satisfaction with audit team performance is not supported.

Therefore the audit team quality attributes contribute significantly to the client satisfaction. Based on the size of variation explained by the two models the results suggest that on the overall the audit team factors are more important in explaining client satisfaction. However, on the individual basis, only two audit team quality attributes are significant predictors of client satisfaction. These are audit team industry expertise ($\beta = 0.275$; $p = 0.027$) and audit team interactions with audit committee ($\beta = 0.252$; $p = 0.066$). These results emphasize the importance of audit team's understanding of client industry and communication with the client. Further, the results show that the relationship between audit team exercise of due care, audit team prior experience and audit team maintenance of skeptical attitude were negatively associated with client satisfaction. Surprisingly, these results could imply that clients may tend to dislike down to earth audit teams. The more meticulous the auditors are the less client satisfaction.

Analysis of qualitative responses: Respondents were asked to suggest other audit team's or audit firm's quality attributes which should be considered when appointing the external auditors. Only 40% of respondents commented on the question and responses, regardless of the type of the audit firms, shed some more light on additional attributes of interest although they were not that much different from what was already there. Respondents emphasized on audit team

competence and experience. They were concerned that the audit teams lack a proper audit team mix of experienced staff and inexperienced staff. They lamented that the extensive usage of interns or trainees delay the completion of the audit as they tend to be excited over immaterial issues. The understanding of the client and the industry they operate in was also mentioned by a good number of respondents as a relevant attribute to contribute to audit quality. Audit firm's clean record in the field and being a network audit firm which brings in the technical support from sister firms were also cited as relevant attributes.

CONCLUSION

This current study intended to assess the perceptions of audit clients towards the quality of audit services provided by audit firms and teams in Botswana. The study also focused on the evaluation of client satisfaction with performance of audit firms and teams. The comparison of the views of clients based on the size of the audit firm (big four or non-big four audit firm) was also made. The current study also examined the extent to which the client satisfaction is explained by audit firms' and audit teams' quality attributes.

The results of this study suggest that clients viewed audit firms as having slightly higher quality attributes than the audit teams and big audit firms ranking higher than non-big four audit firms in the provision of quality audit services. However, the results do not reflect a significant difference in audit quality provided by big four audit teams and that of non-big four audit teams. Moreover, the results suggest that on the overall audit clients in Botswana are highly and equally satisfied

with the audit performance of both audit firms and audit teams. Although the client of big four audit firms appeared to be more satisfied with performance of audit firms and teams than what the clients of non-big four audit firm do to their auditors, no statistically significant difference was found. The study also found that only audit firm's independence and responsiveness to clients' needs, and audit team's industry expertise and interaction with audit committee were most important indicators of client satisfaction.

The current study has revealed that on the overall, the big four audit firms operating in Botswana do not provide significant superior audit quality services than the non-big four. This is confirming the view of Khurana and Raman (2004) who concluded that in a less litigious environment big audit firms do not live to their clients' expectations. Therefore the obligation to improve the quality of audit services cannot be left to big four audit firms only. These findings have implications to all audit firms, their clients and regulators all of whom have responsibility to improve the quality of audit services in Botswana. Big four audit firms have to build on their reputation to lead the market in providing high quality audit. The non-big four audit firms have to strengthen their firms' and teams' quality attributes to enhance the image of their services before their clients. The clients need to enhance their cooperation with auditors by providing all necessary information and explanations. Apart from setting standards guiding the provision of quality audit services, the Botswana Accountancy Oversight Board, should create a forum which can bring together all auditing firms in the country to deliberate on the issues impacting the audit quality.

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