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Banking sector lack detection: Expectation gap between auditors and bankers

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<p>CHRONICLE</p> <p><i>Article history:</i> Received: November 30, 2020 Received in revised format: April 3 2021 Accepted: April 4, 2021</p>	<p>ABSTRACT</p> <p>This study aims to identify the determinants of the expectation gap in fraud detection between internal auditors and bankers in Indonesia. The shift in the internal audit task in the banking sector can cause the hole in audit expectations to widen. This research uses qualitative methods with an interpretive paradigm which is rarely done by previous research. The results of interviews with internal audit</p>
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Banking sector lack detection: Expectation gap between auditors and bankers**Nurul Hasanah Uswati Dewi^{a*}, Putri Wulanditya^a, Dian Oktarina^a, and Herwin Ardianto^b**^aLecturer, Department of Accounting, STIE Perbanas Surabaya, Indonesia^bLecturer, Department of Banking Financial Management, STIE Perbanas Surabaya, Indonesia**CHRONICLE****ABSTRACT***Article history:*

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This study aims to identify the determinants of the expectation gap in fraud detection between internal auditors and bankers in Indonesia. The shift in the internal audit task in the banking sector can cause the hole in audit expectations to widen. This research uses qualitative methods with an interpretive paradigm which is rarely done by previous research. The results of interviews with internal audit work units and bank managers from 4 state-owned and private banks indicate a gap in audit expectations regarding the responsibilities between internal auditors and bankers, especially in carrying out the function of examining and detecting fraud. This study recommends the financial services authorities and bank leaders be able to improve education regarding anti-fraud policies to stakeholders, especially in terms of a clear division of tasks in fraud detection in the banking sector.

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1. Introduction

Fraud cases are growing and continuing to occur in the banking sector. Several fraud cases have been known to the public, including issues of burglary by internal bank personnel. A customer requested the latest case that occurred towards the end of 2020 of PT. Maybank Indonesia, Tbk. This incident caused the loss of his savings of 22 billion Rupiah. From these cases, fraud was detected by the Head of the Branch Office, which may also be in another internal party of the Bank (Kusuma, 2020). There needs to be fraud prevention in the banking sector, one of which is the Internal Control Standard Operating Procedures (SOP) that banks must have. Panin Bank, which has a Customer Complaint Handling Unit under the coordination of the Compliance Director. If there are indications of fraud, then the Internal Audit Unit will begin (Hutauruk & Dewi, 2020). Bank Indonesia and the Financial Services Authority have issued regulations regarding establishing a unit or function that deals with fraud in banking institutions. With the issuance of Bank Indonesia Circular Number 13/28 / DPNP, it is hoped that commercial banks will immediately implement anti-fraud strategies in their institutions (BI, 2011). The SEBI is further strengthened by POJK number 39 concerning implementing an anti-fraud system for commercial banks. The regulation in Article 7 states that banks must establish a work unit or function tasked with handling the implementation of anti-fraud strategies within the organization. The work unit or process found will then be responsible to the President Director, who directly communicates and reports to the Commissioners' Board (OJK, 2019). The task of detecting fraud is not an easy one. SKAI, an internal auditor in banking institutions, requires indicators or signs (red flags) to help focus performance when examining financial statements (Rustiarini et al., 2016). SKAI also has a significant role as an independent appraiser in reviewing bank operational performance. However

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SKAI can only propose alternatives to improve conditions, whereas choosing corrective action is management's responsibility (Yusriwati, 2017). Thus, this condition can lead to the emergence of an audit expectation gap, especially in detecting fraud between the Internal Audit Unit (internal Auditor) and the management (banker).

Various causes of fraud in the banking sector raise significant question marks about the duties and responsibilities of fraud detection. Different perceptions about this occur between stakeholders and internal parties of the company, giving rise to the expectation gap. Under International Standard Auditing (ISA), the Auditor is not responsible for detecting any fraud or error or illegal act as it is the responsibility of management. However, auditors are expected to assess the possibility of error or fraud and assess material misstatement risk (Alawi et al., 2018). Users of financial information expect that auditors carry out examining financial reports to ensure that financial reports prepared by management are free from fraud and of high quality (Albeksh, 2017). The misconception between auditors' perceptions in examining financial statements and what the public expects, which is usually referred to as the audit expectation gap, is a problem that continues to be discussed today in the accounting and auditing literature (Dibia, 2015).

The audit expectation gap (Audit Expectation Gap-AEG) during the last decade is still an exciting topic in the finance and accounting professions in various countries. Lee & Ali's research (2008) found a **knowledge gap and short performance gap between auditors and company managers in Malaysia**. The results of this study concluded that auditors in Malaysia understand their duties well. Still, company managers have limited knowledge about auditors' duties and are less satisfied with some of the auditors' tasks. Research by (Alawi et al. 2018), who examined AEG in Bahrain, showed that auditor efforts, auditor skills, public knowledge of the auditing profession, and user needs significantly affect the level of the audit expectation gap. The research results of (Olojede et al. 2020) confirm a gap in audit expectations in Nigeria, and the Auditor's report does not have a severe impact on reducing this gap. The audit expectation gap mainly arises from users' unreasonable expectations due to a lack of understanding of the Auditor's role.

The majority of Indonesia's research regarding AEG using research subjects' external auditors and government auditors still rarely uses internal auditors and bankers. Research by Nasrullah et al. (2017) analyzed AEG in the public sector by showing that auditor qualifications and work experience affect reducing the audit expectation gap. Sade & Suputra's research (2016) examined the expectation gap in external auditors obtained results, namely, there was a positive effect on the expectation gap on auditor performance. Nurhajati (2015) conducted AEG research with internal auditors, investors, and bankers in Bandung. One of the exciting findings from this study is that there are differences in expectations between auditors and investors, and bankers. Auditors believe that they have little responsibility in preventing and discovering fraud, while investors and bankers impose a burden on the prevention and discovery of fraud on the auditors. Therefore, this study is motivated to dig deeper into the audit expectation gap between auditors and bankers regarding fraud detection. The novelty of this research is using a qualitative approach to the interpretive paradigm.

It is essential to investigate the expectation gap between internal auditors and bankers in more depth. In general, the expectation gap phenomenon has a negative impact that can affect the confidence of service users provided by the accounting profession, especially auditors (Sadewi & Suputra, 2016). Misconceptions about auditor roles and responsibilities can jeopardize the audit objectives and professional reputation (Quick, 2020). Therefore, this study is of interest to auditors, users of financial reports, and **standard setters and regulators**. The Auditor can **consider** whether it is excessive in fulfilling the task, and the user can also find out about inappropriate expectations. **Standard setters and regulators** must also narrow the gap in audit expectations, especially in the banking sector. Thus, it is essential **to know what** misconceptions **exist and how they differ** among the **various stakeholder groups**, especially auditors and bankers.

2. Literature Review

2.1 Attribution Theory

Fritz Heider first developed attribution theory in 1958. This theory explains how individuals interpret an event. According to Heider, every individual is assumed to be a pseudo scientist who seeks to understand others' behaviour by collecting and combining the information obtained to make plausible conclusions or explanations about other people's causes to carry out certain behaviours. Heider also explained that individual behaviour is determined by a combination of internal forces, namely factors from within the individual (such as ability or effort), and external forces, namely factors from outside the individual (such as difficulties in work). Or elements of luck). Surya and Dewi's (2019) research describes that attribution theory can explain auditor behaviour. This study argues that auditor behaviour is also determined by a combination of internal and external forces. Behaviour caused by these internal forces is believed to originate within the Auditor himself. Also, auditors can be influenced by external factors, one of which is compliance pressure. Auditors face obedience pressure from clients, superiors, and even colleagues when conducting audit judgments. Research by (Ningsih & Kiswanto 2019) reveals that attribution theory

can be used as a basis for auditors' professional commitment. Professional commitment is an internal factor behind the adoption of behavioural attitudes for government auditors (APIP). The findings of this study indicate that there are internal factors that cause the principle of integrity behaviour to affect audit quality. The higher the individual's professional commitment can be the cause of the high attitude of the Auditor's integrity so that the audit quality is getting better. In terms of the relationship between attribution theory being the theoretical basis of the audit expectation gap, it is revealed in (Tolo et al. 2018). The audit expectation gap is the difference between what is expected by external parties (community and stakeholders) and what the auditors do themselves (internal factors). The public's perception of the Auditor's responsibility may differ from the Auditor's commitment towards his profession, and this difference is known as the expectation gap.

2.2 Role Theory

Onulaka and Samy (2017) describe that the audit expectation gap can be explained using Porter's (1990) role theory and (Davidson's,1975) modification of the theory. Based on role theory, an auditor can be viewed from his status or position as a social system professional. Due to their work in the profession, auditors are required to comply with predetermined regulations. According to Davidson (1975), failure to live up to expectations for this role can, in some cases, create a risk of social action. Auditors' role in society is based on the attitudes, values and expected behaviour of the Auditor's social position. Davidson provides the diagram used to show the complex relationship between auditors and regulators in society below.

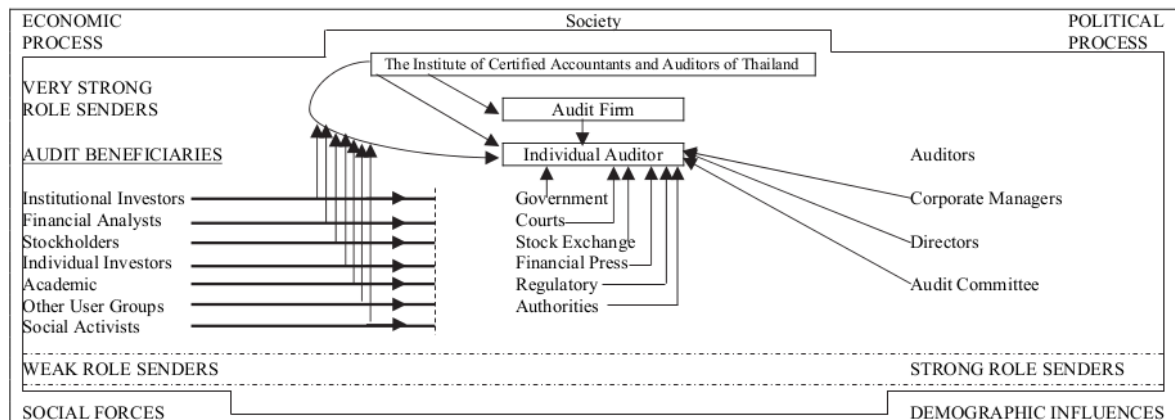


Fig. 1. The Role of the Auditor with Related Parties
(Source: Onulaka & Samy 2017)

Abiola (2015) revealed that according to role theory, auditors' role could be seen from the interaction of normative expectations of various groups in society that have a direct or indirect relationship with the position of the Auditor's role. The multiple groups referred to are management, investors, analysts, and other parties who may have different expectations from the auditors themselves. These expectations may change over time depending on the role expectations of the group. The Auditor's confrontation with varying expectations of role results in role conflict because it is in a multi-expectation situation. According to Akther and Xu (2020), users of financial statements have great expectations regarding auditors' role to detect fraud. Several studies have revealed that there is an expectation gap regarding the responsibility of auditors in detecting fraud.

2.3 Audit Expectation Gap (AEG)

The expectation gap is a term first introduced by Liggio (1974) and is defined as the difference in opinion between the public and auditors regarding audit responsibility (Dung & Tuan, 2019). The term expectation gap is usually used to describe situations where there are differences in expectations between groups with specific skills and groups that depend on that expertise (Salehi, 2016). The public's perception of the Auditor's responsibility differs from that of the profession, and this difference is known as the expectation gap. The general public believes that one of an audit's fundamental functions is to detect fraud, even though that is not its primary purpose. Auditors and users have different beliefs about the auditors' work scope and their responsibilities regarding fraud and fraud detection (Nugroho et al., 2021). The user considers that the Auditor's review should be extended further in this area, whereas the Auditor thinks that the user's expectations are unrealistic or excessive (Saladrigues & Grano, 2014). Both the public, stakeholders and the government have hopes that the auditors can find the slightest fraud. However, the Auditor did not do so because of the limited resources he had. The difference in expectations will lead to a gap in audit expectations (Hutabarat & Yuyetta, 2013).

The role of auditing in this era is to refocus on the public interest, redefine the audit relationship, and ensure the integrity of financial reports, separating non-audit functions and other consulting services. Since external audits' primary purpose is not to detect fraud, investigating fraud requires the combined skills of trained auditors and criminal investigators (NUGROHO et al., 2020). There are several cases where the Auditor's work will lead to the detection of fraud. In such situations, the Auditor is responsible for considering the potential effects on financial information. Also, auditors must perform more procedures keeping in mind the types of fraud, irregularities or other errors, their risk of occurrence and the possibility that certain kinds of fraud or mistakes may have a material impact on the financial statements (Enyi et al., 2012).

2.4 Empirical Evidence from the Auditor-Banker AEG

Previous research regarding the audit expectation gap has been widely carried out. However, these studies do not all use internal auditors and banker research subjects. Research (Litjens et al., 2015) used a survey approach to examine the need for information on potential effects in narrowing down AEG. The issues are bankers, management and auditors. The results show that bankers need additional information, management is reluctant to let auditors provide sensitive information, and auditors try to minimize the risk. The banker considers information about the entity, such as breaches of covenants, quality of control, accounting policies, and information about the audit process, such as audit procedures about the entity's going concern and materiality level. Only information about the audit process relating to continuity and reporting errors in financial statements can reduce AEG for bankers. Managers' AEGs can be decreased if fraud information is provided. The entity's information regarding covenant violations can reduce the gap in auditor expectations. Research by Sule et al. (2019) investigates users' perceptions of financial statements, one of which is bankers, about auditors' responsibility for fraud prevention and detection and AEG in Nigeria. The results of this study found significant differences in perceptions of auditor responsibility. However, regarding the perception of fraud prevention and detection, the results did not show a significant difference. This may be due to the respondents' lack of understanding of both international auditing standards and auditing standards in Nigeria, that the responsibility for fraud prevention and fraud detection is the role of management. Thus, respondents place more responsibility for fraud prevention and detection on auditors than management. As such, auditors' role for fraud prevention and detection are two often misunderstood areas that have led to AEG's existence. Nurhajati (2015) uses internal auditors, investors, and bankers in Bandung about the auditors' differences and users' expectations. The results of his research found that auditors believe they have little responsibility in preventing and discovering fraud. At the same time, investors and bankers impose a burden for preventing and discovering fraud on the auditors. Whereas the auditing standard (SA) 110: 04 implies that the Auditor cannot be prosecuted because it is the management's responsibility to prevent and detect fraud. Meanwhile, the Auditor's responsibility is to express an opinion on the financial statements. The expectation gap in the audit field is the difference between what is expected by users of financial reports (the public) and what is expected by the auditors in carrying out their audit duties. The public has high expectations that auditors will detect or prevent all fraud, whereas the auditing profession does not approve of fraud detection as the main auditing objective. Thus, there is a gap in expectations where the public believes that auditors should be responsible for detecting all fraud. Facts in some cases often make the most significant component of the audit expectation gap due to the Auditor's inability to detect fraud and warn of the company's growing concern. Until now, several studies have concluded that auditors are to blame for not meeting the expectations of users of financial statements. Research on the audit expectation gap has been carried out in various countries. The research results by (Sule et al., 2019) show an audit expectation gap (AEG) related to auditor responsibility, fraud prevention, fraud detection in Kano and Jigawa in Nigeria. (Dung & Tuan's findings, 2019) AEGs in Vietnam have a significant positive effect with a reasonable gap and performance gap between auditors, auditees, direct users of audit reports, and the general public. In contrast to (Coram & Wang's research., 2020), the disclosure of significant audit problems in the audit financial statements does not affect AEG's occurrence. However, AEG increases on measures related to perceptions of the reliability of audited financial statements when the audit report includes major audit issues if they comply with appropriate accounting standards.

Jabbar (2018) who examined AEG in Iraq, showed several findings, namely that the integration of audits between the performance of the internal auditors and the performance of the external auditors obtained many benefits, namely preventing duplication and repetition of work between the parties which resulted in the two parties saving more time, effort and coverage. More comprehensive of all institutional activities. Also, AEG is an inevitable element that continues to evolve, and most management is not aware of internal and external audits, which consequently leads to the identification of communication and collaboration between internal and external auditors. Alawi et al. (2018) also conducted AEG research between auditors and users of financial statements in the Kingdom of Bahrain. The results show that the factors identified (auditor effort, auditor skills, public knowledge of the auditing profession, and user needs of auditors) were significantly impacted on the AEG level. (Toumeh & Yahya, 2018), in their research, they explained that external auditors in Jordan have a conception for AEG. Lack of awareness among users of financial statements had the most significant impact on improving AEG. Conversely, the reduced uncertainty in auditor independence increases AEG. The results of (Onulaka & Samy's, 2017) research conducted in Nigeria show that self-regulatory policies affect audit standard-setting. Some of the country's existing laws need to be updated on the appointment, remuneration and removal of external auditors, contributing significantly to AEG's occurrence.

3. Research Methods

This study uses a qualitative approach design because the theoretical framework formulated in the research problem is related to the meaning inherent in individuals and groups in a natural social environment. Data sourced from participants, the researcher's intuitive reflection, interpretation and description of research problems and contributions from various literature. The goal is to interpret specific issues that do not have to be measured in quantitative units (Creswell, 2013: 59). One of the suitable paradigms to answer this research is the interpretive paradigm. The interpretive approach is one of the approaches to qualitative research that explains the researcher's experience and reaches by readers.

3.1 Research Site, Unit of Analysis and Informants

Determine research sites, units of analysis and information, based on preliminary research (observation). Based on observations, researchers found the phenomenon that there are different views on the role of SKAI in fraud detection in banks. Based on the above phenomena, this research site is in banking. At the same time, the unit of analysis is focused on the meaning by the reader (informant) of the phenomenon of differences in expectations between auditors and bankers on the detection of fraud in banks. The selection of informants in this study was carried out purposely, with the subject being relatively long and often integrated with the activities or activities that were the research targets. In this case, the issue not only knows and can provide information but also understands well as a result of his involvement. The involvement of subjects who are still active in this environment or activity is also the main thing in selecting informants

3.2 Data Collection Technique

The data collection phase in this study involves the researcher as a research instrument. The researcher has a role in coordinating research activities in the field and determining the flow of research activities (Moleong, 2006). Sources of data will be obtained through interviews with informants, documentation and other materials. Interviews were conducted both formally and informally with various variations according to the research context. Researchers could obtain data related to the meaning of fraud detection assessments in banking. With interviews, there is a natural interaction process and not an artificial situation so that the researcher can examine the interactions that occur behind the symbols that appear during the interview process. At the interview time, there will be interactions; the researcher can provide feedback in questions that support each other. The inducements of the researcher's intriguing questions will bring out meaning in an interaction between actors, which in this case is in the banking sector. Sometimes interpretations occur when interviewing, but it is not an act of freedom but needs other help, namely an interaction. Through one's interactions with other people, a complete understanding will be formed. This kind of interpretation, according to (Moleong, 2006), is more essential in symbolic interactionism. Hence interaction becomes a conceptual paradigm that transcends "internal impulses", "personal traits", "unconscious motivation", "chance", "socioeconomic status", "obligations-roles", or the physical environment. Theoretical concepts may be useful, but they are only relevant as long as they enter the defining process.

3.3 Method of Analysis

This research is intended to interpret the reality of fraud detection in banks from symbolic interaction. In detecting fraud, it can be revealed through the audit process, but on the other hand, it can occur not through the audit process. The analysis and discussion were continued by interpreting the meaning of fraud detection through assessment symbols as a phenomenon of the banking business struggle. Understand the interactions that occur through the characters used by individuals in carrying out actions and interactions. The data obtained from the informants were then analysed using the principles of symbolic interaction (Ritzer and Goodman, 2013).

4. Results and Discussion

Data collection on fraud detection research in the banking sector: the expectation gap between auditors and bankers, conducted through direct interviews with respondents who are still active in serving as internal bank auditors and bank officers in the scope of operations and marketing, to obtain primary data and information relevant to the topic of discussion in research. Respondents in this study consisted of 2 (two) types of positions at bank institutions which were a concern of the research topic Expectation Gap between Auditors and Bankers. Respondents consisted of internal audit positions and bankers, with details of internal audit positions represented by bank employees affiliated with the Internal Audit Unit (SKAI for Indonesia). In contrast, banker positions were represented by Small Medium Enterprise (SME) Relationship Manager positions on the business or marketing side. And a Branch Operation and Service Manager (BOSM) position on the operation or service side with a term of more than five years at the same Bank.

4.1 Internal Audit Work Unit (SKAI for Indonesia)

The Internal Audit Work Unit or commonly abbreviated as SKAI has two functions. The first function is from the financial aspect; SKAI is tasked with checking people in the accounting department regarding compliance or internal banking SOPs. Every activity carried out by the banking accounting department is by the internal SOPs banking. The SKAI here does not function to check whether the accounting carried out in the banking system is by the applicable SAK (Financial Accounting Standards). The second function of SKAI, from the operational aspect, is to examine the inherent risk in the banking sector and how the role of internal control in the banking sector starts from the level of commissioners, directors to the head of branches. SKAI is independent and has nothing to do with commissioners, directors and other officials in banking. SKAI is appointed by banks, where the decision on the appointment is reported to the Financial Services Authority (OJK). SKAI produces a findings report which will be accounted to the president director which will be forwarded to the commissioners on a de jure basis; however, de facto SKAI communicates more of its findings with the compliance director in banking. SKAI is also a partner of the audit committee in banking, so that SKAI will report the conclusions found to the audit committee.

4.2 Account Officer (AO)

The task of the Account Officer (AO) is like a bank product marketing, starting to look for customers. This processing customer begins by filtering which customer credit applications match the Bank's criteria. The credit committee decides it, if approved, then proceed to the disbursement/booking process, which is also related to operation/service. AO's task does not stop; after disbursing/booking customer credit, AO must maintain / monitor according to the period of the customer's credit contract. There are special requirements to become an AO in the middle stage, namely having a minimum of 2 - 3 years' experience to become an AO. AO's scope of work is carried out according to the branch office area where AO is located. Because AO is in charge of finding customers and offering credit, AO often helps customers make customer financial reports which are one of the requirements for going on goals in their credit application. This is done by AO, of course, to achieve targets at work and help customers who mostly do not know what financial statements are and how to make them.

4.3 Internal Audit According to the Auditor

Internal audit functions to check operational compliance or services in the banking sector, carried out by the Bank's internal auditors called the Internal Audit Unit (SKAI). The auditors' compliance checks must be detailed and detailed even if they are related to minor or administrative matters. This is because if it is allowed to continue, then this tiny thing will create a gap for further violations and will become a big problem in the future. SKAI does not perform compliance checks related to accounting because accounting compliance is subject to a separate audit by KAP. The findings from the audit conducted by SKAI will be reported to the parties concerned, especially to the compliance director. Structurally, SKAI is under the board of directors and can also communicate with the commissioners. To become SKAI in a bank, there is no particular qualification because usually, SKAI can be taken from internal banking employees or externals. Each branch regulates the scope of work of the SKAI audit. Auditors must understand banking as a whole, including each operation's duties in the banking sector such as Tellers, Customer Services (CS) to Account Officers (AO). Thus, the auditors are expected to be well received by the banking operations department. Also, auditors must educate bankers regarding the auditors' duty to check compliance and provide solutions or recommendations to problems found in the audit. The suggestions given by the auditors are only related to improvements that the next banker must make. The Auditor does not have the authority to impose penalties on bankers regarding the audit findings. The recommendation given by the Auditor is, of course, also the result of the agreement between the Auditor and the banker where the deadline for the implementation of the proposal is given. The recommendations given by SKAI at this time often also help provide input in the improvement or innovation of banking products. Regarding fraud detection, the auditors have performed the audit optimally. To maximize fraud detection, banks also use Whistle Blower Systems (WBS) as an early warning to detect fraud that bankers may commit.

4.4 Internal Audit According to Bankers

An audit needs to be carried out in operations and services to evaluate the performance, whether it is by the provisions or not. Apart from that, an audit is also required to monitor the performance of the branches. This audit is carried out periodically with the Area Business Control (ABC) scheme. For teller transactions and CS at the end of the month, a cross-take check is carried out, namely BM other branches come to check cash and transaction data. Meanwhile, the service department's audit is carried out only when there are odd transactions such as arrears or reports from customers. In addition to examining compliance with regulations, the audit function has also begun to shift to providing recommendations that can lead to banking products innovations. The audit carried out looks for errors. The banker assesses that the Auditor is obliged to find the mistakes or simply provides information on the examination results from the sampling used. According to the banker, a review or audit carried out in detail is legal to be carried out, but as long as there is no financial loss, it should only be noted that it does not need to be included as an audit finding. The Auditor should not only focus on the results but also on the solutions or recommendations that

should be given to overcome the problems that become the findings. These solutions and recommendations will be followed up to improve banking operations and services where the auditors provide a checklist of audit results and follow-up actions that will be and have been carried out. The Auditor is only authorized to provide recommendations from the findings. The Auditor is not allowed to impose penalties on bankers who commit violations related to these findings. Regarding fraud detection, bankers argue that it is not only the duty of the auditors but the duty of all employees to see whether there is fraud or not jointly. According to bankers, fraud detection can be assisted by Whistle Blower Systems (WBS), where employees or parties who see indications of fraud can report in the WBS. Investigations are carried out according to the reports included in the WBS. This WBS mechanism is expected to help auditors conduct audits more fully and request information, and provide input to branches through visits to check service transactions and operations.

4.5 Gap between Auditor (SKAI) and Banker

The first gap occurs when the OJK inspects banks regarding compliance, then the SKAI in the banking sector will be asked for further information. This is because SKAI is deemed to have carried out a comprehensive examination of all activities carried out by banks. Apart from the SKAI, there is also a Risk Management Work Unit (SKMR), which the OJK will also question. Examples of non-compliance that occur are related to non-compliance with OJK or BI regulations. However, non-compliance like this rarely happens because non-compliance with OJK or BI regulations will be sanctioned in the form of fines of up to 10 million, which are taken or deducted from the banking BI Giro. Many non-compliance and often occur are non-compliance related to internal banking, such as credit. This happens because SKAI only includes evidence of submission, eligibility in the context of the credit ceiling. If the credit committee has approved, the SKAI will also support it. This is, of course, contrary to the fact where the Account Officer (AO) of banks often makes financial reports of customers who apply for credit, and the AO will also analyse the proposed credit. SKAI does not carry out checks in this case. Therefore, a lot of bad credits have occurred. This also happened because, in the beginning, the people in SKAI were taken by banks from former auditors who worked at KAP, hoping that they would understand how to examine to produce findings. However, this decision turned out to be insufficient to make banks free from errors and non-compliance, especially in implementing internal SOPs, because most of them did not even understand the banking sector. Therefore, currently, banks are deciding to prefer SKAI members who come from the banking operations section who are well trained so that they are eligible to become SKAI because they are more familiar with banking and are expected to provide appropriate solutions or recommendations when findings or problems occur in banking. The second gap occurs when SKAI audits banking operations. SKAI considers compliance checks to be carried out in detail and detail, including minor matters and administrative nature. This is because if it is allowed to continue, then this tiny thing will create a gap for further violations and will become a big problem in the future. This is different from what bankers think when SKAI conducts compliance checks (audits). Bankers feel that SKAI is too concerned about small, insignificant things and only makes up the findings. The third gap occurs when SKAI provides solutions or recommendations from the audit results that have been carried out. The explanation or recommendation from SKAI must be followed up so that the audit findings' problems can be resolved appropriately. However, in reality, not all solutions or recommendations from SKAI have been implemented. So far, these solutions or recommendations have remained on paper without any follow-up. To overcome this problem, currently, banking audit is based on a risk-based audit. With a risk-based audit, it is hoped that SKAI will find the leading cause of the problem or find it in the audit. However, establishing a risk-based audit is not a solution because SKAI does not know how to find the leading cause of a problem or audit findings. Also, for the audit findings' follow-up, it was not agreed by the SKAI and the banking operations department. Still, the SKAI itself set the deadline for the settlement, so that this caused problems.

Lack of knowledge of the Auditor's responsibilities on the part of users of financial statements leads to audit expectations. Abiola (2015) suggested that to minimize unreasonable expectations from the public and also to relieve auditor role conflicts, there must be massive education from users of financial statements about the professional role of auditors in addition to increasing the part of supervision. (Devi & Devi's, 2014) research also shows an audit expectation gap between auditors and users of financial statements. The main reason behind this gap is the lack of proper education regarding auditing standards and auditing practices. This gap will be reduced by providing adequate knowledge about auditing to users of financial statements.

5. Conclusion, Limitations and Suggestions

5.1 Conclusions

It is essential to investigate the expectation gap between internal auditors and bankers in more depth. In general, the expectation gap phenomenon has a negative impact that can affect the confidence of service users provided by the accounting profession, especially auditors (Sadewi & Suputra, 2016; Agustin & Djakman, 2015; Rito et al., 2019). Misconceptions about auditors' roles and responsibilities can jeopardize the audit objectives and professional reputation (Quick, 2020). Therefore, this study is of interest to auditors, users of financial reports, and standard setters and regulators. The Auditor can consider whether it is excessive in fulfilling the task, and the user can also find out about inappropriate expectations. Standard setters and regulators

must also narrow the gap in audit expectations, especially in the banking sector. Thus, it is essential to know what misconceptions exist and how they differ among the various stakeholder groups, especially auditors and bankers. Lack of knowledge of the Auditor's responsibilities on the part of users of financial statements leads to audit expectations. Abiola (2015) suggested that to minimize unreasonable expectations from the public and also to relieve auditor role conflicts, there must be massive education from users of financial statements about the professional role of auditors in addition to increasing the part of supervision. Devi and Devi's (2014) research also shows an audit expectation gap between auditors and users of financial statements. The main reason behind this gap is the lack of proper education regarding auditing standards and auditing practices. This gap will be reduced by providing adequate knowledge about auditing to users of financial statements.

5.2 Limitations

This research was conducted using a qualitative interpretive method so that the researcher only has the "right" to interpret the meaning of each symbol given by the informant. Therefore, there may be some expectations from both the Auditor and the banker that have not been revealed. Researchers try to minimize this using in-depth interviews.

5.3 Suggestions for Further Research

Future research could develop the methods used in this study. Development can be continued with a survey method so that more informants can be obtained. Thus, analysis can be carried out in a mixed way.

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