The effect of expectations distance from the responsibility attitude of auditing report by the credit experts and lack of repayment of granted facilities in the branches of Iran's Keshavarzi Bank

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ABSTRACT

Objective: In this research, it has been tried that the relation between the expectations distance from the attitude of auditing report responsibility by the credit experts and lack of repayment of granted facilities in the branches of Iran's Keshavarzi Bank to be studied. **Methodology**: With regard to this issue that the fundamental aim of Keshavarzi Bank is to supply the capital needed for development and constancy of agriculture section, the cheapest and most reliable source of supplying the financial needs is to collect the receivables namely the bank's demand from customers which is one of the important criteria in improvement of management performance too. One of the factors which is considered at the time of deciding for granting the facilities, is the auditing report of facilities demanders. The difference between the society's attitude to the independent auditors' responsibility and whatever that auditors do currently, causes to create the expectations distance from auditing report. In the event that this expectation distance of credit experts and authorities is more than the expected extent, it will be effective on lack of re-payment of granted facilities. **Results**: The findings of this survey research are according to the results gained from collecting 250 questionnaires from deciders and authorities of credits payment in the bank system. In this same line, we have tried to assess this relation by applying the statistics and information collected in time span of 2015. In this research, the linear regression at the level of 95% has been used. With regard to the gained results, it was specified that with increase of expectations distance from the responsibility attitude of auditing report by credit experts, lack of re-payment of granted facilities is increased which indicates the existence of direct relation between these two variables. **Conclusion**: Therefore, for promotion and improvement of profitability, the banks' managers should consider the components and dimensions of auditing report and the compilers of bank standards should have more regard to the concept of auditing report in the conceptual frame and propose it in more colorful form.

1. Introduction

With regard to this issue that the banks and credit institutes such as Keshavarzi Bank for doing their duties and achieving their aims in presenting facilities to the farmers and satisfying the credit needs in order to be accountable for demanders out of agriculture section take action from two main sources of deposits absorption and collection of receivables and in some cases, receiving loans from bank system that a much part of this financial supply is through collection of receivables, in the event that the paid facilities haven't been re-paid completely by customers and always a part of facilities has been in the form of receivables which haven't entered to the collection domain yet and remain by the side of debtors, this problem will be accounted as one of the fundamental problems of bank system that the banks are grappling with it. One of the criteria for cognition of power and ability to re-pay the loans by

demanders of receiving the facilities and bank loan can be the audited financial statements. According to the auditing standards, the aim of presenting the auditing report and auditors' dictum about financial statements is to express their explicit and written opinion about this issue that whether the financial statements of economic unit investigated from all important aspects are done according to the accounting standards and in desirable manner or not. Consequently, with regard to the mentioned issues, an expectation distance from the auditing report is created.

The expectations distance from the auditing report means the difference between whatever that users of financial statements and public section have understood from auditing and whatever that according to the auditing claim during execution is expected that users to understand. If the interpretation of credit experts of banks about the auditing report from whatever that auditor should present or presents now, is different with interpretation of independent auditors, in the first instance, it will cause not to have necessary effectiveness in doing auditing and in the second instance, it will cause the credit experts and deciders of banks with regard to the independent auditors reports to have incorrect decision-making about payment of their facilities to the customer, the decisions that if aren't made correctly, will cause to weaken the credit experts' decision –making at the time of granting the facilities to the customers and this issue will lead to no return on loans and inefficient allocation of economic sources for investment aims. According to the former researches, one of the causes of creation of postponed receivables is disregard to the re-payment power of demanders for using of banks facilities which is specified through studying and assessing the information inserted in the audited financial statements. The issue of lack of re-payment of banks' debts isn't a new discussion. But it is from those issues which currently are accounted from the main disturbances of banks. Therefore, due to the disregard to this issue inside the country, vast researches haven't been accomplished in this field, but, vast researches have been accomplished on this issue out of the country. On one hand, this research is very serious and important for auditing profession and doing it is necessary to identify the deficits existing in the process of reporting and financial informing and improving the auditing services quality. This research seeks to identify the role of expectations distance of credit experts and authorities from the responsibility attitude of auditing report of independent auditors in creating and increasing the postponed receivables in the banks and presents proper solutions in this field. With regard to the mentioned issues, the main question of this research is responded:

Is there positive and significant relation between the expectations distance from the responsibility attitude of auditing report by credit experts and lack of re-payment of granted facilities in the branches of Iran's Keshavarzi Bank?

Each research is done for achieving special aims which are hidden in its problem and should be clarified. The main aim of this research is to study the relation between the expectations distance from the responsibility attitude of independent auditors report and lack of re-payment of granted facilities.

In the second part, the theoretical and research background will be explained. In the third part, the methodology and statistical methods used in this research will be explained. In the fourth part, the research findings and their analysis will be explained and finally in the fifth part, the summary and conclusion of the research will be expressed.

1.1 The theoretical principles and research background

In the recent years, with competitiveness of financial markets, correct pricing of facilities, credits and especially correct estimation of facilities-receptors risk and correct allocation of risk costs to different borrowers (with regard to their risk) have had much importance. Anyway, the banks and financial and credit institutes have to compensate the losses imposed by non-repaid granted facilities from some sources. This method has much inefficiency that one of them is an extortion which is done in the right of valid facilities-receptors; because, this group of customers tolerates the cost of lack of repayment of risky facilities-receptors by paying more rate of profit (Gbadago, 2015).

The credit experts and authorities constantly and uninterruptedly undertake the responsibility of studying and granting loan to the bank customers. They are obliged to satisfy the monetary needs of demanders through allocation of credit. They study the documents presented or granted about loan's demander and moreover, from other sources, they become aware about real financial situation of customer and according to the gained information and documents, they reach to the decision-making point that whether the loan demander deserves for receiving a loan and has the ability to refund it or not. And if the response is positive, he/she has affordability to receive the loan to what extent. The credit managers and experts by using of the gained information and documents and relying on the experiences and expert knowledges that have in the credit affair should authenticate that how much credit is suitable for the intended customer and by adopting the necessary guaranties and pledges and concluding proper contract, they should be ensured of the return of facilities. The credit experts in addition to need to be equipped with technical knowledge and ability to understand and cognize the persons correctly, should be also equipped with sufficient experience and efficiency. This is the power of cognition and experience during the time which will become more evolved and precise. Although, at the time of granting the credit, the necessary studies are accomplished by the credit experts and deciders through studying the auditing reports and after being ensured of the justifiability of intended plan, some issues like technical, financial and credit elasticities and capacities of demander are assessed with much precision and then the needed pledges are taken. Another case which can be effective on the bank receivables except responsibility attitude, includes the accreditation attitude of the credit experts of banks. Such as assessment of mentioned role causes to present different facilities with different aspects for accountability to the expectation distance from that role and in such a situation, the auditors of the credit section of banks can not eliminate their vital duty from the society's expectations and this affair in turn will cause to influence on the bank receivables (Ahmadzadeh et al., 2013).

Publicity of the economic firms possession, financial supply (receiving a loan), through public participation and privatization of governmental sections and firms under coverage in the recent years are from the main factors of fundamental changes in Iran's economic environment. In such conditions, transparency and desirable quality of financial and non-financial information which are the base of economic decision-making of actual and potential investors, have worthy importance. With considering this issue that remarkable amount of information needed for users is provided, processed and reported by the economic firms management, being relatively ensured of the quality of this information seems necessary (Hassas Yeganeh and Khaleghi, 2004).

Consequently, the expectations distance from the responsibility attitude of auditing report by credit experts is effective on creation of non-current receivables of banks. One of the consequences of incremental growth of non-current receivables ratio is this issue that a part of the banks sources in long-term has been exited from circulation and another part is considered as non-current receivables storage for covering the probable loss arising from lack of

return of receivables. This issue finally with reflection in the banks' balance sheet leads to reduce the profitability and asset quality of the banks. According to this, the banks for compensation of this loss may allocate their facilities more to the sections which are early returns and the time span of their repayment is shorter. This issue leads to reduce the facilities granted to the late return sections like agriculture and production sections. Existence of the financial useless sources in the banks or lack of return of credits to the banks has caused to reduce the loaner power of bank network and with reduction of investment in the production section of the country, reduces the economic development. Meanwhile, in Iran due to the different nature of bank network activity, the banks can take action for overdraft from the sources of Markazi Bank whenever that they want. An issue which leads to increase the monetary, liquidity and inflation base.

The issue of lack of repayment of banks debts isn't a new discussion; but it is from those issues which are accounted from the main disturbances of banks recently. Therefore, due to the disregard to this issue inside the country, vast studies haven't been accomplished in this field; but vast studies have been accomplished on this issue out of the country. Thus, a number of the studies done in the past in Keshavarzi Bank, other banks and a number of foreigner banks is introduced as follows:

Hassink et al. (2009) in an empirical research studied the expectation distance with regard to the role of auditors in the fraud cases. The research findings indicated that firstly, the auditors don't have much awareness about their professional responsibility for studying any kind of fraud occurrence in all conditions. The researchers have entitled this factor as the cause of creating expectation distance arising from the efficiency weakness and for elimination of it, they suggested the education of auditors in this field.

Haniffa and Hudaib (2007) tested and confirmed the issue of fraud and existence of expectations gap about the auditors responsibility.

Salehi et al. (2008) during a research have studied the expectations gap between the auditors and employees of bank about duties of independent auditors and concluded that despite of existence of some mutual agreements, there is significant gap between the auditors and employees of bank about their view to the duties of independent auditors.

Noghondari and Foong (2009) studied the effect of expectations distance from the auditing report and decision-making of facilities payment by credit experts in Iran banks. This research indicated that there is negative relation between the expectations distance from auditing report and facilities decision-making by credit experts.

Bagheri and Najafi (2004) studied the effective factors of agriculture credits repayment by using of cognitive analysis for Fars Province in two groups of just-in-time collection or lack of collection of receivables and indicated that the variables of natural losses and expected distance for receiving loan have caused to reduce the probability of facilities repayment and some variables like the ratio of farm income to the total income, products insurance, control and supervision of bank experts, period length of loan repayment and kind of activity for applying the loan have caused to increase the probability of facilities repayment.

Arab Mazar and Roueentan (2006) in their article entitled "the effective factors on credit risk of bank customers; case study: Keshavarzi Bank" by using of Logit regression method have studied the qualitative and financial information of a random 200-item sample of companies which have taken loan from the branches of Keshavarzi Bank of Tehran Province during the years of 2000-2005. They found out that the main factors like the kind of activity, history of cooperation with bank and amount of loan have significant effect on the credit risk of legal customers of Keshavarzi Bank and these factors have much intersection with effective factors on credit risk of legal customers of other banks.

Mahdian (2009) in his MSc thesis entitled "the expectations distance between the independent auditors and financial managers of companies in assessment of auditing report" has concluded that there is significant difference between interpretation (imaginations) of auditors and financial managers about the messages inserted in the auditing report about auditing process including some cases such as verification of all important transactions and remainders and using of pre-determined criteria and doing auditing according to the personal taste and messages inserted in the auditing report about reasonability of the information assessment criterion.

2. Materials and methods

2.1 The methodology and hypotheses
In terms of the kind of method with regard to this issue that current research has the aim of studying the relation between the expectations distance from the responsibility attitude of auditing report by credit experts and lack of repayment of granted facilities in Keshavarzi Bank, current research in terms of the aim is from the applicable researches and in terms of methodology, it is from descriptive-survey kind that for information collection, the library method was used for the theoretical studies and research background. Then, for accepting or rejecting the hypotheses test, the field method for collection of necessary information or survey tool (questionnaire) has been used.

2.2 The main hypothesis:
There is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and lack of repayment of granted facilities.

2.3 The subsidiary hypotheses:
Subsidiary 1: There is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) expired.
Subsidiary 2: There is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and postponed receivables.

Subsidiary 3: There is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) collected doubtfully.

Subsidiary 4: There is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and written-off receivables (debts).

2.4 The time domain and statistical population of the methodology

The time domain of this research is the year of 2015. The statistical population of the research includes the credit experts and deciders of Iran's Keshavarzi Bank. To select the statistical sample among the statistical population, Cochran's formula was used to specify the sample size for us. Then, the questionnaires which had been provided with regard to the research hypotheses and with help of other valid and standard questionnaires in this field, were distributed among the statistical samples and after completion, they were collected and finally, the collected information was analyzed and the results were discussed with the findings of other related studies. The intended questionnaire simultaneously was sent to all branches all around the country through bank automation system (e-mail). And, it was presented to the credit experts and deciders of bank. Among the sent questionnaires, 294 questionnaires were received that after controlling and conforming to the standard questionnaire and those questionnaires which had been responded completely, 250 questionnaires were selected as the final sample.

2.5 The research questionnaire

The relation between the independent and dependent variables is gained by the information collected through questionnaire. For measurement of information, Likert spectrum has been used, in this form that the qualitative features are converted to the quantitative ones so that the statistical analysis is accomplished according to the quantitative features. After collection of the questionnaires, the scores of each questionnaire are calculated. Then, the statistical analysis is accomplished and the research result is gained.

With regard to the subject and method of the research, at current research, 250 questionnaires of exit poll about the effective causes on the debts expired-postponed- written-off or collected doubtfully were completed. The intended questionnaire includes 17 questions that 5 questions are related to the general information and 12 questions are related to the responsibility attitude of independent auditor and lack of repayment of facilities (loan).

2.6 The mutual agreement and coordination test of experts' opinions (test reliability)

Since, at current research, for determination of effective causes on the debts (receivables) expired-postponed-collected doubtfully and written-off, the questionnaire method has been used, there is the necessity to study the ability of intended tool in measurement of an attribute that the test has been made for measurement of it which is said "validity". After compilation of questionnaire, the researcher presented it to the bank professors and experts and after taking the opinions of mentioned group, the reformatory acts were done in the questionnaire and the validity of it was gained with regard to the consultative opinion of bank experts. Consequently, the validity of the questionnaire was confirmed. There is a close concept to the validity which is named as "reliability". Reliability in fact is a measurement tool. In order to assess the reliability, at first a primary sample including 50 questionnaires of pretest was distributed and then after collection of questionnaires by using of data gained from the questionnaire, the amount of confidence coefficient was calculated by Cronbach's Alpha method. In this research, Cronbach's Alpha coefficient for all three main parts of the questionnaire's questions was larger than 0.70 which indicated that the questionnaire has the acceptable confidence level and in other words, necessary reliability. Therefore, the confidence level (reliability) of this questionnaire is confirmed and accepted completely. The data analysis has been accomplished by using of software SPSS, edition 20 and with regard to the measurement scales and existing data, for data analysis, the descriptive and inferential statistical methods were used. In data analysis by descriptive method in this research for the individual and demographic specifications, the frequency tables (frequency, frequency percent, cumulative frequency) and columnar diagrams, mean, standard deviation, middle, scores range were used and for studying the research hypotheses, Pearson correlation and regression have been used.

2.7 The empirical model of the research and data

According to the aim of current research, in this research, the situation of lack of repayment of granted facilities of Iran's Keshavarzi Bank has been considered as dependent variable that in this research, 4 criteria of lack of repayment of granted facilities have been used which consist of receivables (debts) expired, postponed, collected doubtfully, written-off and the expectations distance from the independent auditors report is as the independent variable. In this research, the responsibility attitude of independent auditor has been used.

According to this, 5 regression models have been estimated which consist of:

Model 1: $Per = \alpha + \beta AR + \varepsilon$

Model 2: $PDR = \alpha + \beta AR + \varepsilon$

Model 3: $PD = \alpha + \beta AR + \varepsilon$

Model 4: $RD = \alpha + \beta AR + \varepsilon$

Model 5: $BD = \alpha + \beta AR + \varepsilon$

Per: Credit experts performance, **PDR:** Receivables (debts) expired, **PD:** Receivables postponed, **RD:** Receivables collected doubtfully, **BD:** Receivables written-off, **AR:** Responsibility attitude of auditor, **α:** Intercept, **β:** The changes coefficient of independent variable, **ε:** Error component.

2.8 The descriptive statistic test

Table 1. The descriptive statistics of the expectations distance from responsibility attitude of auditing report by credit experts and lack of repayment of granted facilities and their components

Variables	Responsibility attitude of independent auditors	Lack of repayment of granted facilities	Receivables (debts) expired	Receivables postponed	Receivables collected doubtfully	Receivables written-off
Number	250	250	250	250	250	250
Mean	2.37	3	2.96	2.86	3.01	3.16
Standard deviation	1.54	1.86	2.17	2.14	1.85	1.27
Skewness	-0.178	0.63	-.059	0.318	0.69	1.57
Kurtosis	0.419	0.58	0.538	-0.021	0.93	0.87
Minimum	2	1.5	1	1	2	2
Maximum	5	5	5	5	5	5

In the above table, the descriptive statistics of the research variables were studied that with regard to the skewness and Kurtosis of the variables, it can be concluded that the variables have normal distribution and the standard deviation also confirms this issue. Despite of this, for normality of the research variables, Kolmogorov-Smirnov test has been used.

2.9 Studying the assumption of the variable's normality

Before testing the research hypotheses, we should be ensured of the data normality; for testing the normality of the error sentences, different tests can be used. One of these tests is Kolmogorov-Smirnov test that is also used in this research. As it is observed in the table (2), the result of significance level of this test for all data is higher than 5% which indicates the normality of these data. The normality data specify the manner of data distribution.

Table 2. Kolmogorov-Smirnov test for studying the assumption of variables normality

The research models	z-statistic	Significance level
First model	0.86	0.209
Second model	0.41	0.639
Third model	0.18	0.949
Fourth model	0.16	0.806
Fifth model	0.39	0.677

3. Discussion and results

3.1 The results gained from the hypotheses test

The results gained from the main hypothesis test and model (1) have been shown in the table (3). Model 1 expresses the relation between the expectations distance from the responsibility attitude of independent auditors and lack of repayment of granted facilities. F-amount in the table (3) is equal to 56.03 which expresses that the whole of the model is significant in the level of 0.001 ($P<0.05$). R^2 is the determination coefficient which is the square amount of multiple correlation coefficient. The determination coefficient between two variables is equal to 0.30 ($R^2=0.30$) or in other words, 3% of changes is common between two variables. Also, the significance level of the model is lower than 0.05 which indicates the confirmation of the regression model of the research. Therefore, the main hypothesis of the research is confirmed that with increase of expectations distance from the responsibility attitude of independent auditors, lack of repayment of granted facilities is also increased.

Table 3. The analysis results of the first regression model (main hypothesis)

Variable	Abbreviation symbol	Non-standardized coefficient β	Standard error	student/t-test	Significance level
Per=α+βAR+ε					
Expectations distance from the responsibility attitude of independent auditor	AR	0.5	0.06	7.14	0.00
Intercept	CONS	1.72	0.23	6.9	0.00
Number		250			
F-statistic		56.03			
Determination coefficient, R^2		0.3			
Significance level of the model		0.00			

The results gained from the first hypothesis test and model (2) have been mentioned in the table (4). Model (2) shows the relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) expired. R^2 is the determination coefficient which is the square amount of multiple correlation coefficient. The determination coefficient between two variables is equal to 0.27 ($R^2=0.27$) or in other words,

27% of changes is common between the two variables. Also, the significance level of the model is lower than 0.05 which indicates the confirmation of the regression model of the research. Therefore, the first hypothesis of the research is confirmed that with increase of the responsibility attitude of independent auditors report, the expired receivables are also increased.

Table 4. The analysis results of the second regression model (first hypothesis)

$$Pdr= \alpha+\beta_1AR+ \varepsilon$$

Variables	Abbreviated symbol	Non-standardized coefficient β	Standard error	student/t-test	Significance level
Expectations distance from the responsibility attitude of auditor	AR	0.45	0.22	6.4	0.00
Intercept	CONS	0.86	0.19	3.4	0.00
Number		250			
F-statistic		50.43			
Determination coefficient, R^2		0.27			
Significance level of the model		0.00			

The results gained from the second hypothesis test and model (3) are in the table (5). Model (3) indicates the results of relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) postponed. F-amount in the above table is equal to 56.03 which expresses that the whole of the model is significant in the level of 0.001 (P<0.001). R^2 is the determination coefficient which is the square amount of multiple correlation coefficient. The determination coefficient between two variables is equal to 0.30 (R^2=0.30) or in other words, 3% of changes is common between two variables. Also, the significance level of the model is lower than 0.05 which indicates the confirmation of the regression model of the research. Therefore, the second subsidiary hypothesis of the research is confirmed that with increase of the expectations distance from the responsibility attitude of independent auditors, the postponed receivables are also increased.

Table 5. The analysis results of the third regression model (second hypothesis)

$$Pd= \alpha+\beta_1AR+ \varepsilon$$

Variables	Abbreviated symbol	Non-standardized coefficient β	Standard error	student/t-test	Significance level
Expectations distance from the responsibility attitude of auditor	AR	0.5	0.05	9.12	0.00
Intercept	CONS	0.39	0.13	1.42	0.00
Number		250			
F-statistic		56.03			
Determination coefficient, R^2		0.3			
Significance level of the model		0.00			

The results gained from the third hypothesis test and model (4) are in the table (6). Model (4) indicates the results of relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) collected doubtfully. The results of table 6 indicate that Beta, the variable of expectations distance from the responsibility attitude of independent auditors is equal to 0.50 which is significant in the level of 0.001 (P<0.001) and this indicates that the expectations distance from the responsibility attitude of independent auditors has significant relation with receivables (debts) collected doubtfully. With regard to the research results, there is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and debts collected doubtfully. Consequently, the third hypothesis of the research is confirmed.

Table 6. The analysis results of the fourth regression model (third hypothesis)

$$Rd= \alpha+\beta_1AR+ \varepsilon$$

Variables	Abbreviated symbol	Non-standardized coefficient β	Standard error	student/t-test	Significance level
Expectations distance from the responsibility attitude of auditor	AR	0.5	0.07	6.45	0.00
Intercept	CONS	0.36	0.13	1.22	0.01
Number		250			
F-statistic		56.03			
Determination coefficient, R^2		0.3			
Significance level of the model		0.00			

The results gained from the fourth hypothesis test and model (5) are in the table (7). Model (5) indicates the results of relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) written-off. The results of table (7) indicate that Beta, the variable of expectations distance from the responsibility attitude of independent auditors is equal to 0.50 which is significant in the level of 0.001 (P<0.001) and this indicates that the expectations distance from the responsibility attitude has significant relation with receivables (debts) written-off. With regard to the

research results, there is positive and significant relation between the expectations distance from the responsibility attitude of independent auditors and debts written-off. Consequently, the fourth hypothesis of the research is confirmed.

Table 7. The analysis results of the fifth regression model (fourth hypothesis)

		Non-standardized coefficient			
Variables	Abbreviated symbol	β	Standard error	student/t-test	Significance level
Expectations distance from the responsibility attitude of auditor	AR	0.5	0.07	5.37	0.00
Intercept	CONS	1.12	0.12	4.73	0.00
Number		250			
F-statistic		56.03			
Determination coefficient, R^2		0.3			
Significance level of the model		0.00			

The heading spans: $BD= \alpha + \beta_1 AR + \varepsilon$

4. Conclusion

The most important ban operation is to absorb the funds and savings and use of them for satisfying the financial need of different kinds of economic activities. The banks with having a main part of the society's liquidity have played very sensitive and important role in the economic system and they have worthy effect on regulation of economic relations and occasions of the society. If the necessary preparations are accomplished in the field of collection of non-current receivables of facilities, a significant part of the shortage in the financial and credit sources of banks will be eliminated. In this field, studying the past histories of demander, financial statements and company's assets has been considered by credit experts and it shouldn't be ignored. Perhaps, due to this, the credits as the consumption section of bank sources have been always considered by managers and customers. Those customers that as demanders have sought for receiving a loan (in the frame of facilities and commitments) from bank and those managers and experts that with abundant precision have tried in optimal allocation of bank sources and try to grant the facilities to those demanders who have the necessary competence and are able to execute their commitments correctly. In other words, the credit experts, authorities and deciders at the time of decision-making about granting the facilities adduce to the report of independent auditors. Therefore, the auditing report indicates the information risk and can be as an important factor in assessment of the situation of credit demander by creditor. Since, the credit demander presents his/her situation to the bank with help of financial reporting system; therefore, the role of independent auditor is important in assessment of credit. As the role of responsibility attitude of auditing report in credit experts in creating non-current receivables causes that the possibility of precise credit planning and policy-making not to be provided for the bank authorities and monetary policy-makers. Because, existence of financial useless sources in the banks or lack of return of credits to the banks has caused to reduce the loaner power of bank network and with reduction of investment in the production section of the country, it reduces the economic development. Meanwhile, in Iran due to the different nature of bank network activity, the banks take action for overdraft from the sources of Markazi Bank whenever that they want. An issue which leads to increase the monetary base, liquidity and inflation. Auditing due to clarify the information and specify the amount of debts may influence on experts' opinion. It is expected that the responsibility attitudes of auditing to improve the opinion of bank's experts and cause positive reaction.

In this research, the following hypotheses have been studied that the results are as follow:

The main hypothesis was proposed about the positive relation between the expectations distance from the responsibility attitude of independent auditors and lack of repayment of granted facilities which was tested by the statistical one-variable correlation and regression method. The Parson correlation coefficient between the expectations distance from the responsibility attitude of independent auditors and lack of repayment of granted facilities is equal to 0.63 which is significant in the level of 0.01 (P<0.01) that with regard to the results gained from the correlation and regression test, the above hypothesis is confirmed.

The first subsidiary hypothesis was proposed about the positive relation between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) expired which was tested by the statistical one-variable correlation and regression method. Pearson correlation coefficient between the expectations distance from the responsibility attitude of independent auditors and receivables (debts) expired is equal to 0.34 which is significant in the level of 0.01 (P<0.01) that with regard to the results gained from correlation and regression test, the above hypothesis is confirmed.

The second subsidiary hypothesis was proposed about the positive relation between expectations distance from responsibility attitude of independent auditors and receivables (debts) postponed which was tested by statistical on-variable correlation and regression method. Pearson correlation between the expectations distance from the responsibility attitude of independent auditors and debts postponed is equal to 0.54 which is significant in the level of 0.001 (P<0.001) that with regard to the results gained from correlation and regression test, the above hypothesis is confirmed (Godquin, 2004).

The third subsidiary hypothesis was proposed about the positive relation between the expectations distance from responsibility attitude of independent auditors and receivables (debts) collected doubtfully which was tested by statistical one-variable correlation and regression method. Pearson correlation coefficient of expectations distance from the responsibility attitude of independent auditors and receivables (debts) collected doubtfully is equal to 0.49 which is significant in the level of 0.001 (P<0.001) that with regard to the results gained from the correlation and regression test, the above hypothesis is confirmed. The results conform to the findings of Kupahi and Bakhshi (2002).

The fourth subsidiary hypothesis was proposed about the positive relation between expectations distance from responsibility attitude of independent auditors and debts (receivables) written-off which was tested by statistical one-variable correlation and regression method. Pearson correlation coefficient

of expectations distance from the responsibility attitude of independent auditors and receivables (debts) written-off is equal to 0.57 which is significant in the level of 0.001 (P<0.001) that with regard to the results gained from correlation and regression test, the above hypothesis is confirmed. These results conform to the findings of Hassas Yeganeh and Khaleghi (2004).

4.1 The research limitations

The limitations that in belief of researcher, this research has been facing with them, are as follows:

1. Lack of tendency to respond in some persons despite of repetitive references.

2. Natural limitation of the questionnaire; namely, the questionnaire may not be able to reflect the opinions correctly.

3. With regard to the natural environmental aspect of the research at the time of responding to the questionnaire that the conditions of each branch in terms of the paid facilities, regional conditions and receivables pursuance influence on responding to the questionnaire.

4. Lack of sufficient acquaintance and cognitions of related experts and authorities about all clauses of auditing report which influence on the created expectations distance from auditing report.

5. The statistics and information needed for each year are presented after conclusion in long-term in the next years. Therefore, the statistics of the former years should be used.

4.2 Some suggestions for the future researches

The following suggestions are presented for doing the future researches:

1-Although, the managers of Keshavarzi Bank are accounted as one of the most important beneficiaries of current research; despite of it, the comparative execution of current research by the future researchers can be very helpful for compiling more effective policies by ministration of Jihad Keshavarzi, ministration of industry, mine and commerce and ministration of economy as the main authorities of macro-policing of bank which have a national importance.

2-It is suggested that a research about the role of audited financial statements of companies to be accomplished for helping the bank' managers for optimal analysis and decision in granting the facilities and preventing from creation of receivables (debts).

4.3 Some suggestions for radical solution of lack of repayment of granted facilities

1-The senior managers of Keshavarzi Bank for reduction of expectations distance from the auditing report by credit experts should adopt a cohesive and systematic approach and design and execute a compiled plan with regard to the promotion and development of their plans in a manner that the ability to analyze the auditing report and financial statements related to the report causes to reduce the expectations distance from auditing report and understand the financial and credit situation of facilities demander correctly. Therefore, more correct and precise decision-making at the time of granting the facilities causes more proper repayment of granted facilities.

2-With regard to this issue that the effect of the variable of expectations distance from auditing report by credit experts is incremental on repayment of granted facilities; therefore, regard to these two cases should be accomplished more than before. Namely, the compilers of bank standards should have more regard to the concept of auditing report in the conceptual frame and propose it in more colorful form.

3-The ban experts and deciders for payment of facilities to the credit demanders in addition to study the auditing reports, should study other financial statements such as cash funds flow to decide about just-in-time ability for payment of facilities by demanders more precisely.

4-Most of the problems of bank network are due to its governmental nature. Therefore, providing the mechanisms for lack of interference of government and political institutes in banking affairs and especially presenting bank facilities is from very important acts which is suggested to the banks for increasing the rate of debt repayment.

5-On the other hand, the bank's employees and managers should improve their cognition from each other through dynamic, constant and long-term interaction to achieve a better understanding of needs, requests and expectations of themselves and in the necessary situations have better assistance and cooperation; because, one of the most important factors of auditing report effectiveness in the organization is its acceptability by the side of employees according to the needs, expectations and also facilitation of processes and its utility from employees' view.

6-By strengthening the risk management in the banks in addition to the identification and coverage of all risks, serious emphasis on the process of financial assessment of plans with relying on audited financial statement and auditing report, also quantitative and qualitative strengthening in the technical, financial and economic studies sections and use of extra-organizational expert forces if necessary in order to be acquainted and promote the level of specialized education of auditing and accounting by holding special educational courses or supporting the scientific, investigative and academic researches, a better understanding of the effective components on auditing report should be achieved and the undesirable results of it like bankruptcy and reduction of competitiveness should be minimized.

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