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Khaled Ahmed Mohammed Al-Alimi
This study aims at studying the impact of the implementation of the corporate governance concept on the expectations gap between auditors and the users of the financial statements in the auditing environment in Yemen. This study analyzed the opinions of Yemenis auditors and investors. The study sample has been selected from the auditors in Sana'a city and the investors who are basic users of financial lists and the beneficiaries of the audit report.

To achieve the objectives of the study, The researcher used descriptive and analytical approach in data collection from its primary and secondary sources. The researcher depended on the previous theoretical study and previous studies in designing a questionnaire. the total number of the distributed questionnaire is 200, 173 of them have been returned, this means (87%) of the participants. The researcher used the SPSS statistical package for analyzing the collected data.

The study has been divided into seven chapters. First chapter is introductory which includes rationale, statement of the problem, and perspective/approach to the study, Society and the study sample, methods of data collection and analysis. And also includes the review of literature: deals with lot of studies of many researchers about corporate governance and expectations gap in the auditing profession. Second chapter deals with three sections the first section is about the general information of Yemen. The second section is about the auditing profession in Yemen. And the third section is about the corporate governance in Yemen. Third chapter deals with the general framework of corporate governance. Fourth chapter deals with the expectation gap and the extent to which it is influenced by the principles of corporate governance. Fifth chapter deals with research methodology. Sixth chapter deals with data analysis and interpretation, Seven chapter concludes the present study with the summary, findings and recommendations.
The study concluded that the application of the corporate governance will have an appropriate level of trust and confidence for investors and users of financial statements. It will also have a positive impact on their dependence on the financial reports prepared and audited in accordance with the principles and mechanisms of corporate governance. This means narrowing the expectations gap between the auditors and users of financial statements in Yemen. The principle of disclosure, transparency and responsibilities of the board of directors are the most important principles affecting to narrow the expectation gap in the auditing profession. The principle of equal treatment with the shareholders is the least effective principle.

The researcher recommends to establishing a supreme council for accounting and auditing profession in order to organize and development the accounting and auditing profession in Yemen through generating auditing standards convenient with the nature of businesses in Yemen and the professional rules and morals. The researcher recommends to expanding the application of corporate governance principles in order to activate the good practices of the company management in compliance with the international rules and standards, obligating the public stock companies to comply with such rules and standards to ensure providing transparent financial reports with high quality in compliance with the generally accepted accounting and audit standards. The researcher recommends also to reviewing the legislations relevant to corporate governance such as the companies law, the law of auditing, investment law and the other relevant laws to develop them to comply with the corporate governance principles. The researcher recommended to expanding the transparency and disclosure level in the financial reports that should be provided to all the stakeholders, The researcher also recommended that the external auditor should be acquainted with the different viewpoints of the users of the financial statements, improving his communication with them and responding to their reasonable expectations.