

PROFESSIONAL AUDIT EDUCATION AND AUDIT EXPECTATION GAP AMONG CHARTERED ACCOUNTING STUDENTS OF SRI LANKA

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The main objective of this study was to examine the impact of professional audit education on the audit expectation gap in the Sri Lankan context. The existence of audit expectation gap could cause negative consequences on the accounting and audit professions and there is a dearth of studies of this nature in the Sri Lankan context. Even the handful studies that exist, look at the impact of academic audit education rather than professional audit education. Therefore, this study is expected to fill this dearth identified and addresses an important contemporary issue. Accordingly, the target population of this study is students of CA Sri Lanka (being the national premier professional accounting body) in three groups: students who had completed a basic level audit course, a moderate level audit course and an advance level audit course in the CA Sri Lanka professional examinations and professional auditors were the population considered for the auditors. This study used a quantitative approach, which was deemed appropriate as the level of gap and effect of audit education were being examined. Responses were gathered via a self-administered structured questionnaire, which was constructed based on extant literature, and refined via expert opinions and conducting a pilot survey. Accordingly, thirty duties of external auditors were selected to assess the audit expectation gap. The t-test results indicated that professional audit education played an important role in reducing the audit expectation gap to a certain level, which means that there is a positive impact of audit education provided at CA Sri Lanka on reducing the audit expectation gap. However, it was also identified that a basic level of audit course had little effect on creating awareness about the auditor's duties, but moderate and advance level audit courses played a major role in significantly reducing the expectation gap. These findings are expected to have significant policy implications for educational policy-makers and regulators where effective audit education should be promoted to reduce the audit expectation gap in the Sri Lankan context.

Keywords: *Audit Expectation Gap, Professional Audit Education, CA Sri Lanka*