

Role of Audit Education in Minimizing Audit Expectation Gap (AEG) in Nigeria

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Abstract

Considerable evidence of a gap exists between the expectations of users of financial statements and the accountancy profession as to the definitive scope and usefulness of an audit function. This gap is largely suspected to be associated with ignorance and misconception of the public, and results in widespread misunderstanding and unreasonable expectations being imposed on the duties of auditors. This study was carried out to determine whether the provision of auditing course as part of a third year business degree curriculum could narrow down this gap. The study adopts a quasi-experimental pre-test post-test non-equivalent control group design, using three (3) randomly selected intact groups of University students. A modified and validated five-point likert scale questionnaire was constructed and administered to each of the three groups. Results obtained using Analysis of Covariance (ANCOVA) and Post Hoc Pairwise Comparison reveals that exposure to a course on Auditing significantly enhanced the knowledge of students in the two experimental groups, and accordingly reduced their expectations on the scope, reliability and decision usefulness of audit function. The study however found no significant improvement in their perception of the key components based on industry work experience of the students. The paper, therefore, concludes that audit education has significant effect on AEG in Nigeria and calls on the accountancy profession, educational institutions and regulators to initiate appropriate policy framework for increasing financial statement users' knowledge and awareness of the nature and limitations of an audit through broad-based audit education and enlightenment programmes.

Keywords: audit education, audit function, user perceptions, audit expectation gap

1. Introduction

External auditing is a credibility and reliability enhancement tool for effective and efficient functioning of business operations, the capital markets and the entire economy. The potency of this tool was however called into serious question after some spectacular and well publicized multinational corporations (like World Com, BCCI, Enron, and Global Crossing) collapsed shortly after unqualified ("clean") audit reports had been issued on them. The Nigerian business environment also witnessed financial scandals involving African Petroleum Plc, Cadbury Nigerian Plc, Liver Brothers Plc and many financial institutions resulting from widespread frauds in which reputable audit firms and accounting professionals were implicated for fraudulent financial reporting and for misleading the public (Appah, 2010; Ihendinihu, 2007). These and similar circumstances fuelled widespread criticisms on the credibility and reliability of audit function with investors, regulatory bodies, politicians and the general public pointing accusing fingers at auditors. These criticisms have arisen because the public expects the auditor to provide a complete, error-proof guarantee on the accuracy of financial statements, including the discovery of frauds and irregularities, as against what auditors are actually required to do under the law and their professional code for practice.

Pierce and Kilcommins (1996) provide evidence to show that some of the criticisms are based on society's lack of knowledge of company law and auditing standards and a misunderstanding of the fundamental role of the external auditor. In an earlier study, Tweedie (1987, p. 20) noted that

The public appears to require a burglar alarm system (protection against fraud)...a radar station (early warning of future insolvency)... a safety net (general re-assurance of financial well-being)... an independent

auditor (safeguards for auditor independence)... and coherent communications (understanding of audit reports.

He concludes that the basic tenets of an audit have indeed been mis-understood by the public and this has resulted to users' confusion and unreasonable expectation being imposed on the duties of the auditor.

Audit Expectation Gap (AEG) is therefore the difference in the perception of users of financial statements and the auditing profession/auditors as to the definitive scope of audit function. It reflects a perceived difference between what the public expects from an audit and what the audit profession accepts the audit objective to be (Adeyemi & Uadiale, 2011). Lin and Cliden (2004) reports the belief of the public and other users of financial statements that auditors should take more responsibilities in detecting fraud, illegal acts and material misstatements and to perform better in communicating the nature and the result of audit, including giving early warning about the possibility of corporate failure in the near future. This "tall" expectation and belief by the public, undoubtedly, breeds public dissatisfaction with the performance of auditors, while eroding end-user trust and confidence on audit reports. It is evidently the cause of misjudgment and unending blame heaped on auditors and the entire accounting profession each time a firm is reported to have gone bankrupt.

Public trust is the bedrock of every profession and when such trust is eroded the profession suffers societal skepticism and depletion in its relevance and value to the public. This partly explains why the auditing profession, which was once the toast of investors with members classed among the most credible professionals, has of late become a victim of mistrust and crises of confidence (Salehi, 2007; Adeyemi & Uadiale, 2011).

Audit Expectation Gap manifests in unfulfilled expectations of the public, depresses earning potentials, and lowers the credibility and prestige associated with the process and outcome of an audit. The gap could also result to impairment of wealth creation and political stability, as well as confidence and accountability issues for the public and investors. Lee, Azham, and Shamini (2009) reviewed reliability and credibility challenges to audit function and the auditing profession following large scale corporate financial scandals in, and collapse of, many multinational corporations shortly after "clean" audit reports were issued on them. Their review further examined critical implications of AEG and noted that:

The auditing profession believes the increase in litigation against, and criticism of auditors can be traced to audit expectation gap. The audit expectation gap is detrimental to the auditing profession as it has a negative impact on the value of auditing and the reputation of auditors in modern society.

Salehi and Rostami (2009) provided international evidence on the nature, causes and prevalence of AEG across major world economies and associated the gap to "over-expectation" and "lack of knowledge" by financial statement users about auditors' role and responsibilities. It could therefore be argued that users' ignorance, over-expectation and lack of knowledge are by-products of lack of education, and any agenda for reducing AEG which are not targeted at increasing users' knowledge and awareness of the nature and limitations of audit function and outcome may not go far in resolving the problems of AEG.

Audit education involves the process of enlightening, training and creating awareness on the statutory duties of the auditor to users of financial information and the general with the aim of improving their level of understanding of the functions of an audit process; and subsequent bridging the gap between expectations of the public and performance of the auditor. Previous studies (Adeyemi & Uadiale, 2011; Appah, 2010; Rehana, 2010; Javed, Taslima, & Aklema 2009; Pierce & Kilcommins, 1996) report the relevance of audit education in minimizing audit expectation gap by exposing financial information users to, and helping them, appreciate the role of auditors from the statutorily defined perspective.

Pierce and Kilcommins (1996) noted the existence of conflicting views in literature regarding the role of auditing education in narrowing this gap and found a significant reduction (at the .05 level) in all elements of misunderstanding gap for those groups who studied either a module or a course in auditing during the period. Javed et al. (2009) used survey responses of auditors, bankers and students in Bangladesh to provide evidence that audit education significantly reduces the AEG, especially in the area of audit reliability. Rehana (2010) also investigated the role of auditing education in narrowing this gap in Bangladesh and provided evidence that the provision of auditing subjects as part of business degree programmes significantly contributes to narrowing expectation gap resulting from misunderstanding of audit regulations. Adeyemi and Uadiale (2011), while confirming the existence of audit expectation gap in Nigeria, particularly on issues concerning auditor's responsibilities, recommend educating the public about the objects of an audit, auditors' role and responsibilities as a strategy for narrowing the AEG.

These studies raise real questions on whether audit education and exposure to industrial work environment could play any vital role in broadening users' understanding of audit function as defined by law and professional

pronouncements in Nigeria. The main purpose of this study is to determine the extent to which public confidence and trust on the outcome of audit process can be enhanced through audit education.

1.1 Research Questions

- To what extent could audit education create the needed awareness and enlightenment to enhance user/public reliability of the audit process and decision usefulness of audited financial information?
- Does exposure to industrial work environment enhance the perception of users of audited financial statements on auditors' duties and responsibilities, reliability and decision usefulness of audit reports?
- How relevant is audit education in minimizing AEG in Nigeria?

These questions are indeed yearning for answers, hence the central challenge of this paper is to provide empirical evidence on the effect of audit education and industry work experience on Audit Expectation Gap in Nigeria and thus re-awaken greater consciousness of stakeholders of corporate reports on the need for audit education in emerging economies.

1.2 Research Hypotheses

The following three hypotheses were formulated to guide the study:

Ho1: There is no significant difference in the mean rating scores of students from the three learning groups with regard to auditors' duties and responsibilities.

Ho2: The mean rating scores of students in the three learning groups on the reliability of information attested to by an independent auditor do not significantly differ.

Ho3: The mean rating scores of students in the three learning groups on the decision usefulness of audited financial statements do not differ significantly.

1.3 Literature Review

A number of methods have been advanced for reducing AEG by researchers (Lee & Azham, 2008; Rehana, 2010; Salehi, Mansoury & Azary (2009); Okaro, 2009). In their review, Lee and Azham (2008) highlighted four possible methods available in literature for reducing AEG viz: education, expanded audit report, structured audit methodologies, and expansion of auditors' responsibilities and enhancement of auditors' performance. They evaluated the practical difficulties associated with their implementation and concluded that these methods are only likely to be effective on theoretical grounds. These implementation difficulties notwithstanding, their work affirmed that education improves the level of understanding of users of financial statements in relation to the functions of an audit process, and accordingly serves as an effective instrument for reducing audit expectation gap.

Haniffa and Hudaib (2007) investigated the influence of institutional and cultural settings on the audit expectation gap and indicate that the inclusion of Islamic principles in auditing standards and the code of ethics would help reduce the expectation gap that exists in Saudi Arabia. Zikmund (2008), and Okaro (2009) added the forensic accounting technique approach to the list of methods. The later used the perception of accounting academics to assess the possibility of reducing expectation gap through application of forensic audit. Their findings show that forensic accounting techniques, injected in an audit and given cost/benefit considerations, is capable of increasing the ability of the auditor to detect fraud and thus help bridge the expectation gap relating to auditors responsibility to detect fraud and financial irregularities in Nigeria.

In the US, Gramling et al. (1996) examined the perception of students and professional auditors on the roles and responsibilities of auditors in the auditing process using pre and post University level auditing course data. The work was intended to determine whether those with actual audit experience viewed the role and nature of auditing differently from those who had received auditing-related education. They affirmed the existence of expectation gap between auditors and students but noted that the range of the gap narrowed as the students completed their auditing course. They concluded that the students gained better understanding regarding some components of the auditing process and the role and responsibilities of auditors with exposure to audit education. Bailey et al. (1983) and Epstein and Geiger (1994) had earlier carried out similar investigations and found that more educated users tend to place lesser responsibilities (more reliance on the performance of) the auditors than less knowledgeable users. Consequently more educated users are less likely to seek assurance from the auditor.

Saad et al. (2013) tested the influence of participants' knowledge of the auditing process and found that poor knowledge of the auditing process increases the blame assigned to the auditing firm when an accounting fraud is unveiled. It logically follows that education is a veritable tool for curing ignorance arising from poor knowledge

of the auditing process. Examining the effect of audit education on AEG in Bangladesh, Rehana (2010) reported that there exists a significant expectation gap among students who have taken a course in auditing and those who are yet to take a course in auditing, and concluded that this expectation gap was becoming insignificant as a result of the role of audit education. McEnroe and Martens (2001) suggested two-front public education strategy as appropriate actions for reducing AEG. The first is to include in the annual report a uniform explanation of what the audit attest function is designed to accomplish; including a condensed summary of the auditors' responsibilities. The second is for the auditor to provide similar explanations at the AGM through interactive fora at which questions regarding the nature and scope of the audit are responded to. Proposing public education and enlightenment strategies for dealing with AEG in Malaysia, Lee, Ali and Gloeck (2009) further identified the need for regulators of the accountancy profession to conduct free seminars on regular basis and sponsor media publicity awareness to enlighten the general public about the nature and scope of auditing. They further underscored the need for the auditor to promote shareholders' awareness on what can reasonably be expected of auditors in the AGM.

A closer look at the different methods enumerated above shows that all the methods except for audit education rests on the revision of either the performance, or the duties of the auditor. The core duty of an auditor is regulated by both the professional bodies and legal frameworks of each country. Any revision of these duties will certainly involve many processes, procedures and re-enactments of Acts of parliament, debates as well as other bureaucratic bottlenecks. While recognizing education as a viable method for reducing unreasonable expectation of the public, Lee and Azham (2008) remarked that the approach lacks applicability as the public (all financial information users) cannot be made to pass through tertiary institutions so as to take a course in auditing. It should however be noted that the public could be educated on auditing issues through other medium of education such as workshops, seminars, short programme courses, advertisements and publications. To conclude that financial information users who did not pass through tertiary institutions will not appreciate auditing issues promoted through these agencies and channels of education is to under-rate their capacities. The challenge for future research here is to evolve simplified and broad-based strategies for educating the public on basic auditing issues.

2. Method

The study adopts a quasi-experimental pre-test and post-test non equivalent control group design with 4*3 factorial in investigating the effect of audit education and work experience among accounting students on AEG in Nigeria. Use was made of three randomly selected intact groups instead of randomly composed samples typical of true experiments. Quasi-experiment is considered appropriate for this study because intact classes were used rather than randomly selected classes to avoid alterations/disruptions in normal lecture periods/ programme of the chosen University. Three groups were constituted; with students exposed to audit education (Group 1), and students exposed to both audit education and industry work experience (Group 2) as the two experimental groups, while students without exposure to audit education (Group 3) were in the control group.

The design is depicted thus:

$R\ O_1\ X_1\ O_2$

$R\ O_3\ X_2\ O_4$

$R\ O_5_ O_6$

Where R = random assignment of classes to the experimental groups.

$O_1\ O_3\ O_5$ = Pre-test observations/measurements.

$O_2\ O_4\ O_6$ = Post-test observations / measurements

X_1 = Treatment 1 (exposure to audit education)

X_2 = Treatment 2 (exposure to audit education and industrial work experience).

= No treatment

A twenty-five (25) item questionnaire was constructed to cover three key components of audit expectation gap relating to user misunderstanding viz auditors' duties and responsibilities (10 items), reliability of information attested to by an independent auditor (11 items), and decision usefulness of audit reports (4 items). The instrument required participants to indicate on a modified five-point Likert scale the extent of their agreement or disagreement with each statement. A score of four (4) was assigned to the response which showed the best understanding of each item statement under the component (*strongly agreed*). Other responses on the scale were scored according to their proximity to that response, with a score of one (1) assigned for the response with the

least understanding (*strongly disagreed*). Consistent with the argument by Nworgu (2006), however, a score of zero (0) was assigned to participants with *undecided* or *neutral* opinions.

Most of the statements adopted in the questionnaire had been used in previous studies and found to meet face and content validity. To ensure reliability of the instrument, a pilot experiment was carried out using a separate group of third year accounting students on two occasions at intervals of fourteen (14) days and a co-efficient of stability of .86 for the instrument was established using Pearson Product Moment Correlation technique.

The experiment was conducted with accounting students in a Federal University in Nigeria—Michael Okpara University of Agriculture, Umudike, Abia State. A total of eighty-eight (88) students were randomly selected. Thirty-three (33) were selected from 300 level regular accounting class (Group 1), and twenty-five (25) selected from among 300 level accounting students under the work-study (part-time) programme of the University (Group 2), to form two experimental groups, while thirty (30) students selected from 300 level Banking and Finance programme (Group 3) constituted the control group.

Accounting students of this University are taught Audit and Assurance 1 in the second semester of their third year of study, while the course is not offered to Banking and Finance students. The instrument was administered to the selected students in each of the three groups at the beginning of the second semester of their third year in 2011/2012 academic session. Their responses constituted the pre-test observations/ scores. On conclusion of lectures at the end of the second semester of the session, the instrument was re-administered to the groups with their responses constituting the post-test scores. The mean pre-test and mean post-test scores for each of the selected students under each group were then extracted and used to determine whether the exposure to lectures on Audit and Assurance 1 (audit education) contributed to lowering of user misunderstanding of the scope and usefulness of audit function (audit expectation gap).

To take care of the initial differences in the subjects, the Analysis of Covariance (ANCOVA) was used in analyzing the data with the pre-test scores as covariates, the post-test scores as dependent variables and the treatments (audit education) as independent variables. This technique is considered appropriate in testing the hypotheses because there was no pure randomization of the subjects during the experiment. Post hoc Pairwise Comparison of adjusted means was employed to locate differential effectiveness in circumstances where there were significant differences between treatment groups while the Bonferroni procedure was used to control for Type I error across many comparisons. The decision rule involves comparing P with Bonferroni value of $0.05/n$, where n is the number of groups in the experiment. Thus, we Reject H_0 if $P < 0.05/3$ (that is 0.0167). The Statistical Package for Social Sciences (SPSS) Version 17.0 was used in executing the analysis.

3. Results

Results of our data analysis are presented in Tables 1 to 5. Table 1 provide basis for determining whether the adjusted mean rating scores on the three key components of AEG by student in the experimental groups differ from those of the control group.

Table 1. Adjusted mean rating scores on key components of AEG by learning groups

Components of AEG	Auditors' Duties and Responsibilities			Reliability of Auditors			Decision Usefulness of Audit Reports		
	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3
Learning Group									
Adjusted Mean	3.206	3.220	2.096	3.191	3.174	2.084	3.256	3.060	2.191
Standard Error	.053	.071	.057	.064	.086	.067	.066	.091	.071
95% Confidence Interval:									
• Lower Bound	3.100	3.080	1.983	3.062	3.003	1.950	3.124	2.879	2.049
• Upper Bound	3.312	3.361	2.209	3.319	3.346	2.218	3.388	3.241	2.332

Source: Computed with rating scores of students in the three groups.

The results indicate differences in adjusted mean rating scores by the groups on each of the three identified components of audit expectation gap.

To determine whether these differences in the adjusted mean scores are statistically significant, a one way ANCOVA was conducted at $P < 0.05/3$ and the results are stated in Tables 2–4 below.

Table 2. Summary of ANCOVA of difference in respondents' knowledge of auditors' duties and responsibilities

Source	Type III Sum of Squares	df	Mean Squares	F	Sig	Partial Eta Squared
Group	22.178	2	11.089	126.463	.000	.751
Error	7.365	84	.088			

Source: Computed with rating scores of students in the three groups.

The results of the ANCOVA in Table 2 indicate that there were significant differences among the three adjusted means $F(2,84)=126.463$, $P < 0.05/3$ (ie., .0167) and the Partial Eta Squared of .751 suggested a strong relationship between post test scores and learning groups of students, while controlling for pre-test scores on auditors' duties and responsibilities. We therefore reject H_01 and conclude that there is a significant difference in the mean perception scores of students who were exposed to audit education and those who were not exposed to it as regards the duties and responsibilities of auditors.

Table 3. Summary of ANCOVA of difference in reliability of auditors

Source	Type III Sum of Squares	df	Mean Squares	F	Sig	Partial Eta Squared
Group	22.031	2	11.015	88.474	.000	.678
Error	10.458	84	.125			

Source: Computed with rating scores of students in the three groups.

Similarly, Table 3 shows the existence of significant difference among the three adjusted means $F(2,84)=88.474$, $P < .0167$. The Partial Eta Square of .678 also suggests a strong relationship between the post-test scores and learning groups, while controlling for pre-test scores on reliability of auditors' attestations on the audited financial statements. Accordingly, H_02 is rejected and we conclude that there is a significant difference in the perception scores of students who were exposed to audit education and those who were not exposed to the treatment regarding the reliability of information attested to by independent auditors.

Table 4. Summary of ANCOVA of difference in decision usefulness of audit report

Source	Type III Sum of Squares	df	Mean Squares	F	Sig	Partial Eta Squared
Group	18.419	2	9.209	68.844	.000	.621
Error	11.237	84	.134			

Source: Computed with rating scores of students in the three groups.

Table 4 summaries the ANCOVA results of differences in decision usefulness of Audit Reports. With $F(2,84)=68.844$, $P < .0167$, the results indicate the existence of significant difference among the three adjusted means. The Partial Eta Squares of .621 equally suggest a strong relationship between the post-test scores and the learning groups, while controlling for pre-test rating on the component. We therefore reject H_03 and conclude that the mean rating scores of students in the three learning groups on the decision usefulness of audited financial statements differ significantly.

We further conducted a Post Hoc Pairwise comparison of the three adjusted means for the three learning groups for each of the components of AEG investigated and the results are summarized in Table 5.

Table 5. Pairwise comparison of adjusted means in the key components of AEG

Contrast Group	Auditors' Duties and Responsibilities			Reliability of Auditors			Decision Usefulness of Audit Reports		
	F-ratio	Sign	Pairwise	F-ratio	Sign	Pairwise	F-ratio	Sign	Pairwise
			Mean Difference			Mean Difference			Mean Difference
1 Vs 2	.024	.877	0.002	.019	.889	0.002	2.607	.110	0.20
1 Vs 3	220.229	.000	1.110	.154.599	.000	1.110	132.756	.000	1.07
2 Vs 3	132.171	.000	1.130	85.824	.000	1.090	47.003	.000	0.87

Source: Computed with rating scores of students in the three groups.

With F-ratios of .024 (Prob. = .877); .019 (Prob. = .889) and 2.607 (prob. = .110) on each of the components of AEG investigated under the contrast group 1 Vs 2, the results indicate no significant difference between the mean scores of Group 1 (students exposed to audit education and group 2 (students exposed to both audit education and work-study experience). The pairwise mean differences are too small to suggest any significant difference between the post audit education scores of the two experimental learning groups.

However, a significant difference is found to exist between control group 3 (students who were not exposed to audit education) and students in each of the two experimental groups under 1 Vs 3 and 2 Vs 3 in Table 5. The reported high pairwise mean differences are also indicative of significance difference between the post audit education scores of the control and experimental groups.

4. Discussions

The identified significant differences in the mean rating scores of students from the three learning groups regarding the key components of audit expectation gap are in line with our *a priori* expectations and consistent with findings in many previous studies. In their work, Gramling *et al* (1996) reported that students gained better understanding of the roles and responsibilities of auditors with increased exposures to auditing courses and that audit education can be used to minimize audit expectation gap. Bailey *et al.* (1983) and Epstein and Geiger (1994) made similar findings in their works when they concluded that more educated users are less likely to seek assurance from the auditor, hence they have high reliability on the audit outcome. Javed *et al.* (2009) also reported that traditional and case-based auditing education has significant reducing effect on AEG in an emerging economy. Pierce and Kilcommmins (1996) also found significant reduction in all elements of the misunderstanding gap for those groups who studied a course/module in auditing.

The Post Hoc pairwise comparisons of the three adjusted means for the three learning groups for each of the components of AEG lead to two major findings. Firstly, contrary to our *a priori* expectation, work experiences of students in Group 2 did not significantly improve their perception on the key components of AEG, hence job experiences that are unrelated to audit and financial management functions are not likely to shrink the workers' unreasonable expectations from the audit process. Secondly, offering a course in auditing enhanced the knowledge of students in Groups 1 and 2 on the scope, reliability and decision usefulness of the audit function and accordingly reduced their expectations on each key component of the AEG. These findings strengthen our conclusion that audit education has significant effect on Audit Expectation Gap in Nigeria consistent with our *a priori* expectation and in tandem with the outcome in previous studies by Adeyemi and Uadiale (2011), Rehana (2010), Haniffa and Hudaib (2007), Gramling *et al* (1996), Epstein and Geiger (1994), and Bailey *et al* (1983).

This conclusion has far reaching implications for the auditing/accountancy profession, educational institutions, regulators, and the general public. The profession is invited to note that reasonable and achievable but unmet expectations of the public cannot be eliminated through audit education. Such expectations may arise from sub-standard performance of the auditor or from deficient set of regulation which are not covered by existing audit regulations. The profession may re-examine existing audit regulations with a view to accommodating reasonable expectations of the public which were not adequately covered in existing regulations to avoid the temptation of promoting the acceptance of deficient set of auditing standards. Close monitoring of its members in audit practice may help in checking unethical and unprofessional practices within the profession to eliminate deficient/sub-standard performance by auditors, and thus narrow expectation-performance gap in Nigeria. Auditing regulations should be effectively communicated by the profession and regulators through seminars, workshops, advert placements and periodical publications. By so doing, the profession will be carrying the audit enlightenment/education campaign beyond the traditional classroom environment of educational institutions to

the door post of the general public. Such fora will expose existing auditing regulations and practices to constructive criticisms by stakeholders in financial reporting and bring about desirable changes in regulation while reducing user unreasonable expectations.

These findings also give credence to the benefits of introducing a course on audit and assurance reporting into every third year business programme, given that these people will constitute the core group of users of audited financial statements in future. A relatively short module in auditing could be planned for non-business majors by educational institutions and regulators. Such specialist modules should emphasis areas of great misconception such as scope of audit function, duties of auditors, appointment and removal of auditors, audit independence and assurance reporting. Certificate courses on Audit and Assurance could equally be offered by institutions of higher learning to deserving/interested members of the public to reduce public misunderstanding of auditing regulations. The general public is invited to show interest in activities and educative programmes aimed at improving their financial literacy level as a sure way of reversing negative perceptions on the audit process and propping public confidence and thrust on the outcome of audit function.

It should however be noted that, although alternative approaches for reducing AEG exist, no one approach will produce the magic wand for eliminating AEG. While widening the scope of the audit through regulatory process may accommodate greater reasonable expectations of users, such an approach is unlikely to reduce the unreasonable expectations of users arising from their perceived standard deficiency. Here lies the potency of a programme on audit education as a tool for minimizing unreasonable perception gap arising from ignorance, misconceptions and misunderstanding.

In deed, the challenges to dispel increasing misunderstanding of the definitive scope of audit function by users of financial statements in Nigeria will continue to be a major corporate governance and financial reporting concern to auditing and accountancy profession, policy makers and the general public. A broad-based audit education agenda incorporating formal curriculum adjustments by educational institutions and regulators need to be pursued to accommodate at least, a full course in Audit and Assurance for all business programmes and a specialized audit appreciation course for non-business programmes. The profession would need to gear up efforts in mounting enlightenment/educative programme to familiarize the public with its regulations and provide mechanism not only for evaluating the adequacy of existing audit regulations, but also to offer a template for regulatory adjustments. The demand for audit education will remain relevant in these circumstances and provide a worthy venture into which all stakeholders in the financial reporting process could participate.

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