UNIPORT JOURNAL OF BUSINESS, ACCOUNTING & FINANCE MANAGEMENT
DEPARTMENT OF ACCOUNTING
UNIVERSITY OF PORT HARCOURT, CHOBA
PORT HARCOURT, RIVERS STATE
NIGERIA
VOL. 16 NO. 3 JUNE 2025

AUDIT FIRM CHARACTERISTICS AND FINANCIAL REPORTING QUALITY IN NIGERIAN BANKS

OMENA OBEHI IGBINOBA
Department of Accounting
Faculty of Management Sciences
University of Benin, Edo State

&

ALBERT OMORUYI OSAZEVBARU
Department of Accounting
Faculty of Management Sciences
University of Benin, Edo State
omena.igbinoba@uniben.edu

Abstract

This study examines the influence of key audit firm characteristics, specifically tenure, size, and provision of non-audit services, on the financial reporting quality of deposit money banks listed on the Nigerian Exchange between 2016 and 2023. The research explores how these characteristics influence financial reporting quality. Using an ex-post facto design and panel regression analysis on data from twelve banks, the findings reveal that audit firm size and non-audit services exert a significant positive influence on financial reporting quality. Specifically, larger audit firms are associated with higher transparency and reliability, likely due to their institutional capacity and reputational incentives. Additionally, when non-audit services are properly managed, they appear to enhance auditors' operational understanding without compromising independence. Conversely, audit firm tenure showed no statistically significant effect, suggesting that prolonged auditor-client relationships do not inherently erode audit quality in the Nigerian banking sector. The study contributes to the audit quality literature in emerging economies. It offers policy implications for regulators, emphasizing the need to strengthen oversight on auditor service mix and promote the use of reputable, well-resourced audit firms to safeguard financial integrity.

Keywords: Auditor Independence, Financial Reporting Quality, Audit Firm Size, Audit Tenure, Non-audit Services, Banking Sector, Earnings Smoothness.

Introduction

The reliability of financial reporting is foundational to the stability of capital markets and the confidence of investors, regulators, and other stakeholders. High-quality financial statements enable effective decision-making by faithfully representing a firm's economic reality (Tepalagul & Lin, 2015). However, the credibility of these statements largely depends on the integrity and independence of external auditors. Auditor independence is the ability to exercise objective judgment without being compromised by internal or external pressures. It is widely acknowledged as a cornerstone of audit quality and a critical safeguard against financial misstatements (Yakubu & Williams, 2020; Herath & Pradier, 2018).

Globally, a series of corporate failures and financial scandals have exposed significant weaknesses in auditor independence and have prompted regulatory reforms aimed at strengthening audit integrity. In Nigeria, the situation is no different. The financial services sector, particularly deposit money banks (DMBs), has witnessed instances of earnings manipulation and reporting irregularities that question the objectivity of statutory audits (Nwanyanwu, 2017; Okunola, 2021). Although regulatory frameworks such as the Companies and Allied Matters Act (CAMA 2020) and the guidelines issued by the Financial Reporting Council (FRC) are in place to enforce ethical conduct among auditors, concerns persist regarding their enforcement and efficacy in practice (Ola & Ijwo, 2023; Ibietan-Oladiran & Etim, 2024).

Several firm-specific and engagement-related factors may influence auditor independence. Notably, the length of the auditor-client relationship (audit firm tenure), the size and capacity of the audit firm, and the provision of non-audit services are critical determinants of auditor objectivity. While long-term engagements can enhance auditors' familiarity with a client's operations, they may also result in reduced professional scepticism and excessive familiarity, ultimately impairing independence (Tepalagul & Lin, 2015; Agussalim, 2019). Similarly, although large audit firms, particularly those affiliated with global networks, tend to have stronger institutional safeguards and reputational incentives to uphold audit quality, they are not immune to client retention pressures that could erode objectivity (Velte & Loy, 2018; Yakubu & Williams, 2020). Moreover, the delivery of non-audit services such as tax advisory and consulting to audit clients introduces potential conflicts of interest that may compromise auditors' ability to issue unbiased opinions (Kurniawan, 2023; Sultana et al., 2019).

In the Nigerian banking sector, an industry marked by systemic significance, strict regulation, and high public visibility, the quality of financial reporting is especially critical. Financial disclosures by DMBs are not only a matter of corporate transparency but also central to public trust and macroeconomic stability (Kurniawan, 2023). Any lapse in audit independence in this context could have far-reaching consequences, including market inefficiencies, investor losses, and broader financial instability.

Despite the growing body of research on audit quality, most empirical studies in Nigeria have focused on industries such as manufacturing, oil and gas, and industrial goods (Ogundajo & Onakoya, 2016; Ilaboya & Ohiokha, 2014; Amah & Ibanichuka, 2019). These findings are difficult to generalize to the banking sector due to its unique regulatory environment and risk profile. Furthermore, relatively few studies have examined how specific indicators of auditor independence, such as non-audit service or auditor tenure, relate to financial reporting quality in Nigerian banks, especially using earnings-based metrics like discretionary accruals (Healy, 1985; Okunola, 2021).

This study aims to address these gaps by investigating the relationship between audit firm characteristics and financial reporting quality among deposit money banks listed on the Nigerian Exchange (NGX) from 2016 to 2023. Specifically, it assesses the impact of audit firm tenure, audit firm size, and non-audit services on the credibility and transparency of financial reports, using discretionary accruals as a proxy for earnings management. By focusing on this critical sector and incorporating robust quantitative measures, the study contributes to the literature on audit quality, providing evidence-based insights for policymakers, auditors, and stakeholders seeking to strengthen audit practices and promote financial integrity in Nigeria's banking system.

To achieve the objectives set for this paper, the following research questions were posed.

1. What is the relationship between audit firm tenure and financial reporting quality among deposit money banks listed in Nigeria?
2. What is the association between audit firm size and the financial reporting quality of deposit money banks in Nigeria?
3. What is the effect of non-audit services on financial reporting quality among deposit money banks in Nigeria?

Literature Review

Concept of Financial Reporting Quality

Financial Reporting Quality (FRQ) refers to the degree to which financial statements faithfully represent a firm's economic reality and provide decision-useful information for stakeholders (Dechow et al., 2022; Christensen et al., 2019). High-quality financial reports reduce information asymmetry between management and external users, enhancing investor confidence and supporting efficient capital allocation (Kim & Zhang, 2023; Li et al., 2021). Regulatory bodies such as the Financial Reporting Council of Nigeria and international frameworks like the International Financial Reporting Standards (IFRS) have emphasised consistency, comparability, and transparency to improve reporting quality (OECD, 2023; Chen et al., 2022).

However, compliance alone is insufficient, as firms must ensure that their reports reflect the true economic substance of transactions. Inaccurate or misleading reports can reduce market efficiency and increase risk (Luo et al., 2020). Modern conceptualizations of FRQ include qualitative characteristics like relevance, faithful representation, comparability, verifiability, and understandability, as outlined by the IASB (2018). Empirical studies affirm that strong auditor independence reduces earnings management and strengthens the credibility of financial reports (Tan et al., 2023; Wang & Guo, 2021).

Measures of Financial Reporting Quality

Financial reporting quality is a multifaceted concept that requires multiple metrics for accurate assessment. This study highlights six key measures: Earnings Smoothness, Discretionary Accruals, Accruals Quality, Earnings Persistence, Value

Relevance, and Conservatism, each offering distinct insights into financial reporting quality.

Earnings Smoothness

Earnings smoothness reflects the stability and predictability of reported earnings relative to underlying cash flows. Investors generally favour smooth earnings as they reduce uncertainty and enhance the usefulness of financial statements for forecasting (Barth et al., 2017). However, excessive smoothing may signal earnings manipulation, suggesting a need to distinguish between genuine operational stability and artificial smoothing (Roychowdhury, 2020). While moderate smoothing supports better decision-making, researchers caution against misinterpreting manipulated stability as legitimate performance (Dechow et al., 2022).

Discretionary Accruals

Discretionary accruals are used for detecting earnings management and assessing financial reporting quality. They represent the component of accruals subject to managerial judgment, often used to manipulate earnings (Kothari et al., 2016). Although valuable, estimating discretionary accruals is challenging due to their sensitivity to model assumptions and the difficulty in separating opportunistic behaviour from legitimate estimates (McNichols, 2019). Despite this, discretionary accruals remain central in financial reporting studies, especially when combined with other measures for a comprehensive evaluation (Francis et al., 2019).

Accruals Quality

Accruals quality measures how accurately accrual accounting reflects a firm's economic performance. It is often assessed through the variability of accruals relative to cash flows; lower variability suggests higher quality (Dechow & Dichev, 2002). This measure captures both intentional distortions and unintentional estimation errors. Although its reliability may vary across industries and economic conditions, accruals quality remains a core indicator of earnings reliability and predictive value (Ge et al., 2018; Chen et al., 2022).

Earnings Persistence

Earnings persistence refers to the sustainability of a firm's earnings over time and is a sign of consistent performance and reporting quality. High persistence suggests that current earnings are a strong indicator of future profitability, which reduces the likelihood of earnings management (Francis et al., 2019). However, this measure may be influenced by external factors like economic cycles, making it necessary to interpret it within context (Kothari, et al., 2021).

Value Relevance

Value relevance evaluates the extent to which financial reports help explain stock market prices. High value relevance indicates that reported financial data are meaningful to investors and align with market expectations (Barth et al., 2017). Nonetheless, stock prices are influenced by other variables, such as market sentiment and macroeconomic trends, which may limit the accuracy of this measure as a sole indicator of reporting quality (Hayn, 2020). Thus, it is best used in conjunction with other metrics.

Conservatism

Conservatism in financial reporting implies the timely recognition of losses and cautious recognition of gains. This approach increases reliability by preventing overstatement of financial health (Ball & Shivakumar, 2020). However, excessive conservatism may obscure true earnings potential and impair the timeliness of financial information (Basu, 2018). Despite these concerns, conservatism remains a valuable safeguard against managerial bias and supports the prudence principle in accounting.

Concept of Auditors' Independence

Auditor independence refers to the ability of an auditor to perform their duties objectively and impartially, without influence or bias from the client or other external pressures. Auditor independence is vital for ensuring objective, high-quality audits and credible financial reporting. It involves both independence in fact and independence in appearance (Herath & Pradier, 2018). When independence is compromised through long auditor-client relationships, financial dependence, or non-audit services, audit quality may decline, increasing the risk of biased or misleading reports (Tepalagul & Lin, 2015). Maintaining both real and perceived independence is essential for sustaining trust in financial disclosures and preserving market integrity (Abbott et al., 2016).

Measures of Audit Independence

Several factors significantly affect auditor independence, notably audit firm tenure, firm size, and non-audit services. Research shows that long-term auditor-client relationships, smaller audit firms, and the offering of non-audit services can compromise auditor objectivity and pose threats to independence (Khasharmeh & Desoky, 2019).

Audit Firm Tenure

Audit firm tenure refers to the length of time an auditor has served a particular client and is a widely debated factor influencing auditor independence. While extended tenure can improve audit efficiency through deeper client understanding, it may also lead to excessive familiarity and reduced professional scepticism (Tepalagul & Lin, 2015; Herath & Pradier, 2018). Prolonged relationships can compromise objectivity, increasing the risk of auditors overlooking errors to preserve the client relationship. To mitigate this risk, regulatory frameworks in some jurisdictions advocate for mandatory audit rotation to refresh the auditor's perspective and enhance independence (Tepalagul & Lin, 2015). Although longer tenure may support better detection of irregularities due to accumulated knowledge (Adeniyi et al., 2023), the potential for familiarity threats remains a significant concern for audit quality and transparency.

Audit Firm Size

Audit firm size plays a critical role in shaping auditor independence and audit quality. Larger audit firms, especially those affiliated with global networks, are generally perceived to have stronger ethical standards, better quality control systems, and greater resources for resisting client pressure (Khasharmeh & Desoky, 2019). Their broader client base also reduces the risk of economic dependence on any single client, enhancing objectivity (Abbott et al., 2016). However, even large firms face challenges; they may be reluctant to issue adverse opinions for high-profile clients due to the financial and reputational implications (Sultana et al., 2019). Additionally, maintaining big clients may influence auditor judgment, potentially compromising independence despite institutional safeguards (Ramzan et al., 2020).

Non-Audit Services

Non-audit services (NAS), such as tax advisory and consulting, can pose a significant threat to auditor independence due to potential conflicts of interest. When auditors provide both audit and non-audit services to the same client, they may become financially dependent on that client, which can reduce their willingness to challenge management or issue qualified opinions (Sultana et al., 2019). Studies have shown that the greater the proportion of non-audit fees, the higher the risk of compromised objectivity (Ebimobowei, 2011). As NAS revenue increases, auditors may prioritize client retention over audit quality, especially in high-stakes industries like banking (Ramzan et al., 2020). To mitigate these risks, regulatory frameworks such as the Sarbanes-Oxley Act and EU audit reforms have imposed restrictions on the scope and volume of NAS provided to audit clients (Ahmed et al., 2020).

Empirical Review

Empirical studies on audit firm tenure present mixed findings regarding its influence on financial reporting quality. While some researchers assert that extended auditor-client relationships enhance the auditor's familiarity with the firm and improve audit efficiency and accuracy (Meilani et al., 2024), others caution that such familiarity may impair objectivity and reduce professional scepticism (Amanamah, 2024; Sabandar et al., 2024). Studies in emerging economies, such as Ghana, Nigeria, and Southeast Asia, indicate that long auditor tenures may lead to reduced financial transparency and a higher likelihood of financial misstatements. To counter these effects, audit rotation is often proposed as a mechanism to maintain auditor independence and uphold audit quality (Yusuf et al., 2023; Akuoko-Sarpong et al., 2024).

Research shows that audit firm size plays a significant role in determining the quality of financial reporting. Larger audit firms, especially those affiliated with international networks, are associated with higher audit quality due to their resources, technical expertise, and stricter internal control systems (Adewumi et al., 2023; Rajgopal et al., 2023). These firms are better equipped to detect earnings manipulation and enforce compliance with reporting standards. Furthermore, studies suggest that large audit firms are less economically dependent on individual clients, allowing for greater objectivity and independence in reporting (Fariha et al., 2024). However, some scholars note that high-revenue clients can still exert pressure on even large firms, potentially influencing audit judgment (Kyriakou et al., 2024; Meilani et al., 2024).

The relationship between non-audit services (NAS) and financial reporting quality remains a contentious area in audit research. Some studies argue that excessive NAS can compromise auditor independence, especially when the fees from such services become substantial, creating economic dependence (Elswah et al., 2024; Amanamah, 2024). This dependency may deter auditors from issuing unfavourable reports. However, other studies suggest that when properly regulated, NAS can enhance audit effectiveness by providing auditors with deeper insights into the client’s operations (Furiady & Ratnadi, 2022; Sabandar et al., 2024). The consensus is that strict regulatory frameworks and professional safeguards are essential to ensure that NAS do not undermine auditor objectivity or the credibility of financial statements.

Methodology

The study adopted an ex-post facto research design, which is appropriate for analysing historical data without manipulating variables, thereby allowing for the examination of the relationship between auditor independence and financial reporting quality. The population comprised all twelve deposit money banks listed on the Nigerian Exchange (NGX) as of December 31, 2023. Given the manageable size of the population, the study employed a census approach, resulting in a sample size of twelve banks, thereby ensuring comprehensive sectoral coverage. Data were obtained from secondary sources, specifically the annual financial reports of the selected banks for the period 2016 to 2023, accessed through the Nigerian Exchange Group and the banks' official websites. The study employed the Ordinary Least Squares (OLS) regression, used to estimate the effects of audit firm tenure, size, and non-audit services on reporting quality. To ensure robustness, diagnostic tests were conducted to check for normality, multicollinearity, and heteroscedasticity, with robust standard errors applied where necessary. Additionally, the Hausman test was used to determine whether fixed or random effects models were more appropriate. All analyses were conducted using EViews 9 statistical software to enhance accuracy and reliability.

The econometrics model of Imafidon et al. (2023) who investigated audit independence and financial statements quality in Nigerian listed banks, was modified as stated below:

$$\mathbf{FRQ_{it} = \beta_0 + \beta_1 AFT_{it} + \beta_2 AFS_{it} + \beta_3 NAS_{it} + \epsilon_{it}}$$

Where: β0 = Constant term (intercept), FRQit = Financial Reporting Quality (measured by Earnings Smoothness), AFTit = Audit Firm Tenure (measured in years), AFSit = Audit Firm Size (measured as a binary variable for Big Four or Non-Big Four firms), NASit = Non-Audit Services (measured as a ratio of non-audit fees to total audit fees), β1, β2, β3 = Coefficients for the independent variables, and ϵ= Error term, i = cross section of firms, and t = time.

Data Analyses and Interpretations

Descriptive Statistics

This section presents the data summary on the variables of interest in the study.

Table 1: Descriptive Statistics

	FRQ	AFT	AFS	NAS
Mean	0.696250	0.864583	0.989583	0.163646
Median	0.690000	1.000000	1.000000	0.161500
Maximum	0.900000	1.000000	3.000000	0.202000
Minimum	0.500000	0.000000	0.000000	0.146000
Std. Dev.	0.102024	0.343964	0.911849	0.009096
Skewness	0.124827	-2.13102	0.439195	2.022195
Kurtosis	2.017171	5.541242	2.158066	8.481733
Jarque-Bera	4.113118	98.49151	5.921689	185.6259
Probability	0.127893	0.000000	0.051775	0.000000
Sum	66.84000	83.00000	95.00000	15.71000
Sum Sq. Dev.	0.988850	11.23958	78.98958	0.007860
Observations	96	96	96	96

Source: Researcher's Computation (2025)

The table presents descriptive statistics for four variables over 96 observations: Financial Reporting Quality (FRQ), Audit Firm Tenure (AFT), Audit Firm Size (AFS), and Non-Audit Services (NAS). The mean value of FRQ is 0.696, suggesting moderate reporting quality among the sampled banks. AFT has a high mean of 0.865, with a minimum of 0 and a maximum of 1, indicating that most firms retained their auditors over the period, although some changes occurred. AFS also averages close to 1 (0.990), reflecting that most audits were conducted by large firms, though a few smaller firms were used. NAS has a relatively low mean (0.164), suggesting limited reliance on non-audit services.

In terms of distribution, FRQ and AFS show relatively normal distributions, with skewness values near zero and kurtosis around 2.1. However, AFT is negatively skewed and leptokurtic (kurtosis = 5.54), implying concentration around high tenure values with some outliers. In contrast, NAS is positively skewed (2.02) and highly peaked (kurtosis = 8.48), indicating that most firms reported low NAS values with few high outliers. The Jarque-Bera test reveals that AFT and NAS deviate significantly from normality (p = 0.000), while FRQ appears normally distributed (p = 0.128), and AFS is borderline (p = 0.052). These results suggest potential non-normality issues for AFT and NAS, which were addressed in regression diagnostics.

Correlation Analysis

Table 2: Correlation Analysis

Correlation	FRQ	AFT	AFS	NAS
FRQ	1			
AFT	0.18837	1		
AFS	0.27262	-0.1052	1	
NAS	0.34659	0.2032	0.17469	1

Source: Researcher's Computation (2025)

Table 2 presents the correlation coefficients among the study variables: Financial Reporting Quality (FRQ), Audit Firm Tenure (AFT), Audit Firm Size (AFS), and Non-Audit Services (NAS). The results show that all independent variables are positively correlated with FRQ, though at varying strengths. NAS exhibits the strongest positive correlation with FRQ (r = 0.347), followed by AFS (r = 0.273) and AFT (r = 0.188), suggesting that non-audit services and audit firm size may be more closely associated with higher financial reporting quality than auditor tenure. All correlation coefficients are below 0.7, indicating the absence of multicollinearity and confirming the suitability of the data for regression analysis.

Regression Analysis

Table 3: Regression Analysis (Robust Standard Errors)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.363756	0.07669	4.74323	0
AFT	0.011403	0.010691	1.066544	0.2893
AFS	0.009243	0.003416	2.70538	0.0083
NAS	1.915651	0.473712	4.043919	0.0001
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.932296	**Mean dependent var**		0.69625

Adjusted R-squared	0.920594	**S.D. dependent var**		0.102024
S.E. of regression	0.028749	**Akaike info criterion**		-4.117796
Sum squared resid	0.066949	**Schwarz criterion**		-3.717117
Log likelihood	212.6542	**Hannan-Quinn criter.**		-3.955835
F-statistic	79.67052	**Durbin-Watson stat**		0.556743
Prob(F-statistic)	0			

Source: Researcher's Computation (2025)

The multiple regression model examines the impact of Audit Firm Tenure (AFT), Audit Firm Size (AFS), and Non-Audit Services (NAS) on Financial Reporting Quality (FRQ), using a fixed effects specification and robust standard errors to account for cross-sectional differences and heteroskedasticity. The model yields a high explanatory power, with an R-squared of 0.9323 and an adjusted R-squared of 0.9206, indicating that approximately 93% of the variation in financial reporting quality is explained by the explanatory variables and fixed effects included in the model. The model is also statistically significant overall, as shown by the F-statistic of 79.67 ($p < 0.001$), confirming that the independent variables jointly explain a significant portion of the variation in FRQ.

Individually, Audit Firm Tenure (AFT) has a positive coefficient ($\beta = 0.0114$), suggesting a marginal positive relationship with FRQ; however, this effect is not statistically significant ($p = 0.2893$), indicating insufficient evidence to assert that auditor tenure influences reporting quality in the sample. This finding aligns with Adeniyi and Mgbame (2021), who also observed an insignificant relationship, suggesting that tenure alone may not compromise auditor independence, especially in a well-regulated sector like banking. However, it contradicts Okolie (2014), who argued that longer auditor tenure can erode audit quality due to the risk of familiarity threats. The lack of significance in this study may be attributed to Nigeria's mandatory auditor rotation policies, which help preserve auditor objectivity over time.

In contrast, Audit Firm Size (AFS) demonstrates a statistically significant positive effect on FRQ ($\beta = 0.0092$, $p = 0.0083$), implying that clients audited by larger firms tend to exhibit higher-quality financial reporting, potentially due to enhanced audit capabilities and reputational incentives. This result corroborates findings by Uwuigbe et al. (2014) and Okolie (2014), both of whom emphasised that larger audit firms are more capable of detecting misstatements and enforcing compliance with international financial reporting standards. While the current study supports the view that larger audit firms enhance financial reporting quality, Sultana et al. (2019) challenge this by showing that Big Four firms may compromise independence when economically dependent on high-profile clients, leading to reduced audit scepticism. Similarly, Ramzan, et al. (2020) argue that audit firm size does not always ensure quality, especially when client retention pressures outweigh ethical considerations, suggesting that reputation alone is insufficient to guarantee transparency.

The most notable effect is observed for Non-Audit Services (NAS), which has a large and highly significant coefficient ($\beta = 1.9157$, $p = 0.0001$), suggesting that the provision of non-audit services by audit firms is strongly associated with improved financial reporting quality. While this finding may appear counterintuitive given concerns about compromised independence, it could reflect the value-added benefits of advisory services in improving clients' internal controls and reporting accuracy. This finding supports the conclusions of Ogbonnaya and Ezejiofor (2020), who argued that non-audit services can improve audit quality if conflicts of interest are managed effectively. In contrast, Almaqtari et al. (2024) found that higher non-audit fees negatively affect audit quality, as economic dependence may undermine auditor objectivity. Likewise, Quick and Toledano (2023) assert that NAS can create moral hazards, leading auditors to avoid critical opinions to retain lucrative contracts.

The model diagnostics reveal a Durbin-Watson statistic of 0.5567, indicating potential positive autocorrelation in the residuals. This further justifies the use of robust standard errors in the estimation. In conclusion, the regression analysis supports the conclusion that audit firm characteristics, especially size and the provision of non-audit services, play a meaningful role in enhancing the quality of financial reporting among the sampled firms.

Conclusion and Recommendation

This study provides empirical evidence on the relationship between audit firm characteristics and financial reporting quality in Nigerian deposit money banks. The results highlight that while audit firm tenure does not significantly affect reporting quality, likely due to regulatory mechanisms like mandatory rotation, audit firm size and non-audit services are positively associated with improved financial reporting. Larger firms, due to their robust technical capabilities and global reputation, contribute to higher audit quality. Similarly, when properly regulated, non-audit services can enhance auditor insight and effectiveness without necessarily compromising independence. These findings emphasise the need for a detailed understanding of audit dynamics in the Nigerian banking sector, highlighting the importance of regulatory oversight in balancing independence with service value. Therefore, to foster financial reporting quality, the study recommends that banks engage reputable audit firms, regulators enforce rotation policies consistently, and non-audit services be strictly monitored to preserve auditor objectivity while leveraging their operational benefits.

References

Abbott, L. J., Parker, S., Peters, G. F., & Rama, D. V. (2016). Corporate governance, audit quality, and the Sarbanes-Oxley Act: Evidence from internal audit outsourcing. *The Accounting Review*, 92(2), 135–163.

Adewumi, O., Okolie, A. O., & Ogunleye, M. O. (2023). Audit firm size and financial reporting quality of listed companies in Nigeria. *Journal of Accounting and Financial Management, 9*(1), 112–123.

Agussalim, M. (2019). Auditor tenure, auditor independence and audit quality. *International Journal of Financial Research*, 10(5), 100–108.

Ahmed, A., Alabdullah, T. T. Y., Thottoli, M. M., & Maryanti, E. (2020). Impact of non-audit services on auditor independence: A conceptual review. *The Journal of Asian Finance, Economics and Business, 7*(12), 287–292.

Akuoko-Sarpong, E., Osei-Tutu, E., & Boakye, K. (2024). Audit tenure and financial reporting credibility in emerging markets: Evidence from Ghana. *International Journal of Accounting Research, 12*(2), 34–49.

Almaqtari, F. A., Farhan, N. H., & Alahdal, W. M. (2024). *The impact of non-audit services on audit quality: Evidence from emerging markets*. *International Journal of Auditing and Assurance, 28*(1), 45–62.

Amah, K. O., & Ibanichuka, E. A. L. (2019). Audit quality and financial reporting quality of oil and gas firms in Nigeria. *International Journal of Accounting and Finance (IJAF)*, 8(1), 12–25.

Amanamah, R. B. (2024). The effect of long audit firm tenure on financial reporting transparency: Evidence from listed firms in Ghana. *Global Journal of Contemporary Accounting, 8*(1), 59–71.

Ball, R., & Shivakumar, L. (2020). *Earnings quality and financial reporting: A historical perspective*. *Accounting and Business Research, 50*(5), 495–523.

Barth, M. E., Landsman, W. R., & Lang, M. H. (2017). *Are international accounting standards-based and US GAAP-based accounting amounts comparable?* *Journal of Accounting and Economics, 54*(1), 68–93.

Basu, S. (2018). *The conservatism principle and the asymmetric timeliness of earnings*. *Journal of Accounting and Economics, 24*(1), 3–37.

Chen, X., Huang, Y., & Zhang, X. (2022). *Accrual quality and the informativeness of earnings: Evidence from emerging markets*. *Emerging Markets Review, 50*, 100847. https://doi.org/10.1016/j.ememar.2021.100847.

Christensen, H. B., Floyd, E., Liu, L. Y., & Maffett, M. G. (2019). *The real effects of mandated information on social responsibility in financial reports: Evidence from mine-safety records*. *The Accounting Review, 94*(2), 33–60.

Dechow, P. M., & Dichev, I. D. (2002). *The quality of accruals and earnings: The role of accrual estimation errors*. *The Accounting Review, 77*(s-1), 35–59.

Dechow, P. M., Ge, W., & Schrand, C. M. (2022). *Understanding earnings quality: A review of the proxies, their determinants and their consequences*. *Journal of Accounting and Economics, 70*(2–3), 101398. https://doi.org/10.1016/j.jacceco.2020.101398.

Ebimobowei, A. (2011). Non-audit services and the impairment of auditor independence: A further examination. *Pakistan Journal of Social Sciences, 8*(2), 100–107.

Elswah, H., Farouk, M. A., & Khalid, R. (2024). The influence of non-audit services on auditor objectivity and financial reporting quality. *International Journal of Auditing and Ethics, 5*(1), 22–35.

Fariha, M., Islam, M. R., & Hossain, T. (2024). Audit firm size and financial reporting quality: Evidence from emerging economies. *Asian Journal of Accounting Perspectives, 17*(1), 55–70.

Francis, J., LaFond, R., Olsson, P. M., & Schipper, K. (2019). *The market pricing of accruals quality*. *Journal of Accounting and Economics, 39*(2), 295–327.

Furiady, O., & Ratnadi, N. M. D. (2022). The effect of non-audit services on the quality of financial reporting: A study of Indonesian public companies. *Jurnal Akuntansi dan Auditing Indonesia, 26*(1), 13–24.

Ge, W., Lee, C. C., & Tang, S. (2018). *The impact of earnings quality on investor reactions to restatements*. *Contemporary Accounting Research, 35*(2), 799–833.

Hayn, C. (2020). *The information content of losses*. *Journal of Accounting and Economics, 20*(2), 125–153.

Healy, P. M. (1985). The effect of bonus schemes on accounting decisions. *Journal of Accounting and Economics*, 7(1–3), 85–107.

Herath, S. K., & Pradier, P. C. (2018). Financial reporting quality: A literature review. *Accounting Forum*, 42(3), 153–172.

Ibietan-Oladiran, O., & Etim, O. E. (2024). Evaluating auditor independence and corporate governance effectiveness in Nigeria. *Nigerian Journal of Accounting Research*, 13(1), 45–62.

Ilaboya, O. J., & Ohiokha, F. I. (2014). Audit firm characteristics and audit quality in Nigeria. *International Journal of Business and Economics Research*, 3(5), 187–195.

Imafidon, E. E., Josiah, M., & Agbo, I. S. (2023). Audit independence and financial statements quality in Nigeria listed banks. *American Journal of Industrial and Business Management, 13*(9), 973–984.

International Accounting Standards Board (IASB). (2018). *Conceptual framework for financial reporting*. IFRS Foundation. https://www.ifrs.org/projects/work-plan/conceptual-framework/.

Khasharmeh, H. A., & Desoky, A. M. (2019). Determinants of auditor independence: Evidence from Gulf Cooperation Council countries. *International Journal of Business and Management, 14*(2), 1–15.

Kim, J. B., & Zhang, L. (2023). *Does financial reporting quality mitigate the effect of asymmetric information on investment efficiency? Contemporary Accounting Research, 40*(1), 342–376.

Kothari, S. P., Leone, A. J., & Wasley, C. E. (2016). *Performance matched discretionary accrual measures*. *Journal of Accounting and Economics, 39*(1), 163–197.

Kothari, S. P., Ramanna, K., & Skinner, D. J. (2021). *Implications for GAAP from an analysis of positive research in accounting*. *Journal of Accounting and Economics, 50*(2–3), 246–286.

Kurniawan, A. A. (2023). Non-audit services and audit quality: Evidence from regulated industries. *Journal of Accounting and Finance*, 23(2), 109–124.

Kyriakou, N., Leventis, S., & Dedoulis, E. (2024). Auditor size and audit quality: Exploring the limits of client pressure. *European Accounting Review, 33*(2), 145–167.

Li, X., Lin, Y., & Song, F. (2021). *Financial reporting quality, capital allocation, and firm performance: Evidence from China*. *Pacific-Basin Finance Journal, 66*, 101496. https://doi.org/10.1016/j.pacfin.2021.101496.

Luo, J., Matsunaga, S. R., & Park, C. W. (2020). *The effect of financial reporting quality on financing decisions: Evidence from internal capital markets*. *Journal of Accounting and Economics, 69*(2–3), 101264. https://doi.org/10.1016/j.jacceco.2020.101264.

McNichols, M. F. (2019). *Discussion of the quality of accruals and earnings: The role of accrual estimation errors*. *The Accounting Review, 77*(Supplement), 61–69.

Meilani, S., & Susanti, Y. (2024). Audit firm characteristics and financial reporting quality: Evidence from Indonesia. *Asian Journal of Business and Accounting, 17*(1), 101–118.

Nwanyanwu, L. A. (2017). Audit quality and financial reporting: Empirical evidence from Nigerian banks. *International Journal of Accounting Research*, 5(2), 23–34.

OECD. (2023). *Enhancing financial transparency and reporting standards*. Organisation for Economic Co-operation and Development. https://www.oecd.org/corporate/financial-reporting.

Ogbonnaya, U. I., & Ezejiofor, R. A. (2020). Non-audit services and audit quality in Nigerian listed companies. *International Journal of Finance & Banking Studies, 9*(3), 70–80.

Ogundajo, G. O., & Onakoya, A. B. (2016). Effect of audit quality on the financial performance of quoted companies in Nigeria. *International Journal of Economics, Commerce and Management*, 4(7), 56–70.

Okunola, O. O. (2021). Audit characteristics and earnings quality in Nigeria: Evidence from the banking sector. *Journal of Accounting and Financial Management*, 7(1), 44–60.

Ola, A., & Ijwo, I. T. (2023). Reinforcing auditor independence in Nigeria through regulatory reforms: A review of CAMA 2020. *African Journal of Accounting and Governance*, 11(2), 93–107.

Quick, R., & Toledano, N. (2023). *Non-audit services and audit quality: The role of auditor independence and client importance*. *Accounting and Business Research, 53*(2), 123–141.

Rajgopal, S., Srinivasan, S., & Zheng, X. (2023). Do big audit firms improve financial reporting quality? Evidence from global data. *The Accounting Review, 98*(4), 209–235.

Ramzan, M., Ahmed, M., & Rafay, A. (2020). Audit quality and client importance: An empirical study of audit firms in Pakistan. *Journal of Accounting in Emerging Economies, 10*(4), 637–655.

Roychowdhury, S. (2020). *Earnings management through real activities manipulation*. *Journal of Accounting and Economics, 42*(3), 335–370.

Sabandar, R., Siregar, S. V., & Wibowo, T. S. (2024). Audit firm tenure, non-audit services, and audit quality in Southeast Asia. *Journal of International Accounting, Auditing and Taxation, 52*, 100545. https://doi.org/10.1016/j.intaccaudtax.2023.100545.

Sultana, N., Singh, H., & Zain, M. M. (2019). Audit committee characteristics and audit quality: Evidence from an emerging economy. *Malaysian Accounting Review*, 18(1), 25–48.

Tan, L., Wang, Q., & Zhang, W. (2023). *Auditor independence and earnings quality: International evidence*. *Auditing: A Journal of Practice & Theory, 42*(1), 55–76. https://doi.org/10.2308/AJPT-2020-034.

Tepalagul, N., & Lin, L. (2015). Auditor independence and audit quality: A literature review. *Journal of Accounting, Auditing & Finance*, 30(1), 101–121.

Velte, P., & Loy, T. (2018). The impact of auditor rotation, audit firm size, and non-audit services on earnings management in the EU. *Journal of International Accounting Research*, 17(1), 115–132.

Wang, Z., & Guo, J. (2021). *Auditor independence, internal control, and financial reporting quality: Evidence from China*. *Asian Review of Accounting, 29*(3), 374–394.

Yakubu, S. A., & Williams, A. I. (2020). Auditor independence and audit quality in Nigeria: A review. *International Journal of Accounting and Finance (IJAF)*, 9(2), 88–103.

Yusuf, A., Olamide, M., & Babalola, T. (2023). Audit firm tenure and financial reporting quality of deposit money banks in Nigeria. *Nigerian Journal of Accounting Research, 19*(1), 92–106.