AFRICAN JOURNAL OF ACCOUNTING, FINANCE & MARKETING
UNIVERSITY OF PORT HARCOURT BUSINESS SCHOOL,
UNIVERSITY OF PORT HARCOURT.
VOL. 10 NO. 1. 2026

MANDATORY AUDIT ROTATION AND AUDIT QUALITY: EVIDENCE FROM SELECTED QUOTED FIRMS IN NIGERIA

AUDU OMOAKELE GABRIEL. Ph.D.
Department of Accounting,
Faculty of Management Sciences,
University of Benin
Corresponding Author's Email: gabriel.audu@uniben.edu
Tel: +2348064289771

&

.AJAYI PERFECT
Department of Accounting,
Faculty of Management Sciences,
University of Benin
Tel:2348029338055

Article history:
Received: December 2025;
Received in revised form:
17 January 2026;
Accepted: January 23, 2026;

Keywords:
Audit quality, Mandatory rotation. Audit tenure

Abstract

The broad objective of the study is to examine the relationship between mandatory audit rotation and audit quality of firms in Nigeria. The study made use of secondary data collected from randomly selected 50 companies out of the total 151 companies for a period of 5 years. The data collected were analysed using the Ordinary Least Square technique. The results from the regression revealed that audit fees had a positive and statistically significant relationship with audit quality in Nigeria. That means audit fees were found to be a strong factor that influences audit quality in Nigeria. It was also found that audit firm size had a positive but statistically insignificant relationship with audit quality and finally audit tenure had a negative and statistically insignificant relationship with audit quality. The findings showed that the number of years the auditor audits for a company has no influence on audit quality. The study therefore recommends that policy makers should consider implementing flexible regulatory frameworks that allows a balance between mandatory audit rotation and

the potential risks associated with abrupt changes in audit engagements.

Introduction

Audit is focused on the process of collecting evidence on financial statement or financial report for convenient assessment on the correctness of the accounting estimates made by a management, through its account and disclosure. Audit as a discipline in accounting can be traced to the ancient times when men of competence, integrity, tactfulness and independence were needed by farm owners for the evaluation of their accounts of stewardship given by the tenants (Olowokore & Adebisi, 2013).

Audit quality is of much importance because it proves the credibility of the financial statement. The main objective of financial reporting is the provision of information on the financial performance and position of the reporting entity that is useful to different users, to enable them assess the stewardship of management and make informed economic decisions (Amahulu et al., 2019). According to Riyatno (2017), audit quality refers to the extent to which an audit effectively identifies and communicates material misstatements in financial statements. Audit quality is improved when material misstatements are detected and corrected (Caplan, 2015). Low quality financial reporting has also been a contributing factor in many high-profile corporate scandals, leading stakeholders in many countries to demand higher quality corporate governance (Amahulu et al*.,* 2019). High quality audits are crucial for ensuring transparency, reliability and accountability in financial reporting, which in turn supports investors' confidence and market stability.

Mandatory audit rotation is quite familiar and has been debated by the professional and regulatory bodies. According Hoyle (1986), the idea of auditor rotation was first introduced and discussed in 1976 (Alade & Edosa, 2013). The mandatory audit rotation makes it compulsory for companies to change their auditors after a fixed duration (Lu, 2005) while the voluntary rotation is optional (Alade & Edosa, 2013). Auditors have been engaged in malfeasance and resultant effect is very dangerous on the world economy and her citizens. The role of auditor's independence is to improve the financial reporting quality by increasing the effectiveness and efficiency of the auditing process and ensuring an auditor is not too familiar with the client to not jeopardize their integrity thus impairing their independent opinion (Tobi et al., 2016). To safeguard the integrity and independence of auditing, regulatory bodies and policy makers have continuously sought to enhance audit quality.

Mandatory audit rotation, also known as compulsory audit firm rotation, involves the imposition of a regulatory requirement that mandates companies to change their external auditors after a predetermined period which can be between 3 to 10 years. The aim is to mitigate the potential risks associated with longstanding auditor client relationships, such as reduced objectivity, familiarity, threat and potential independence impairments. Mandatory audit firm rotation is potentially an important tool to strengthen auditor independence, enhance audit quality, increase audit market competition, reduce auditing cost and compensate for serious institutional deficiencies.

However, the implementation of mandatory audit rotation has been a controversial topic in the accounting profession, with concerns raised about its potential costs, its impact on the quality of the audit, and the lack of evidence to support

its effectiveness. On one hand, proponents of mandatory audit rotation are concerned about the risks that long-term auditor-client relationships pose to the auditor's mindset (Kendall & David, 2015). Arguments supporting audit rotation include Massoud, Raiborn and Schorg (2006) who asserts that mandatory audit rotation might provide smaller audit firms the opportunity to participate and earn income due to necessary market competition (Alade & Edosa, 2013). On the other side, approach of mandatory rotation generally sees this as more costly than beneficial for example, start-up costs of selecting and enlighten new auditors in the client's organization (Sebastian & Alexander, 2017).

The arguments against mandatory audit firm rotation according to Alade and Edosa (2013) are; that it increases the risk of audit failures since auditors are unable to develop specific knowledge on their client for which they would require longer tenure (Davis et al., 2008)

Two of the world's most important regulators, namely the European Commission (EU) in Europe and the US PCAOB, have addressed this issue in very different ways, while the EU, after implementing the Mandatory audit rotation rule at partner level in 2006, they decided in 2014 to extend the Mandatory audit rotation to audit firms (Mariana, 2020). Hence, this study intends to investigate the impact of mandatory audit rotation on audit quality.

Literature Review

Audit Quality

Audit quality plays a crucial role in ensuring the reliability and credibility of financial statements. It refers to the degree to which an audit engagement fulfills its objectives and provides assurance on the accuracy and completeness of financial statements. It is on record that several efforts have been made to conceptualize "audit quality" in the past, however, none has achieved recognition and acceptance on a universal basis (International Auditing and Assurance Standards Board [IAASB], 2014).

According to International Auditing and Assurance Standards Board [IAASB], audit quality can be seen from three crucial dimensions which are; inputs, output and context factor. The inputs ranges from the auditor's qualities to the audit process. As the audit quality is mostly dependent on the auditor's qualities such as intellectual, moral, emotional, and personal qualities. Taking into account the independence of an audit as well as the quality, plays a significant role in preserving a well-functioning market environment, that install confidence in the validity and reliability of financial reports required for an efficient market (Ugwunta et al., 2018). The intellectual qualities entail the auditor's sense of judgement, creativity and his technical competence which is very important. It embodies the auditor's abstract reasoning, conceptual understanding and faculty of thinking.

De Angelo (1981) gives a detailed definition of audit quality as the market assessed joint probability that an auditor will detect a material misstatement in the financial statement and also relate the details of this material misstatement. The two key points of this definition is driving at the auditor's technical capabilities, competence and independence. Audit quality is abstract and hard to measure. Other researchers of audit consider audit quality in the perspective of perceived audit quality and actual audit quality which are two different concepts, because actual audit quality cannot be observed but can be evaluated at the end of an audit exercise (Ivungu et al., 2019). Actual audit quality has been measured using

analyzed quality control reviews, auditor's litigation activities and compliance of audited financial statements with contain specific GAAP reporting requirements (Ivungu et al., 2019). Despite the various methods that have been proposed by the different researchers of audit, there has not been a generally accepted measurement model for audit quality.

Mandatory Audit Rotation

The introduction of mandatory audit rotation is considered to be a response to the "perceived" decline in the independence of auditor's which is at the core of auditory function (Independent Regulatory Board for Auditors [IRBA], 2017). Mandatory Audit Rotation is a tool used in safeguarding auditor's independence. It is the compulsory rotation of an auditor or audit team in other to exterminate the threat to auditor's independence which is over familiarity or over friendly client-auditor relationship. In a more recent study on mandatory audit rotation, the practitioners have also alluded to the importance of independence as a critical aspect of mandatory rotation (Harber &Maro, 2020).

There has been continuous debate over the years about mandatory audit rotation. The result has conveyed mixed feelings towards mandatory audit rotation implementation. The mandatory audit rotation rule is being introduced mainly because of the need to strengthen the independence of auditors (Independent Regulatory Board for Auditors [IRBA], 2017), which has declined overtime due to some factors and is in the interest of the public

Empirical review

Onyabe and Yahaya (2022) examined whether audit independence affect audit quality in the context of Nigeria's poor corporate governance setting. Their sample size was 12 quoted industrial goods firms from the Nigerian Exchange Group over 2006-2020, yielding 180 observations. They concluded that audit independence is a determinant of and more likely to lead to better audit quality. Babatolu et al (2019) studied the effect of auditor's independence on audit quality of selected deposit banks in Nigeria. The population of this study comprised of twenty (20) listed Deposit money banks in Nigeria. Purposive sampling technique was used to select sample of size seven (7) banks. Secondary data was used and data were sourced from the audited annual report of the sample banks. The study recommended that auditor's independence should be strengthened by taking different measures to address the issues which could create threats for auditors.

Shinata et al (2019) analyzed the effect of audit fee on audit quality. The population of the study was manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017. The samples were taken by a purposive sampling method and obtained 50 companies as samples. The result of the study indicated that audit fee has no effect on audit quality. Phan et al (2019) examined audit fee effect on audit quality. The research was conducted on the basis of data collection from 267 auditors. The research produced results that showed that audit fee is an influential factor that strongly affects performance an audit quality. Pythaloka et al (2018) studied the influence of audit fee on audit quality at manufacturing company sub-sectors various industry and consumer goods industry which listing in Indonesia Stock Exchange within 2012 to 2016. The results showed that audit fee have an influence on audit quality.

Albert and Desi (2019) studied the association between audit tenure and audit quality to support the argument of the

enactment of regulation on audit rotation. The study focused on the relationship between partners of the public auditing firm and the client firm's CEO. The result of the research was that audit tenure has a moderately positive significant impact on companies audit quality. Martani et al (2021) examined the effect of audit tenure and audit rotation on audit quality. The results show that the relationship between the tenure of auditor and audit quality is not significant. Desi and Nurul (2019) studied the effect of audit firm size on audit quality. The sampling technique used was purposive sampling and the total of the sample was 30 companies. The result of the study showed that audit firm size has no effect on audit quality.

Mahdi et al (2018) examined audit firm size as a determinant of audit quality. 52 studies including 40 international studies and 12 national studies were taken into account as sample studies. The result was that audit firm size is positively associated with audit quality. Shinta et al (2019) studied the effect of audit firm size to audit quality. The result of their research indicated that audit firm size does not have any effect on audit quality.

Theoretical review

Policeman theory

The policeman theory explains that an auditor should be responsible for the detection and prevention of fraud, like a policeman (Uwhejevwe-Togbolo et al., 2019). It identifies the work of an auditor as a seeker, revealer and hinderer of fraud. According to Adeyemi et al. (2012), the theory speculates that auditors are safe guarders, watchdogs and protectors to their clients work and should act as a policeman. the arithmetical accuracy of the financial statement and prevention and detection of fraud is the task of an auditor. However, the main aim of auditors has been to provide reasonable assurance and verify the truth and fairness of the financial statement (Imegi & Oladutire, 2018). The detection of fraud is however a topic in the debate on the auditor's responsibilities and typically after the events where the frauds in the financial statements have been revealed, the pressure increases on increasing the responsibilities of auditor in detecting fraud

Methodology

The study employs the longitudinal research design. The choice of this design is based on the occurrence and non-controllability of the variables extracted from the annual reports and accounts.

The population of the study covers all the 151 companies listed on the floor of the Nigerian Exchange Group as at 31st December, 2025. The study used the convenience sample technique to select fifty (50) companies listed on the floor of Nigerian Exchange Group (NGX) as at 31st December, 2025. This makes the study data type secondary in nature for a time frame of 5 year, 2020- 2024.

The econometric regression of the study is adopted from Nosa et al, 2023, and it is stated as:

$AUDQTY_{it} = \beta_0 + AUDITFEE_{it} + \beta_2 AUDIND_{it} + \beta_3 AUDTENURE_{it} + \beta_4 FSIZE_{it} + \varepsilon_{it}$.....u. were

AUDQTY= Audit Quality, AUDITFEE = Audit Fee, AUDIND = Audit Independence, AUDTENURE = Auditor's Tenure , FSIZE = Firm Size. ε = Error term β_0 = Intercept β_0.... β_4= Unknown coefficients of the auditor's choice determinants and other explanatory variables.t = time i = firm. Where $\beta_0 > 0$, is a constant for the model, and the coefficients: $\beta_1, \beta_2, \beta_3$ and $\beta_4 > 0$

Table 1 Operationalization of variables

S/N	Variables	Definition	Type	Measurement	Authors
1	AUDQTY	Audit Quality	Dependent	If audited by the big four '1' and '0' if otherwise	Amahulu and Obi (2020).
2	AUDIT FEE	Audit Fee	Independent	audit fees (AUDIT FEE) is measured by taking the natural log of audit fees	Azizkhani (2018)
3.	AUDIND	Auditor's Independence	Independent	Ratio of audit fees to company's revenue	Bala *et al* (2018)
4.	AUDTENURE	Audit Tenure	Independent	Length of auditor-client relationship '1'if 3 years and above, '0'if otherwise	Bala *et al* (2018)
5.	FSIZE	Firm Size	Independent	Log of total assets	Azizkhani (2018)

Source: Researcher's Compilation from various sources, 2025

DATA PRESENTATION, DISCUSSION OF FINDINGS AND CONCLUSION

	AUDQTY	AUDFEE	AUDIND	AUDTEN	FSIZE
Mean	0.720000	4.245719	0.001297	0.893333	0.411533
Median	1.000000	4.255282	0.001000	1.000000	0.375000
Maximum	1.000000	5.650308	0.008100	1.000000	1.490000
Minimum	0.000000	3.081347	0.000100	0.000000	0.020000
Std. Dev.	0.450503	0.607653	0.001396	0.309723	0.252219
Skewness	-0.979958	0.230000	2.736051	-2.548412	0.851573
Kurtosis	1.960317	2.559873	11.94972	7.494403	4.021078
Jarque-Bera	30.76381	2.533201	687.7587	288.6079	24.64565
Probability	0.000000	0.281788	0.000000	0.000000	0.000004
Observations	250	250	250	250	250

Table 1.1: Descriptive Statistics

Source: Researcher's Compilation (2025) Using E-Views 7.0

The results of the descriptive statistics of variables are reported in table 1 above. The results showed that the average audit quality (AUDQTY) for the sampled period under consideration is approximately 0.72 while the maximum and minimum audit quality (AUDQTY) is respectively 1 and 0. This result is expected since the firm choice of audit quality represented by index of the choice of the BIG 4 audit firm or the non-BIG 4 which is either 0 or 1. The value of firm audit fees as proxies by the log of audit fees (AUDFEE) is another important variable in our study. The variable recorded mean value of 4.25, this indicates that, the mean value of the audit fee that the firm will considered in making the choice of the audit firm who audits the company annual financial report. The minimum of AUDFEE is 3.08 and show maximum value of 5.65 respectively. The mean value of auditor independent (AUDIND) recorded 00013. The minimum and maximum amounts of AUDIND are 0.008 and 0.001 respectively.

Audit tenure (AUDTEN) which implies the number of years the audit firm audits a particular recorded an average value of 0.89. The minimum and maximum values of AUDTEN are 0 and 1 respectively. The statistical information of firm size (FSIZE), the mean value is 0.41 and recorded minimum and maximum values of 1.49 and 0.02 The results of the descriptive Statistics also depicted a large Jarque Bera statistics with a high significant perfect probability value which are all below the 0.05 bench mark, for instance, the JB statistic for audit choice 30.76881 and auditor independent (AUDIND) recorded the largest JB score of 687.7587. The large Jarque-Bera statistics are indicative of the normal distribution of the regression variables. The associated probability values of the variables of 0.00000, demonstrate a good characterization of our variables. The results of the standard deviation statistics (0.451 for audit quality) indicated a small dispersion of the variable from their respective mean values.

Table 2 Unit Root Test for Variables at Levels

Variables	Augmented Dickey-Fuller (ADF) Test				Integration	Remark
	Levels	5% ADF Critical Values	P-value	5% ADF Critical Values		
AUDQTY	-3.5797*	-2.8731	0.0068	-2.8731	I[0]	Stationary
AUDFEE	-8.2329	-2.8729	0.0000	-2.8729	I[0]	Stationary
AUDIND	-3.1065	-2.8729	0.0273	-2.8729	I[0]	Stationary
AUDTEN	-6.5465	-2.8729	0.0000	-2.8729	I[0]	Stationary
FSIZE	-11.2038	-2.8729	0.0000	-2.8729	I[0]	Stationary

Source: Researcher's Compilation (2025) Using E-Views 7.0

The unit root test was conducted by augmenting the linear equation of the dependent and independent variables, our purpose is to know whether there is a problem of unit root or not, that is, the stationarity and nonstationarity of our data and model. The results indicate that using the Augmented Dickey-Fuller (ADF) test, the logarithm of all the variables is stationary at level. To avoid running a spurious regression, the test was carried out at level difference. The results revealed that all the variables are stationarity at level difference at 0% level of significance.

Summarily, it can be stated that each of the variables possesses ADF values that are less than the 1% critical values for the level and greater than the critical value for the differenced series. This implies that the time series are stationary in their levels. It can be conclusively stated that the variables possess unit roots and are integrated of order (I[0]) as shown in the integration column in Table 1.1 above.

Table 3 Correlation Matrix

Correlation	
t-Statistic	

Probability	AUDQTY	AUDFEE	AUDIND	AUDTEN	FSIZE
AUDQTY	1.000000				

AUDFEE	0.591208	1.000000			
	8.917785	-----			
	0.0000	-----			
AUDIND	-0.103918	0.075643	1.000000		
	-1.271093	0.922880	-----		
	0.2057	0.3576	-----		
AUDTEN	-0.023088	0.089272	0.078317	1.000000	
	-0.280951	1.090390	0.955708	-----	
	0.7791	0.2773	0.3408	-----	
FSIZE	0.195178	0.237915	-0.087761	0.200568	1.000000
	2.421004	2.979921	-1.071794	2.490630	-----
	0.0167	0.0034	0.2856	0.0139	-----

Source: Researcher's Compilation (2025) Using E-Views 7.0

The result of the coefficient of correlation shows a mixed of positive and negative correlation. The explanatory variable of board independent and auditor tenure is negative while the other explanatory variables are positive. The coefficients are relatively strong except for the variable of board independent. The highest coefficient of correlation 0.7791 is between the dependent variable of audit quality and the explanatory variable of board independent. The coefficient is however is not problematic since it is not above the 0.80 benchmark and not indicative of any problem of multicollinearity. The absence of the problem of multicollinearity is further strengthened by the result of the unit root test a difference level ass hown above. The statistical implication of this is that, AUDFEE and FSIZE had a significant relationship with audit quality since it had p-values >0.05. But AUDTEN and AUDTEN had a negative relationship with Audit Quality at the same 5% significant level.

Table 4. Regression Result Table

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-15.05932	2.845058	-5.293150	0.0000
AUDFEE	3.986167	0.681944	5.845298	0.0000
AUDIND	-249.8899	166.9884	-1.496451	0.1345
AUDTEN	-0.529165	0.766899	-0.690006	0.4902
FSIZE	2.021522	1.280847	1.578270	0.1145

McFadden R-squared	0.425202	Mean dependent var	0.720000
S.D. dependent var	0.450503	S.E. of regression	0.336807

Akaike info criterion	0.748324	Sum squared resid	16.44866
Schwarz criterion	0.848678	Log likelihood	-51.12429
Hannan-Quinn criter.	0.789095	Deviance	102.2486
Restr. Deviance	177.8860	Restr. log likelihood	-88.94300
LR statistic	75.63741	Avg. log likelihood	-0.340829
Prob(LR statistic)	0.000000		
Obs with Dep=0	42	Total obs	150
Obs with Dep=1	108		

Source: Researcher's Compilation (2025) Using E-Views 7.0

From the regression table results, the explanatory (independent) variables: audit fees, audit tenure, auditor independent and inventory receivable were regressed on audit quality (AUDQTY). The McFadden RSquare value of audit quality (AUDQTY) is 0.425202 is noticed. This indicates that the independent variables (audit fees, audit tenure, auditor independent and firm size) jointly explain 43% of the systematic variation in the dependent variable AUDQTY. On this account about 57% variation of audit choice was left unaccounted for, this is indicative the model fairly define the variation in audit quality.

On the basis of the statistical significance of the model, the F-statistic of 75.63741is above the 5 bench mark and p-statistic at 0.000000 is significant at P<0.01; this means that there is a statistical significant relationship between the independent variables and the dependent variable. On the basis of the relationship between the explanatory variables and the dependent variable, audit fees had had a positive and statistically significant relationship with audit quality, firm size had a positive but statistically insignificant relationship with audit quality, auditor independent and audit tenure had a negative but statistically insignificant relationship with audit quality on the basis of their respective probabilities values as shown in table 4 above.

Discussion of Findings

The discussion of findings is based on the decision rule which is to reject the null hypothesis and accept the alternative if the probability value of the z-statistics is less than 0.05 or accept the null and reject the alternative if the probability value is greater than 0.05. Considering the individual coefficients of the explanatory variables, the findings made from the empirical analysis are:

The result of audit fees (AUDFEE) had a positive and statistically significant relationship with audit quality (AUDQTY) in Nigeria. On account of the test of hypothesis on table 4.4 above, the coefficient of audit fees passed that significance test at five percent level. Therefore, we reject the null hypothesis that audit fees do not have significance influence on audit quality (AUDQTY) in Nigeria. Therefore, audit fees are found to be a strong factor that influences audit quality (AUDQTY) in Nigeria. These findings support the generally believe that the amount of the audit fee is a major consideration for the audit quality. Our evidence suggests that an audit fee (AUDFEE) is relevant in choosing reputed external auditor (Big4). This means as audit fees increases the desire to choose a reputable auditor increases in the level of increase with audit fee. Khan et al (2015); Olowooke and Inneh, (2016); found a significant positive relationship between audit fee and audit quality (AUDQTY), while Al-Khaddash, et al.

(2013)found an inverse relations between the variables.

The result also indicated that firm size had positive but statistically insignificant relationship with audit quality (AUDQTY) in Nigeria. On the basis of the coefficient of the variable, inventory failed that significance test at five percent level. We therefore reject the alternate hypothesis that inventory receivables does influence audit quality (AUDQTY) in Nigeria. Simply, this outcome demonstrates that inventory receivables do not influence audit quality (AUDQTY) in Nigeria. This finding is supported by Niskanen *et al.* (2011) but the studies of found, that a strong and proactive relationship exist between inventory receivables and audit quality (AUDQTY).

Auditor independence had a negative and statistically insignificant relationship with audit quality (AUDQTY) in Nigeria. Since the coefficient of AUDIND fails the test of significance at the five percent level of significance hence, we reject the alternative hypothesis but accept the null hypothesis that auditor independent do not influence audit quality (AUDQTY). What this means is that, the independence of the auditor is not a strong determinant of the choice of the audit firm that audits the financial statement of listed companies. The finding of this study with regard to the variable, auditor independence having a negative relationship with audit quality (AUDQTY) is confirm by the study of Sun (2013) but the study of Mahdavi, Marhamon et al (2017) report a statistically significant relationship with audit quality (AUDQTY).

Finally the result of auditor tenure had a negative and statistically insignificant audit quality (AUDQTY) in Nigeria. On account of the test of hypothesis, the coefficient of audit tenure failed that significance test at five percent level. Therefore, we reject the alternative hypothesis that audit tenure influences audit quality (AUDQTY) in Nigeria. Invariable the numbers of times or years the auditor stay in a particular firm do not influence the choice of the audit firm. This finding is supported by Al-Khaddash, et al (2013); Leung and Cheng (2014) found positive and significant relationship between audit tenure and audit quality

Conclusion and recommendations

This study examines the relationship between mandatory audit rotation and audit quality. The study made use of statistical and econometric methods to analyze significant relationship between the dependent and independent variables. The selected 50 companies in this study were retrieved from the Nigerian Exchange Group as at 31st December, 2025 and have presented their annual financial report from 2020 to 2024.

The research specifically studied the relationship between audit quality and audit fee, audit, form size and audit tenure. The research concluded that audit fees and audit firm size positively influences audit quality, with audit fee having a strong significant relationship with audit quality and audit firm size having non. Unlike audit fee and audit firm size, audit tenure had an insignificant relationship with audit quality.

Regarding audit quality in Nigeria, audit fee and audit from size play a major role, as audit fee has been seen as an assessment for audit quality and audit firm size is an agent of audit quality. The study concluded that companies in Nigeria base their attainment of audit quality on the size of the audit firm and how much the firm charges.

This study therefore recommends that policy makers should consider implementing flexible regulatory frameworks that allows a balance between mandatory

audit rotation and the potential risks associated with abrupt changes in audit engagements.

This study also recommends the encouragement of stakeholders into providing valuable insights into the design and implementing of effective mandatory rotation policies. Finally, the study recommends that whole mandatory audit rotation presents the potential to enhance audit quality, it's implementation must be accompanied by careful consideration of it's broader implications.

References

Adeyemi,S.B., Dabor, E.L., & Okpala,O.(2012). Audit quality, corporate governance and firm characteristics in Nigeria. *International Journal of Business and Management,7*(5),169-179.

Abdullahi, B.A., Norfadzilah, R., Umar, A.M., & Lateef, S.A. (2020). The impact of audit quality on the financial performance of listed companies in Nigeria. *Journal of Critical Reviews,* 7(9), 2394-5125. https//dx.doi.org/1031838/jcr.07.09.07.

Alade, S.O., & Edosa, J.A. (2013). Audit firm and audit quality in the Nigerian banking sector. http://ssrn.com/abstract=2642736.

Amahulu, N.N., & Obi, J.C. (2020). Effect of audit quality on financial performance of quoted conglomerates in Nigeria. *International Journal of Management Studies and Social Science Research,* 2(4), 2582-0265.

Caplan,D. (2015). The effect of mandatory audit rotation on audit quality and auditot compensati On. *Journal of Accounting and Public Policy,34*(6),561-579.

DeAngelo, L.E. (1981).Auditor size and audit quality. Journal of Accounting and Economics,3(3),183-199.

Hodgson, P. (2016). Auditor rotation: Are we going round in circles? Compliance week. *Institute of Internal Auditors, North America: Code of Ethics.*https://na.theiia.org/standards guidance/mandatory-guidance/pages/code-of-ethics.aspx.

Harber.A, & Maro, S.R.(2020). Exploring the impact of mandatory audit firm rotation on audit quality: An empirical study. *Academy of Accounting and Financial Studies Journal,* 25(6), 1-18.

Imegi, J.C.,& Olatudire,F.M. (2018).Audit rotation and audit quality: evidence from Nigeria listed banks. *Journal of Accounting and Financial Management,4(2),1-12.*

Iyungu T.,Neriman, Y., & Alpaslan, Y. (2019). The effect of mandatory audit firm rotation on audit quality. *International Journal of Eurasia Social Sciences,* 10(37),692-708.

Jonathan, M. (2019). The effects of mandatory audit firm rotation on the Finnish auditing environment: From Finnish auditing professional's perspective.

Khan, A.W., &AbdulSubhan, Q. (2019). Impact of board diversity and audit on firm performance. *Cogent Business & Management,* 6(1),1611719. doi:10.1080/23311975.2019.1611719.

KMPG, (2018). The risks and benefit of changing auditors.

Lu. M. (2016). Audit firm rotation, social ties and audit quality. *Unpublished Master's Thesis,Radboud University.*

Lawrence, I. (2014). Audit firm rotation and the quality of audit work: *An empirical study of Nigeria. Canadian Open*

Finance and Accounting Journal, 1(1), 1-12.

Martani, C.B. (202). Audit from rotation and audit quality: Case of the listed Romanian firms. *Annales Universitatis Apulensis Series Oeconmica,* 22(2), 158-168. Doi:10.29302/oeconmica.2020.22.2.14.

Mahdi, M.E., & Rasha, E. (2018). Effect of audit quality on firm performance: A panel data approach. *International Journal of Accounting and Financial Reporting,*9(1), 2162-3082. https://doi:org/10.5296/ijafr.v9i1.14163.

Madavi, U., Maharlouie,M., Ebrahimi, J& Sarikami (2017). "What are the drivers of audit quality after an auditor change? Evidence from voluntary and mandatory auditor switches". https://ssrn.com/abstract=2589486.

Martani, G., & Bomi, C.N. (2021). Mandatory audit firm rotation: A student perspective, an assessment of the perceived impact on auditor independence. *Jurnal Akuntansi dan Auditing Indonesia,* 25(1).

Niskanem, J., Karjalainen, J.,& Niskanem, M.(2011). Audit rotation and audit quality: Evidence from a Quasi-Experiment*: International Journal of Auditing,15*(2),153-170.

Olowokere,R.O.,& Adebisi,O.J.(2013). Audit rotation and audit quality:Evidence from Nigeria listed companies. *International Journal of Business and Management,8*(19),55-64.

Onyabe,J., &Yahaya, O.A. (2022). Audit fees, auditor indepence and audit quality in Nigeria. *Journal of Accounting and Financial Management,8*(1)1-15.

Pythaloka,L.D.,Rahayu,S.,& Yuniarta,G.A.(2018). The effect of audit fee,audit tenure and auditor rotation on audit quality. Journal of Accounting and Business Dynamics,5(2),163-176.

Riyatno, R.(2017). Effect of audit rotation on audit quality.: Emperical evidence from Indonesia. Journal of Accounting and Auditing Research & practice,1-19

Sarikhani, M.,Aref,M.,& Rabiee, H.(2011). The impact of audit rotation on audit quality. Evidence from Iran. International Journal of Business and Management.6(11),239-247.

Sebastian, A., & Alexander, O. (2017). The effects of mandatory audit firm rotation on audit quality.

Semiu, B.A., Okwy, O., & Eyesan, L.D. (2012). Factors affecting audit quality in Nigeria. *International Journal of Business and Social Science,* 3(20).

Shinatea, Z. & Zhang, J. (2019). Auditor tenure and the timelines of misstatement discovery. *The Accounting Review,* 93(2), 315-338.

Tobi, T,& Omwenga,. B, (2016). Audit quality and financial performance of companies listed in Nairobi securities exchange. *International Journal of Scientific and Research Publications,* 6(11).

Uwhejevwe-togbolo, S.E., Okwoma, A.A., & Erume, F.O. (2019). Theories of auditors' rotation / switching in Nigeria firms. *Gird International Journal of Sciences and Technology,* 4(1), 2384-5600.