JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

CONTEMPORARY REFORMS ON AUDIT REPORTS AND THE QUALITY OF FINANCIAL AUDITS: EVIDENCE FROM NIGERIA

Ahmad Bukola Uthman[1] Abdulai Agbaje Salami[2] Maridiyah Kemi Ibrahim[3]
[1]*Department of Accounting, Nile University of Nigeria, Abuja*
[2]*Department of Accounting, Al-Hikmah University Ilorin, Nigeria*
[3]*Finance and Accounts Department, Micheal Imoudu Institute for Labour Studies, Ilorin*
Emails: ahmad.uthman@nileuniversity.edu.ng[1], abdagbaje1@gmail.com[2], ibrahimmaridiyah@gmail.com[3]

***Correspondence**:* ahmad.uthman@nileuniversity.edu.ng

CITATION: Uthman, A.B., Salami, A.A. & Ibrahim, M.K. (2025). Contemporary reforms on audit reports and the quality of financial audits: Evidence from Nigeria, *Journal of Global Accounting*, 11(3), 117 - 142. Available:https://journals.unizik.edu.ng/joga

ABSTRACT

Audit communication tool – audit report has long been criticized for ineffectiveness in communicating audit findings to stakeholders. Following plethora of audit failures, a number of reforms were introduced to enhance the communication of key audit findings. This study identified the disclosure of key audit matters and audit engagement partners' name as core reforms to the audit report and examined their effects on the quality of audit of listed non-financial firms in Nigeria. Data were extracted from the audited financial reports of one hundred and two listed non-financial firms across ten (10) industries. The findings, using fixed effect method to estimate the panel model, indicated that both reforms have positive and significant effects on earnings management thereby suggesting a reduction on audit quality in listed non-financial firms in Nigeria. The study submitted, amongst others, that key audit matters and audit engagement partners' names significantly reduce audit quality of listed non-financial firms in Nigeria. It was recommended amongst others that regulatory pronouncements should be reviewed to embed peculiarities in the corporate world so as to enhance the communication of audit findings while the two variables observed in this study should be appropriately managed by the regulatory authorities.

Key words: *Audit Engagement Partner's Name, Audit Quality, Corporate Audit Reforms, Discretionary Accruals, Key Audit Matters.* .

INTRODUCTION

Attention has been given to external auditing as well as the quality of audit reports as a result of several audit failures. Audit failures have been widely reported across different countries, as far back as the audit crunch that led to the fall of Arthur Anderson in 2002 in the US (Diermeier et al., 2017), the 2019 Ernest and Young (EY) and Price WaterHouse Coopers (PWC) complicity in the audit of Thomas Cook in the UK (Akinrinola et al., 2022), the 2015 Toshiba audit failure in Japan (James, 2018) as well as the KPMG VS Stanbic IBTC audit issues in Nigeria (FRCN, 2015). As a reaction to the problems of incessant audit mishaps,

various regulatory and professional bodies across the globe have proposed reforms to the audit process. The Financial Reporting Council (FRC) in the UK made certain efforts on reforms. This led to some recommendations on auditor independence issues such as non-audit services, audit firm tenure, audit rotation, audit tendering, and so on which now have clarity in it implementation (KPMG, 2016). Following a similar trend, the Nigerian government also made attempt at reforming the auditing sector through improved regulation. The establishment of the Financial Reporting Council of Nigeria (FRCN) was done in the audit reform process. As a result, a number of reforms have been made, including a review on audit fees, mandatory audit rotation, communicating key audit matters, and non-audit services (FRCN, 2015; FRCN, 2019a). Nonetheless, key audit matters and audit partner name disclosure borders directly on the quality of communicating audit report and taking ownership of the report and the content therein.

Research efforts on audit quality have observed numerous predictors on it. Hohenfels and Quick (2020) examines the relationship between non audit service and investors' perceptions of audit quality in Germany. The reforms captured in the study is non-audit service disclosure. By extension, the influence of audit reform on objectivity while providing non-audit services was studied by Brody et al. (2014) with the outcome that provision of non-audit services has a favorable effect on the auditors' objectivity even though the study precludes how these effects directly affected audit quality. Emmanuel and Uzoka (2022) examined the reform on auditor tenure and its effect on audit quality in Nigeria using the data on annual report of selected Nigerian listed companies from 2000 - 2018, but the study excluded other forms of reform that have been ignited in the audit industry. Despite the various outcomes of audit reforms in Nigeria, many researchers have either isolated a reform or have focused on few of the outcomes without specific focus on the audit communication tool – audit report. Therefore, this study examined the impact of contemporary reforms on audit report, featuring the key audit matters and disclosure of audit engagement partners name on the audit quality of listed companies in Nigeria.

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

Objectives

This study generally sought to examine how the quality of financial audits is shaped by contemporary reforms related to auditors' reports. Specifically, it seeks to:

1. determine the extent of influence of the disclosure of audit engagement partners' names on the audit quality of listed non-financial firms in Nigeria
2. assess the impact of Key Audit Matters (KAMs) disclosure on the audit quality of listed non-financial firms in Nigeria

LITERATURE REVIEW

Concept of Audit Quality

Audit quality is perceived with respect to the viewpoint of various stakeholders, including regulators and others. Hence, there is no definition of audit quality that is universally recognized (Emmanuel & Uzoka, 2022). Audit quality is a result that depends on the existence of specific auditor characteristics. Because, there are several factors that can impact the quality of audit such as auditor independence, auditor expertise and the adequacy of audit planning and execution (Ciger, 2020). DeAngelo's (1981) defined audit quality as the probability, as evaluated by the market, that an auditor would both identify and report a misstatement in a client's accounting system. It is assumed thus to be the likelihood that an auditor would discover a misstatement in a company's financial statements and communicate it accordingly. Emmanuel and Uzoka, (2022) asserted that the definition has two components that make up audit quality: The first factor which is the ability of the auditor to detect misstatement has to do with an auditor's expertise, the auditing processes used, the quantity of samples obtained, and the amount of work the auditor put in, whereas the second factor which is the ability of the auditor to report the misstatement has to do with the auditor's objectivity, professional skepticism, and independence of the client being audited.

By way of classification, audit quality has been conceptualized in twofold namely, low audit quality and high audit quality. According to Sonu et al. (2019), high audit quality is characterized by the generation of financial information that is free from misstatements, omissions, or bias. On the other hand, an audit with low quality is one where the engagement partner has failed to gather sufficient evidence to substantiate their audit opinion (Lee & Levine, 2020). In essence, high-quality audits ensure the accuracy and reliability of financial information, while low-quality audits may lack the necessary evidence and rigor to support their conclusions. DeFond and Zhang (2014) saw higher audit quality as the increased level of assurance provided by the firm regarding the fundamental soundness of its financial

statements, financial reporting system, and inherent characteristics. In essence, audit quality can be understood as the likelihood that financial statements are free from significant misstatements (Ciger, 2020). Lower audit quality on the other hand is associated with higher chances of audit failures, while higher audit quality serves to protect the financial interests of stakeholders and investors by enhancing the reliability and credibility of financial statements. The importance of audit quality lies in its ability to influence the decisions made by stakeholders and users, making it crucial for auditors to perform their duties diligently (Rahim, 2020).

Various proxies have been used to assess audit quality, although there is no standardize proxy for audit quality. DeAngelo (1981) recommended using auditor size as a criterion for measuring audit quality. DeFond and Zhang (2014) proposed a categorization of indicators for audit quality, classifying them into two main categories: the outputs of the audit process (such as auditors' going-concern (GC) views) and the inputs to the audit process (such as auditor size). The input-based criteria are further divided into two categories: auditor characteristics and auditor-client contracting features, such as audit fees. The output-based measures are grouped into four categories: material misstatements, auditor communication, financial reporting quality, and perceptions. Studies such as Egiyi (2022) and Emmaneul and Uzoka (2022) have proxied audit quality by a combination of Financial Reporting Quality measures, on the basis that if auditors provide a high-quality audit, it should be reflected in financial statements so that investors can value the competence of the auditor. The representation of audit quality by Sonu et al. (2019) includes absolute size of discretionary accruals and the degree to which earnings benchmarks are beaten or missed.

Audit Reforms

Audit reforms are changes to the legal and regulatory framework that governs company audits. It can also be referred to changes made to auditing profession in response to concerns about the quality of audits and the independence of auditors (Horton et al., 2018). The aim of audit reform is to improve the quality of audit, financial reporting, increase shareholder protection, and guarantee that audit reports give trustworthy proof of a company's performance (Brody et al., 2014). Audit reforms are changes made to auditing in order to enhance the status of auditing and increase investor trust in audit quality. Audit reforms can be viewed as a requirement imposed by the government, regulators or professional organizations to ensure openness in audit reports, as well as to improve the audit market's high quality and independence (KPMG, 2016).

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

One of the components of audit reform is the introduction of more rigorous standards for auditors (Sikka et al., 2009). This includes the adoption of international standards of auditing (ISAs), which provide a common framework for auditors around the world. The ISAs are designed to ensure that auditors have the necessary skills, knowledge and ethical standards to carry out their work effectively (Sikka et al., 2009). Another aspect of audit reform is the strengthening of auditor independence which includes measure such as mandatory audit rotation, which requires companies to change their auditors after few years and also restrictions on the provision of non-audit services by auditors to their clients (KPMG, 2016). These measures are intended to reduce the risk of conflict of interest and ensure that auditors are truly independent.

Audit Reform in Nigeria

In Nigeria, the audit profession is regulated by the financial reporting council of Nigeria (FRCN), which was established in 2011 to promote transparency and integrity in financial reporting and corporate governance (Olojede & Erin, 2021). The FRCN is responsible for setting accounting and auditing standards as well as monitoring compliance with these standards. Some reforms have been proposed and implemented in Nigeria following audit mishaps involving Stanbic Vs KPMG (FRCN, 2015) and Cadbury Nigeria Plc (SEC, 2006) which lower investors' trust in audit and audit quality. More proactive action and reform is therefore necessary in the Nigerian corporate legal space to ensure best audit practices, standards, accountability and good corporate governance in audits (Adeyemi & Fagbemi, 2010).

The aim of these reforms is to develop competition in the audit market, improves quality of the audit and making the financial reports more informative (ICAN, 2019). In order to respond to the continuous audit mishap, Nigeria replicated some of the provisions of Sarbanes-Oxley Act in the Investment and Securities Act, 2007 and existing corporate governance code (ICAN, 2019). Efforts to restructure and reform the financial reporting framework and practices by promulgating the ISA and Financial Reporting Council of Nigeria Act (FRCN Act) 2011 are commendable (FRCN, 2016). Furthermore, FRCN (2019b) indicated that communication of KAMs is now part of the responsibility of auditors in order to enhance the communicative value of the auditor's report by providing greater transparency about the audit that was performed. Additionally, the FRCN (2019b) emphasizes the importance of communicating key audit matters (KAMs) to users of the financial statements. The inclusion

of KAMs provides additional information that helps users understand the significant matters that the auditor identified during the audit process. These matters are considered to be of utmost importance in the audit of the financial statements for the current period, as determined by the auditor's professional judgment.

Under the new Companies and Allied Matters Act (CAMA) 2020 as amended, auditors are required to register with the FRCN and comply with the council's code of ethics and standards (Abdulmalik & Ahmed, 2016). They further stated that the FRCN also have the power to investigate and sanction auditors who violate the standards, including the power to suspend or revoke an auditors' license. These have necessitated the consideration of the following hypotheses:

H_{01}: *Disclosure of audit engagement partners' names does not significantly influence corporate audit quality in Nigeria*

H_{02}: *Key Audit Matters (KAMs) disclosure does not significantly affect audit quality in Nigeria.*

Empirical Review

Disclosure of audit partners name in audit report may build some sense of responsibility on the audit partners, hence, enhancing the quality of audit outcome. Unlike when audit reports were signed in the firm's name as was the case in the past, the change mandating partner names to be disclosed has given shareholders and regulators the authority to identify and, more likely, directly challenge the audit engagement partner whenever need arises (Cole, 2014). In the case of Stanbic IBTC v. FRCN, the audit partners who participated in the audit engagement were sanctioned for the apparent audit failure (FRCN, 2015). Meanwhile, John and Liu (2021) investigate the relationship between audit quality in the United States and the publication of the names of audit engagement partners. It was stated that including the identity of the audit engagement partner in the audit report may boost the audit's quality and transparency by encouraging the partner to put out more effort to prevent audit failure(s). Whether this is attainable in Nigeria despite her reform on the disclosure of audit engagement partner still remains a research quandary.

Dao et al. (2018) examined the impact of the disclosure of audit engagement partners' names on audit quality in the USA. The study used data from firms available in the Audit Analytics database from 2013 to 2016. They restricted their sample to firms in non-financial industries, and their final sample consists of 3,904 firm-year observations for 976 unique firms. A

regression model was employed and univariate test was carried out to provide initial evidence on the impact of the disclosure of engagement partners on audit quality. The findings supported the expectation that the disclosure requirement of engagement partners' names leads to higher audit quality. However, the study was limited to one year after the requirement became effective in January 2017.

Lee and Levine (2020) conducted a study using an analytical model to examine the effects of disclosing the audit engagement partner's identity on individual and partnership incentives and overall audit quality. They model a collective decision problem, incorporating individual engagement partners' preferences with the partnership's choice of internal quality control. Their findings suggest that careful consideration should be given to how such disclosure may impact the audit firm's incentive to invest in internal quality control, which ultimately affects expected audit quality. However, the study was only until 2019. It is thus imperative to study the proposition suggesting that disclosure of audit engagement partner's name affects audit quality.

The communication of Key Audit Matters (KAMs) is expected to enhance the auditor's accountability and foster a sense of professional skepticism, this, in turn, is likely to improve audit quality (Li, 2020). However, the introduction of KAMs also brings about new challenges and pressures for auditors (KPMG, 2017). This additional responsibility can be demanding, potentially diverting auditors' focus and time away from other critical audit procedures (Al-mulla and Bradbury, 2022). While almost all public outcries about audit mishaps are usually blamed on the communication tool of audit, the Financial Reporting Council of Nigeria introduced rule nine (9) on key audit matters (FRCN, 2019b). However, in following this rule, auditors might feel compelled to be overly cautious in their selection of KAMs, which could result in increased audit fees and time-consuming audit engagements. As a reform effort, this study therefore considers it imperative to examine the nexus between Key Audit Matters (KAMs) and audit quality.

Brasel et al. (2016) provided theoretical and experimental evidence regarding the impact of critical audit matter (CAM) disclosures, alternative nomenclature of KAMs disclosure, on auditor liability judgments. They found that under certain conditions, CAM disclosures reduced auditor liability judgments as jurors perceived that undetected fraudulent misstatements were more foreseeable to the plaintiff. They also pointed out that the requirement to disclose CAMs might encourage auditors to include unnecessary information,

which might lessen the impact of more warranted CAM disclosures. They employed path analyses to support the theoretical development that CAMs will increase jurors' ex post perceptions of the foresee-ability of a related misstatement to the plaintiff, which will reduce jurors' negative affect and ultimately reduce their auditor liability judgments.

Gold and Heilmann (2019) examines the impact of communication of key audit matters (KAMs) on audit quality. They find that KAMs are associated with higher audit quality, as measured by the number of qualified audit opinions issued and the amount of discretionary accruals. They further stated that KAMs are more effective in improving audit quality for complex clients and for clients with high levels of financial reporting risk. Also, Reid et al. (2019) examined the impact of auditor report changes on financial reporting quality and audit costs in the United Kingdom. They found that the new auditor reporting requirements were associated with a significant improvement in financial reporting quality without a significant increase in audit costs. However, their study focused on the UK context.

Kend and Nguyen (2020) investigated audit reform in the Australian context by analyzing Key Audit Matters (KAM) disclosures in audit reports between 2017 and 2018. The study sample consisted of 1695 domestic listed companies with tradable securities in both years. Latent semantic analysis was employed with a total observation of 1,613. The focus was on whether auditors used the same or different disclosures related to audit procedures when reporting on the same KAM in the second year. The findings indicated that the most common KAM disclosures related to impairments of goodwill and intangible assets, revenue recognition, assets valuation, acquisitions, and exploration and evaluation, which were positively associated with audit quality. However, the study only examined the first two years of the implementation of KAM reforms in Australia.

Moroney et al. (2021) examined the inclusion of key audit matters (KAMs) in enhanced audit reports and its impact on investor perceptions of the value and credibility of the audit.The study was analyzed through descriptive statistic, Anova and planned contrast. They found that the inclusion of KAMs drew investors' attention to new and expanded messages, but the perceived value and credibility varied depending on whether the audit was conducted by a Big 4 or non-Big 4 firms.

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

MATERIALS AND METHOD

This study employed a quantitative approach; specifically longitudinal design which involves all 106 non-financial firms listed in Nigeria. Listed firms are considered appropriate for this study because they are the only firms that are mandated to publish their annual reports. The financial sector was also excluded as it undergoes different regulatory requirements thus making their reports significantly dissimilar to the other types of firms. The non-financial firms comprise of 106 firms out of which data were publicly available are drawn from the annual reports of 102. These data points were acquired from the audited financial statements of firms listed on the Nigeria Exchange Group (NGX) spanning the years 2011 to 2021. The period under consideration holds significance due to the mandatory adoption of the International Financial Reporting Standards (IFRS) by all Nigerian firms in 2012. To ensure a comprehensive span of data and to prevent the omission of pertinent details, data collection commenced from 2011. Furthermore, there were significant changes to the accounting framework in response to the World Bank's Standards and Codes assessment in 2004 and 2011.

Table 1 Industry breakdown of selected samples

Sectors	**Population of firms**	**Samples drawn**	**% population**	**Percent Firm**
Agricultural	05	05	100%	4.9%
Conglomerates	05	05	100%	4.9%
Construction and Real Estate	08	07	87.5%	6.9%
Consumer Good	21	20	95.2%	19.6%
Healthcare services	07	07	100%	6.9%
ICT	09	07	77.8%	6.9%
Industrial Good	13	13	100%	12.7%
Natural Resource	04	04	100%	3.9%
Oil and Gas	10	10	100%	9.8%
Services	24	24	100%	23.5%
Total	106	**102**	96.2%	100%

Source: Authors' Computations (2023)

The total sample that will be selected makes up 96.2% of the entire sample frame. The criteria used to choose this sample was applied to ensure that all sectors have representation in the study analysis. The consumer service sector has the highest representation among the sub-sectors of non-financial firms, while the natural resources sector has the lowest representation in the sample, according to an analysis of the sector-wise breakdown.

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

Model Specification

Audit quality = *f*(Audit reform outcomes, Controls)……..Eqn 1.

This transforms econometrically into:

$AQ_{it} = \alpha_0 + \alpha_1 ARO_{it} + \alpha_2 CTRLS_{it} + \varepsilon_{it}$ .....Eqn 2.

Since two distinct audit reform outcomes (ARO) were examined, the equation (2) is transformed into:

$AQ_{it} = \alpha_0 + \alpha_1 DPN_{it} + \alpha_2 KAMs_{it} + \sum_{n=3}^{8} \alpha_n CTRLS_{it} + \varepsilon_{it}$ …… Eqn 3.

AQ = Audit quality measured as the outcome of equation 6

Model for testing Hypothesis I:

$AQ_{it} = \alpha_0 + \alpha_1 DPN_{it} + \sum_{n=2}^{6} \alpha_n CTRLS_{it} + \varepsilon_{it}$ ……Eqn 4.

Model for testing Hypothesis II:

H_{02}: Key audit matters (KAMs) disclosure does not significantly affect audit quality

$AQ_{it} = \alpha_0 + \alpha_1 KAMs_{it} + \sum_{n=2}^{6} \alpha_n CTRLS + \varepsilon_{it}$. …… Eqn 5.

The measurements of equation 1-5 are presented in Table 2

Table 2 Variable Definition and Measurements

S/N	Variables	Proxy	Type of Variable	Definition/Measurement	Source
i.	Audit Quality	AQ	Outcome Variable	As defined in Equation 6	As cited in the equations
ii.	Disclosure of Audit Engagement Partners' Name	DPN	Independent Variable	A dummy variable that takes 1 if the lead audit partners' name is disclosed in the audit report and 0 otherwise	John and Lui (2021)
iii.	Communication of Key Audit Matters	KAMs	Independent Variable	No of KAMs disclosure in the audit report	Ferreria and Morais (2019)
iv.	Return On Asset	ROA	Control Variable	firm's earnings divided by total assets	Cahan and Sun (2014)
v.	Debt	DEBT	Control Variable	measured as the ratio of long-term debt to total assets	Cahan and Sun (2014)
vi.	Asset Turnover	AST	Control Variable	total sales scaled by total assets	Jiang et al. (2015)
vii.	Inventory	INV	Control Variable	measured as the ratio of inventory to total assets	Cahan and Sun (2014)
viii.	Loss	LOSS	Control Variable	Takes 1 if the profit after tax is negative and 0 otherwise	Cahan and Sun (2014)

Source: Authors' Compilations (2023)

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

Research outputs are replete with the measure of audit quality following the second audit output, that is, audited financial statements. Audited financial statements are produced out of the joint efforts of both the management and its auditors. Here, audit quality can be measured across the continuum, thus, considered more appropriate than subjecting audit quality measurement to binary extremes. Audited financial statements provide opportunity for the linkage of audit characteristic with statistical properties of client financial statements. Becker et al. (1998), Francis et al.(1999), Lawrence et al. (2011), Lennox et al. (2014) and Singh et al. (2019) all noted the responsiveness of certain audit characteristics to the widely adopted expected accrual model developed by Jones (1991). Following through, audit quality is thus perceived to increase with reduced earnings management and improve otherwise. A positive coefficient for a variable explaining earnings management therefore suggests decreased audit quality while a negative value suggests improved audit quality in relation to the variable.

Performance Adjusted Jones (1991) Model as modified by Kothari et al (2005)

$TA_{it} = \boldsymbol{\alpha}_0 + \boldsymbol{\alpha}_1(1/ASSETS_{it-1}) + \boldsymbol{\alpha}_2(\Delta SALES_{it} - \Delta AR_{it}) + \boldsymbol{\alpha}_3 PPE_{it} + \boldsymbol{\alpha}_4 ROA_{it} + \varepsilon_{it}$ ……..Eqn 6.

In the above equations,

TA = change in non-cash current assets minus change in current liabilities excluding current portion of non-current debt, amortization and depreciation, divided by lagged total assets.

ΔSALES = Change in sales divided by lagged total assets

ASSETS = Total Assets

ΔAR = Change in account receivable

PPE = net property, plant and equipment divided by lagged total assets.

ROA = Return on assets, measured as the ratio of the firm's earnings divided by total asset

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

RESULT AND DISCUSSIONS

Descriptive Analysis

Table 3 Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
AQ	950	0.202092	0.757238	4.11E-06	14.48499
DPN	950	0.845263	0.361844	0	1
KAMs	950	0.221476	0.408613	0	1.94591
ROA	950	0.013694	0.295927	-2.35991	6.174312
DEBT	950	0.202903	0.315171	0	3.438702
AST	950	0.790982	0.815423	0	10.40887
INV	950	0.119266	0.131832	0	1
LOSS	950	0.297895	0.457574	0	1

Source: Authors' Computation (2023) as obtained from STATA 15 outputs

The descriptive analysis of the observations is presented in Table 3. Audit quality, measured by the absolute residuals of the discretionary accruals of audited financial reports indicated a mean of 20% and a standard deviation of 0.757. While the mean is suggestive of a low level of tolerance of auditors for account manipulation, the standard deviation is also tolerable as the level of dispersion which thereby suggest that the data are well clustered together and good for further analysis. The minimum and maximum values of AQ proxy also support the interpretation of low dispersion.

The disclosure of the audit engagement partner's name in the audit report represents the practice of revealing the lead audit partner's identity, specifically the individual responsible for conducting the audit of a particular firm. The mean value of 0.85 suggests that, on average, majority of firms included this disclosure in their audit reports. Furthermore, the minimum value of 0 indicates that there were some firms that did not disclose the names of their audit partners in their reports. This variance in disclosure practices can reflect differences in transparency and reporting standards among firms or may be influenced by various factors, such as regulatory requirements or the firm's own policies.

The Communication of Key Audit Matters metric measures the number of critical audit matters communicated in the audit report. The mean value of 0.22 suggests that, only 22% of the firms included KAMs in their audit reports during the study period. This finding is below the expected average, because it was mandated for firms to communicate KAMs in their audit reports from 2017 onwards. The study's coverage spans from 2011 to 2017, indicating that firms were not fully compliant with this requirement during the earlier years of the study. The

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

lower percentage of firms communicating KAMs may be due to a variety of reasons, including differences in regulatory compliance, reporting practices, or the understanding and implementation of the requirement among firms. On the average, the control variables, that is, debt, ast, inv and loss indicate high mean value. None of this metric indicates a mean value below 7% and this affirms the relative importance of including the variables in the specified model.

Multi-Collinearity Test

Table 4 Correlation Matrix

Variables	Dpn	Kams	Roa	Debt	Ast	inv	Loss
DPN	1.0000						
KAMs	0.2193	1.0000					
ROA	-0.028	-0.0167	1.0000				
DEBT	-0.009	0.0293	-0.0670	1.0000			
AST	-0.05	-0.0289	0.0683	-0.231	1.0000		
INV	-0.03	0.0095	-0.0025	-0.2260	0.2795	1.0000	
LOSS	0.1196	0.0744	-0.3728	0.2262	-0.2260	-0.1189	1.0000
Variables	**DPN**	**KAMs**	**ROA**	**DEBT**	**AST**	**INV**	**LOSS**
VIF	1.08	1.07	1.17	1.13	1.16	1.14	1.31
Tolerance	0.925	0.933	0.858	0.882	0.859	0.878	0.764

Source: Authors' Computations 2023 as obtained from STATA 15 outputs

In Table 4, a correlation matrix using Pearson correlation coefficients was employed to assess the presence of multicollinearity among predictor variables. The most substantial correlation coefficient observed was ($r=0.2795$, $p<0.10$) between inventory and asset turnover, both of which had VIF values of 1.14 and 1.16, along with tolerances of 0.878 and 0.857, respectively. Fortunately, none of these variables posed a significant multicollinearity threat to the model. Field (2009) suggests that a strong linear relationship among predictor variables becomes a concern when the coefficient exceeds 0.8 or 0.9, indicating multicollinearity problem. Duxbury (2021) further notes that a VIF value exceeding 10 should raise concerns about multicollinearity, and a tolerance value (1/VIF) below 0.2 may indicate serious collinearity issues. In this context, the highest VIF observed is 1.31 (for the "loss" variable), which is well below the threshold of 10. Additionally, the lowest tolerance is 0.764 (also for the "loss" variable), which is above the acceptable limit of 0.2. Therefore, all variables were retained in the model as they do not exhibit problematic multicollinearity.

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

Test of Hypotheses

The results of the study's two hypotheses are presented in Table 5 and Table 6 regarding the influence of "disclosure of audit engagement partners' names" and "communication of KAMs" respectively on the audit quality of listed non-financial firms in Nigeria.

Hypothesis One

H_o: Disclosure of Audit Engagement Partners' Names does not significantly affect audit quality.

H_i: Disclosure of Audit Engagement Partners' Names significantly affects audit quality.

Table 5 outlines the outcomes for the test of Hypothesis I. To measure discretionary accruals, a proxy for audit quality, the Kothari's performance-adjusted Jones model was employed. The Hausman test conducted on the data yielded a result of (X^2 = 259.37, p<0.01), indicating a preference for employing the fixed effect method for estimation. However, the presence of heteroscedasticity (X^2 = 1.3, p<0.01) necessitated the use of the robust standard errors option to rectify this issue. The autocorrelation test (X^2 = 0.304, p>0.10) revealed no serial correlation in the data, affirming the model's appropriateness.

Table 5 Disclosure of Audit Engagement Partners' Name and Audit Quality

Variables	**Coef.**	**Robust Std. Err.**	**T**	**P>t**
DPN	0.1246937**	0.0550695	2.26	0.024
ROA	-0.810807***	0.0729421	-11.12	0.000
DEBT	-0.873917***	0.1205336	-7.25	0.000
AST	0.0187568	0.0490533	0.38	0.702
INV	-0.573464*	0.3316873	-1.73	0.084
LOSS	-0.221432***	0.0600931	-3.68	0.000
_cons	0.4046385	0.0784528	5.16	0.000
Hausman	259.37(0.0000)			
Heteroskesticity	1.3(0.0000)			
Autocorrelation	0.304(0.5826)			
R^2	0.168			
F-Statistic	25.84(0.0000)			
Model	Panel Fixed Effect			

Source: Authors' Computation (2023) as obtained from STATA 15 outputs. ***,**,* stand for significance at 1%, 5% and 10% respectively.

The overall model parameters exhibited an F-statistic of (F = 25.84, p<0.01), affirming the model's strong fit and its ability to produce reliable results for interpretation. Furthermore, the

JOURNAL OF GLOBAL ACCOUNTING
11(3) June, 2025.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

adjusted R^2 of 0.168 suggests that the predictors can account for approximately 17% of the variation in the outcome variable.

With the model fit and diagnostics established, this study observed that DPN has a statistically significant impact on audit quality (t = 2.26, p<0.05). However, the significant effect which positive coefficient of DPN suggests that disclosure of audit partners' name significantly reduce audit quality. Among the control variables, ROA (t = -11.12, p<0.01), Debt (t = -7.25, p<0.01), Inventory (t = -1.73, p<0.10), and loss (t = -3.68, p<0.01) also exhibited significant but negative associations with audit quality. This suggests that audit quality tends to improve with the presence of return on assets, debt, inventory, and even firms report loss. Asset turnover, however, did not show a significant effect on audit quality at the 95% confidence level (t = 0.38, p>0.10).

Hypothesis Two

H_o: Communication of Key Audit Matters does not significantly affect audit quality.

H_i: Communication of Key Audit Matters significantly affects audit quality.

Table 6 Audit Reform Outcomes (Communication of Key Audit Matters) and Audit Quality

Variables	Coef.	Robust Std. Err.	T	P>t
KAMs	0.1342023**	0.0542663	2.47	0.014
ROA	-0.80888***	0.0728823	-11.1	0.000
DEBT	-0.857111***	0.120414	-7.12	0.000
AST	0.0217461	0.0490978	0.44	0.658
INV	-0.551354**	0.3316463	-1.66	0.097
LOSS	-0.210652***	0.0596435	-3.53	0.000
_cons	0.4686657	0.0654227	7.16	0.000
Hausman	244.77(0.0000)			
Heteroskesticity	2.1(0.0000)			
Autocorrelation	0.273(0.6026)			
R^2	0.167			
F-Statistic	26.04(0.0000)			
Model	Fixed Effect			

Source: Authors' Computation (2023) as obtained from STATA 15 outputs. ***,**,* stand for significance at 1%, 5% and 10% respectively.

The results for hypothesis two are presented in Table 6, and the explanations closely resemble those provided for hypothesis one. The Hausman test (X^2 = 244.77, p<0.01) suggests that the choice of using the fixed effect for model estimation was appropriate. Although the heteroscedasticity test (X^2 = 2.1, p<0.01) indicated the presence of heteroscedasticity, the

autocorrelation test (F = 0.273, p>0.05) revealed that the data did not exhibit serial correlation, further validating the suitability of the model. To account for the presence of heteroscedasticity, the model was adjusted with robust standard errors as indicated in the results.

The overall model parameters displayed an F-statistic of (F = 26.04, p<0.01), indicating a strong model fit and its capacity to yield reliable results for interpretation. Additionally, the adjusted R^2 of 0.167 suggests that the predictor variables can collectively account for approximately 17% of the variation in the outcome variable. After confirming the model's fit and running diagnostics, the study revealed that communication of Key Audit Matters (KAMs) significantly reduce audit quality given the positive coefficient of KAM and its level of confidence level (t = 2.47, p<0.05). Among the control variables, ROA (t = -11.10, p<0.01), Debt (t = -7.12, p<0.01), Inv (t = -1.66, p<0.10), and Loss (t = -3.53, p<0.01) displayed significant negative relationships with audit quality. This implies that audit quality tends to improve with the presence of return on assets, debt, inventory, and even loss. Similarly, asset turnover does not show a statistically significant effect on audit quality at the 95% confidence interval (t = 0.44, p>0.10).

CONCLUSION AND RECOMMENDATIONS

The study's hypotheses have yielded evidence indicating that audit reform outcomes influence the audit quality of listed non-financial firms in Nigeria. The study employs the absolute value of discretionary accruals as a proxy for audit quality. This choice aligns with earlier research studies in the same field, such as those conducted by John & Liu (2021), Sonu et al. (2019), Dao et al. (2018), Wang et al. (2015), and Habib (2012), which have also used discretionary accruals to measure audit quality. The study has revealed that disclosing the names of audit engagement partners have a statistically significant but negative impacts on audit quality. This shows that the null hypothesis of no significant influence of disclosure of audit engagement partners name and audit quality is rejected. This indicates that disclosure of audit engagement partners' name reduced audit quality. These findings are consistent with previous studies conducted by Lee and Levine (2020) and Dao et al. (2019), thereby strengthening the argument for disclosing the audit engagement partner's name. Furthermore, Communicating Key Audit Matters (KAMs) has a direct impact on audit quality. It is thus recommended that regulators should continue to strengthen reporting requirements related to KAMs. This includes providing clear guidelines on what should be considered a KAM and how these matters should be disclosed in audit reports. Also, regulator should note that KAMs

recognition may vary by industry, and auditors should be encouraged to tailor their reporting to the specific needs and risks of the sector they are auditing.

The coefficient of communication of key audit matters (KAMs) as part of audit reform outcomes is not only significant but also positive. This indicates that communication of KAMs affect audit quality. The result signifies the rejection of the fourth hypothesis, which had posited that there is no significant relationship between the communication of KAMs and audit quality. This particular finding is consistent with the research conducted by Reid et al. (2019) and Sirois et al. (2018). The findings from the study support the notion that audit firm/partners' experience does not significantly affect audit quality. This indicates that the level of experience of the audit firm or individual partners have a discernible impact on the quality of audit conducted and relying on the level of experience of the audit firm/partners is a good indicator for assessing the audit quality. The result is similar to the study of Sonu et al. (2019), Wang et al. (2015). These findings challenge the common perception that experience in auditing does not have an impact on audit quality.

The result thus noted that that disclosure of audit engagement partners name influences audit quality. As a result, it is recommended that regulators should not only implement the rules but should also monitor and enforce compliance with these rules. Penalties for non-compliance should be in place to ensure that firms and auditors adhere to the requirements. By doing so, they can contribute to maintaining and enhancing the integrity of financial reporting and the overall trust in the auditing profession.

REFERENCES

Aamir, S., & Farooq, U. (2011). Auditor client relationship and audit quality: The effects of long-term auditor client relationship on audit quality in SMEs.

Abbott, L., Boland, C. M., Buslepp, W., & McCarthy, S. (2019). What's in a Name? The Impact of US Audit Partner Identification on Going Concern Audit Report Modifications.SSRN.

Abdulmalik, S. O., & Ahmad, A. C. (2016). Corporate governance and financial regulatory framework in Nigeria: Issues and challenges. *Journal of Advanced Research in Business and Management Studies*, *2*(1), 50-63.

Abdul-Rahman, O. A., Benjamin, A. O., &Olayinka, O. H. (2017). Effect of audit fees on audit quality: Evidence from cement manufacturing companies in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, *5*(1), 6-17.

Abid, G., & Ahmed, A. (2014). Failing in corporate governance and warning signs of a corporate collapse. *Pakistan Journal of Commerce and Social Sciences*, *8*(3), 846-866.

Adeyemi, S. B., & Fagbemi, T. O. (2010). Audit quality, corporate governance and firm characteristics in Nigeria. *International Journal of Business and Management*, *5*(5), 169-179.

Afterman, A.B. (2016). European audit reform: How it could affect U.S. companies. *The CPA Journal*, *86*(2), February. https://www.cpajournal.com/2016/02/01/european-audit-reform/

Agarwal, V. (2014). The moderating effect of tenure audit capability on profitability, financial distress and company size in audit delay. *Journal of Global Economy, Business and Finance*, *4*(6), 109-114.

Akinrinola, O.O, Audu, S.I., & Agbetunde, L.A. (2022). Accounting profession, public interest obligation and corporate failure: An empirical review. *Innovations*, December (71), 78-86.

Al-mulla, M., & Bradbury, M. E. (2022).Auditor, client and investor consequences of the enhanced auditor's report. *International Journal of Auditing*, *26*(2), 134-150. https://doi.org/10.2139/ssrn.3165267

Alsughayer, S. A. (2021). Impact of auditor competence, integrity, and ethics on audit quality in Saudi Arabia. *Open Journal of Accounting*, *10*(4), 125-140.

Al-Thuneibat, A. A., Issa, R. T. I. A., & Baker, R. A. A. (2011). Do audit tenure and firm size contribute to audit quality?: Empirical evidence from Jordan. *Managerial Auditing Journal*, *26*(4), 317-334.

Ashbaugh, H., LaFond, R., & Mayhew, B. W. (2003). Do nonaudit services compromise auditor independence? Further evidence. *The Accounting Review*, *78*(3), 611-639.

Badara, M. A. S., & Saidin, S. Z. (2013). The relationship between audit experience and internal audit effectiveness in the public sector organizations. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *3*(3), 329-339.

Bailey, R. L., Dickins, D., &Reisch, J. T. (2010). A discussion of public identification of US audit engagement partners: Who benefits? Who pays?. *International Journal of Disclosure and Governance*, *7*, 334-343.

Bartos, O.J., Wehr, P. (2002). *Using conflict theory*. Cambridge University Press. Cambridge

Becker, C. L., DeFond, M. L., Jiambalvo, J., & Subramanyam, K. R. (1998). The effect of audit quality on earnings management. *Contemporary accounting research*, *15*(1), 1-24.

Bell, D. (2019). The coming of post-industrial society.In *Social Stratification, Class, Race, and Gender in Sociological Perspective, Second Edition* (pp. 805-817).Routledge.

Bendickson, J., Muldoon, J., Liguori, E. W., & Davis, P. E. (2016). Agency theory: background and epistemology. *Journal of Management History*, *22*(4), 437-449.

Blair, M. M., & Stout, L. A. (2017).A team production theory of corporate law.In *Corporate Governance* (pp. 169-250). Gower.

Bol, J. C., Estep, C., Moers, F., &Peecher, M. E. (2018).The role of tacit knowledge in auditor expertise and human capital development. *Journal of Accounting Research*, *56*(4), 1205-1252.

Boone, J. L. (2017). Competition, conflict, and the development of social hierarchies.In *Evolutionary ecology and human behavior* (pp. 301-338).Routledge.

Bowlin, K. O., Hobson, J. L., &Piercey, M. D. (2015).The effects of auditor rotation, professional skepticism, and interactions with managers on audit quality. *The Accounting Review*, *90*(4), 1363-1393.

Brasel, K., Doxey, M. M., Grenier, J. H. et al. (2016). Risk Disclosure Preceding Negative Outcomes: The Effects of Reporting Critical Audit Matters on Judgments of Auditor Liability. *The Accounting Review*, *91*, 1345-1362. https://doi.org/10.2308/accr-51380

Brody, R. G., Haynes, C. M., & White, C. G. (2014).The impact of audit reforms on objectivity during the performance of non-audit services. *Managerial Auditing Journal*, *29*(3), 222-236.http://dx.doi.org/10.1108/MAJ-06-2013-0888

Cahan, S. F., & Sun, J. (2015).The effect of audit experience on audit fees and audit quality. *Journal of Accounting, Auditing & Finance*, *30*(1), 78-100.

Caroline, M. &Sofie, B. (2016).The Effect of Non-Audit Services on Auditor Independence.Jönköping International Business School.

Causholli, M., Chambers, D. J., & Payne, J. L. (2014). Future nonaudit service fees and audit quality. *Contemporary Accounting Research*, *31*(3), 681-712.

CBN. (2010). Prudential Guidelines for Deposit Money Banks. Issued by the Central Bank of Nigeria.

Chu, B., & Hsu, Y. (2018). Non-audit services and audit quality---the effect of Sarbanes-Oxley Act. *Asia Pacific Management Review*, *23*(3), 201-208.

Ciger, A. (2020).Audit quality: A bibliometric analysis (1981-2020). *Scientific Annals of Economics and Business*, *67*(4), 473-494. DOI: 10.47743/saeb-2020-0031

Cole, C. J. (2014). Audit partner accountability and audit transparency: Partner signature or disclosure requirement. *Journal of Accounting and Finance*, *14*(2), 84.

Contrafatto, M. (2014). Stewardship theory: Approaches and perspectives. In *Accountability and social accounting for social and non-profit organizations* (Vol. 17, pp. 177-196). Emerald Group Publishing Limited.

Dao, M., & Pham, T. (2014). Audit tenure, auditor specialization and audit report lag. *Managerial Auditing Journal*.

Dao, M., Xu, H., & Liu, L. (2019). Impact of the disclosure of audit engagement partners on audit quality: Evidence from the USA. *International Journal of Auditing*, *23*(1), 112-124.

DeAngelo, L. E. (1981). Auditor size and audit quality. *Journal of Accounting and Economics*, *3*(3), 183–199. https://doi.org/10.1016/0165-4101(81)90002-1

DeFond, M., & Zhang, J. (2014). A review of archival auditing research. *Journal of Accounting and Economics*, *58*(2–3), 275–326. https://doi.org/10.1016/j.jacceco.2014.09.002

Desoky, A., &Khasharmeh, H. A. (2018). Does the provision of non-audit services affect auditor independence and audit quality? Evidence from Bahrain. *Evidence from Bahrain (March 18, 2019).•Khasharmeh, HA and Desoky, AM*, 25-55.

Diermeier, D., Crawford, R. J., & Snyder, C. (2017). *Arthur Andersen (C): The Collapse of Arthur Andersen. Kellogg School of Management Cases, 1(1), 1–10.* doi:10.1108/case.kellogg.2016.00

Duxbury, S. W. (2021). Diagnosing multicollinearity in exponential random graph models. *Sociological Methods & Research*, *50*(2), 491-530.

Effiezal, A. Abdul, W., Nik Abdul Majid, W. Z., Harymawan, I., & Agustia, D. (2020). Characteristics of auditors' non-audit services and accruals quality in Malaysia. *Pacific Accounting Review, 32(2), 147–175.* doi:10.1108/par-10-2018-0072

Egiyi, M. A. (2022). Audit Quality and Audit Fees: The Case of Listed Companies in the Nigerian Financial Services Sector. *Contemporary Journal of Management*, *4*(2), 14-24.

Emmanuel, I. O., &Uzoka, P. (2022). Effect of Auditor Tenure on Audit Quality In Nigeria.

Eric RutgerLeukfeldt&MajidYar (2016): Applying Routine Activity Theory to Cybercrime: A Theoretical and Empirical Analysis, Deviant Behavior, DOI:10.1080/01639625.2015.1012409

Ernst & Young, LLP (E&Y). (2009). Comment letter on: Concept Release on Requiring the Engagement Partner to Sign the Audit Report. Retrieved from: http://pcaobus.org/Rules/Rulemaking/Docket029/007_EY.pdf

European Union Commission (2022).*Reform of the EU Statutory Audit Market – Frequently Asked Questions.* Brussels: European Commission.

Felix, A. (2015). Auditor independence and the provision of non-audit services–investors' perspective in Nigeria. *European Journal of Accounting Auditing and Finance Research*, *3*(5), 108- 119.

Ferreira, C., & Morais, A. I. (2019). Analysis of the relationship between company characteristics and key audit matters disclosed. *Revista Contabilidade & Finanças*, *31*, 262-274.

Field, A. P. (2005). *Discovering statistics using IBM SPSS statistics*. London: Sage Publications Limited

Financial Reporting Council of Nigeria (2015). Regulatory decision in the matter of financial statements of Stanbic IBTC holdings plc for years ended 31st december 2013 and 2014. https://drive.google.com/file/d/0BxB1-bqcIt35aHh2OXBFNFBneWM/view

Financial Reporting Council of Nigeria (2016) National Code of Corporate Governance for Private Sector (NCCG Private Sector)

Financial Reporting Council of Nigeria (2019a).Rule 3: Provision of "Audit" and "Non-Audit" Services

Financial Reporting Council of Nigeria (2019b).Rule 9: Application of International Standard on Auditing (ISA) 701 (Communicating Key Audit Matters in the Independent Auditor's Report) In Nigeria

Fiolleau, K., Hoang, K., Jamal, K., & Sunder, S. (2013). How do regulatory reforms to enhance auditor independence work in practice?. *Contemporary Accounting Research*, *30*(3), 864-890.

Francis, J. R., Maydew, E. L., & Sparks, H. C. (1999). The role of Big 6 auditors in the credible reporting of accruals. *Auditing: A Journal of Practice & Theory*, *18*(2), 17-34.

Garcia-Blandon, J., Argilés-Bosch, J. M., &Ravenda, D. (2020). Audit firm tenure and audit quality: A cross-European study. *Journal of International Financial Management & Accounting*, *31*(1), 35-64.

Gold, A., &Heilmann, M. (2019). The consequences of disclosing key audit matters (KAMs): A review of the academic literature. *Maandbladvoor accountancy en bedrijfseconomie*, *93*(1/2), 5-14. https://doi.org/10.5117/mab.93.29496

Habib, A. (2012), 'Non-audit service fees and financial reporting quality: a meta-analysis', *Abacus*, 48(2), pp214–248.

Haeridistia, N., &Fadjarenie, A. (2019).The effect of independence, professional ethics & auditor experience on audit quality. *International Journal of Scientific & Technology Research*, *8*(2), 24-27.

Hernandez, M. (2012).Toward an understanding of the psychology of stewardship. *Academy of Management Review*, *37*(2), 172-193.

Ho, N. (2023). Local competition and auditors' provision of non-audit services. *Advances in Accounting*, *63*, 100678.

Hohenfels, D., & Quick, R. (2020). Non-audit services and audit quality: evidence from Germany. *Review of Managerial Science*, *14*, 959-1007.https://doi.org/10.1007/s11846-018-0306-z

Horton, J., Tsipouridou, M., & Wood, A. (2018). European market reaction to audit reforms. *European Accounting Review*, *27*(5), 991-1023.

IAASB (International Auditing and Assurance Standards Board) (2012) Invitation to comment: Improving the auditor's report. http://www.ifac.org/system/files/publications/files/Auditor_Reporting_Invitation_to_Comment-final_0.pdf

IAASB (International Auditing and Assurance Standards Board) (2015) International Standard on Auditing (ISA) 701 Communicating Key Audit Matters in the Independent Auditor's Report. https://www.ifac.org/publications-resources/international-standard-auditing-isa-701-new-communicating-key-audit-matters-i

ICAEW (2011), 'Code of Ethics', available at icaew.com/en/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics

Institute of Chartered Accountants of Nigeria (2019). *Nigerian Standards on Auditing*. Institute of Chartered Accountants of Nigeria http://icanig.org/ican/documents/NSAs.pdf

International Auditing and Assurance Standards Board IAASB (2018). Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Service Pronouncement. ISBN: 978-1-60815-389-3. Volume 1

James, E. B. (2018). Toshiba accounting scandal: A case study in corporate governance failure. *International Conference on Human Rights, E-commerce, Marketing and Management*, January 1-3, 2018 Dubai (UAE). https://doi.org/10.EIRAI.DIRO118105

Jensen, M. C., &Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, *3*(4), 305-360.

Jiang, H., Habib, A., & Zhou, D. (2015). Accounting restatements and audit quality in China. *Advances in Accounting*, *31*(1), 125-135.

John, K., & Liu, M. (2021). Does the Disclosure of an Audit Engagement Partner's Name Improve the Audit Quality? A Difference-in-Difference Analysis. *Journal of Risk and Financial Management*, *14*(11), 508.https://doi.org/10.3390/jrfm14110508.

Jubaer, S. M. O. F., & Hassan, M. N. (2021). The Routine Activities and Rational Choice Theory: A Criminologist Reflection. *European Scholar Journal*, *2*(7), 19-29.

Keay, A. (2017). Stewardship theory: is board accountability necessary?. *International Journal of Law and Management*, *59*(6), 1292-1314.

Kend, M., & Nguyen, L. A. (2020).Investigating recent audit reform in the Australian context: An analysis of the KAM disclosures in audit reports 2017–2018. *International Journal of Auditing*, *24*(3), 412-430.

Khasharmeh, H., &Desoky, A. M. (2018). Does the provision of non-audit services affect auditor independence and audit quality? Evidence from Bahrain.*Asian Academyof Management Journal of Accounting and Finance, 14*(1), 25–55. https://doi.org/10.21315/ aamjaf2018.14.1.2

Kitteringham, G., & Fennelly, L. J. (2020). Environmental crime control. In *Handbook of loss prevention and crime prevention*, 207-222.

Kluvers, R., & Tippett, J. (2011). An exploration of stewardship theory in a Not-for-Profit organisation. In *Accounting Forum* (Vol. 35, No. 4, pp. 275-284).

Knechel, W. R., & Vanstraelen, A. (2007). The relationship between auditor tenure and audit quality implied by going concern opinions. *AUDITING: A journal of practice & theory*, *26*(1), 113-131.

Kothari, S. P., Leone, A. J., & Wasley, C. E. (2005). Performance matched discretionary accrual measures. *Journal of Accounting and Economics, 39(1), 163–197.* http://doi.10.1016/j.jacceco.2004.11.002

KPMG. (2016). Audit Reform: The impact on the role and responsibility of audit committee. Retrieved from https://assets.kpmg.com/content/dam/kpmg/cn/pdf/en/2016/12/the-new-auditorreport.pdf.

KPMG. (2017). Key Audit Matters Auditor's report snapshot, 20 September 2017.Retrieved from https://assets.kpmg/content/dam/kpmg/au/pdf/2017/key-audit-matters-auditor-report-20-september-2017.pdf. Accessed 28.08.2019

Kuntari, Y., Chariri, A., &Nurdhiana, N. (2017).The effect of auditor ethics, auditor experience, audit fees and auditor motivation on audit quality. *Sriwijaya International Journal of Dynamic Economics and Business*, *1*(2), 203-218.

Lawrence, A., Minutti-Meza, M., & Zhang, P. (2011). Can Big 4 versus non-Big 4 differences in audit-quality proxies be attributed to client characteristics?. *The Accounting Review*, *86*(1), 259-286.

Lee, K. K., & Levine, C. B. (2020). Audit partner identification and audit quality. *Review of Accounting Studies*, *25*, 778-809.

Lennox, C. S., Wu, X., & Zhang, T. (2014). Does mandatory rotation of audit partners improve audit quality? *The Accounting Review*, *89*(5), 1775-1803.

Li, H. (2020). A Study of Key Audit Matters Disclosure. Modern Economy, 11, 399-406. https://doi.org/10.4236/me.2020.112030

Löhde, A. S. K., Campopiano, G., &Calabro, A. (2021). Beyond agency and stewardship theory: shareholder–manager relationships and governance structures in family firms. *Management Decision*, *59*(2), 390-405.

Lu, Y. (2020). Auditor tenure and audit quality: An empirical study of Chinese listed firms (Doctoral dissertation).

Mangena, M., &Tauringana, V. (2008).Audit committees and voluntary external auditor involvement in UK interim reporting. *International Journal of Auditing*, *12*(1), 45-63.

Mills, D. E., Bradley, L., & Keast, R. (2021). NPG and Stewardship theory: remedies for NPM privatization prescriptions. *Public management review*, *23*(4), 501-522.

Miró, F. (2014). Routine activity theory. *The encyclopedia of theoretical criminology*, 1-7.

Moroney, R., Phang, S. Y., & Xiao, X. (2020). When do investors value key audit matters?. *European Accounting Review*, *30*(1), 63-82.

Mui, G. Y. (2018). Defining auditor expertise in fraud detection. *Journal of Forensic and Investigative Accounting*, *10*(2), 168-186.

Oladipupo, A. O., &Monye-Emina, H. E. (2016). Do abnormal audit fees matter in Nigerian audit market?. International Journal of Business and Financial Management Research, 4, 64-73

Olojede, P., & Erin, O. (2021). Corporate governance mechanisms and creative accounting practices: the role of accounting regulation. *International Journal of Disclosure and Governance*, 1-16.

Oranefo, P.C. (2022). Auditors independence: It's effect on no-audit services (case of south-east zone, Nigeria).

Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of theory and evidence on problems and perspectives. *Indian journal of corporate governance*, *10*(1), 74-95.

Park, H.J., Choi, J.U. & Cheung, J. (2017). Does non audit service compromise audit quality? The journal of Applied Business Research, 33(2), 309-320.http://doi.org/10.19030./jabr.v33i2.9903

Public Company Accounting Oversight Board (PCAOB). (2013). PCAOB Rulemaking Docket Matter No. 29, Improving the Transparency of Audits: Proposed amendments to PCAOB Auditing Standards and Form 2.

Public Company Accounting Oversight Board (PCAOB). 2015. Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards. https://pcaobus.org/Rulemaking/Docket029/Release-2015-008.pdf

Qawqzeh, H. K., Endut, W. A., Rashid, N., Johari, R. J., Hamid, N. A., &Rasit, Z. A. (2018). Auditor Tenure, Audit Firm Rotation and Audit Quality: A Literature Review. International Journal of Academic Research in Business and Social Sciences, 8(12), 1314–1324.

Qiao, P., Fung, A., Miao, J., & Fung, H. G. (2017). Powerful chief executive officers and firm performance: Integrating agency and stewardship theory. *China & World Economy*, *25*(6), 100-119.

Rahim, S. (2020).Kualitas Audit: Ditinjaudari Fee Audit, Risiko Audit danSkeptismeProfesional Auditor sebagaiVariabel Moderating. Ekuitas: JurnalPendidikanEkonomi, 8(1), 9. https://doi.org/10.23887/ekuitas.v8i1.22474

Reid, L. C., Carcello, J. V., Li, C. et al. (2019). Impact of auditor report changes on financial reporting quality and audit costs: Evidence from the United Kingdom. *Contemporary Accounting Research*, *36*, 1501-1539. https://doi.org/10.1111/1911-3846.12486

SEC. (2006). *SEC Findings on Cadbury(Nig) PLC.* Lagos.

SEC (2002). Strengthening the Commission's requirements regarding auditor independence',https://www.sec.gov/rules-regulations/2003/01/strengthening-commissions-requirements-regarding-auditor-independence

Shiparo, I (2006). Extending the framework of inquiry: Theories of changes in conflict interventions. *Berghof research center for constructive conflict management*, vol 5

Sikka, P., Filling, S., &Liew, P. (2009). The audit crunch: reforming auditing. *Managerial Auditing Journal*.

Sirois L-P, Bédard J, Bera P (2018) The informational value of key audit matters in the auditor's report: Evidence from an eye-tracking study. *Accounting Horizons*, *32*(2): 141–162. https://doi.org/10.2308/acch-52047

Sonu, C. H., Choi, A., Lee, J., & Ha, W. (2019). Audit partner's length of audit experience and audit quality: evidence from Korea. *Asia-Pacific Journal of Accounting & Economics*, *26*(3), 261-280., DOI: 10.1080/16081625.2016.1242428

Stark, W. (2020). *The sociology of knowledge: Toward a deeper understanding of the history of ideas*. Routledge.

Sulaiman, N. A., Yasin, F. M., &Muhamad, R. (2018). Perspectives of audit quality: An analysis. *Asian Journal of Accounting Perspectives*, *11*(1), 1-27. DOI: 10.22452/AJAP.vol11no1.1

Svanström, T. (2013), 'Non-audit services and audit quality: Evidence from private firms', *European Accounting Review*, 22(2), pp337–366.

Tittenbrun, J. (2013). Ralph Dahrendorf's conflict theory of social differentiation and elite theory. *Innovative Issues and Approaches in Social Sciences*, *6*(3), 117-140.

Wang, X., Wang, Y., Yu, L., Zhao, Y., & Zhang, Z. (2015). Engagement audit partner experience and audit quality. *China Journal of Accounting Studies*, *3*(3), 230-253. DOI: 10.1080/21697213.2015.1055776

World Bank Report on Observance of Standards and Codes (ROSC) Nigeria Accounting and Auditing June 6, 2011. http://documents.worldbank.org/curated/en/440581468099577387/text/691530ESW0ROSC0ng000Auditing00FY110.txt

Wuttichindanon, S., &Issarawornrawanich, P. (2020).Determining factors of key audit matter disclosure in Thailand. *Pacific Accounting Review*, *32*(4), 563-584.

Xue, S., Ye, F., & Hong, Y. (2013).Partner-client relationship and auditor switches. *China Journal of Accounting Studies*, *1*, 114–137.

Yusuf, I., &Ekundayo, D. (2018).Regulatory non-compliance and performance of deposit money banks in Nigeria. *Journal of Financial Regulation and Compliance*, *26*(3), 425-441.

Zayol, P., & Kukeng, V. (2017). Effect of Auditor Independence on Audit Quality: A Review of Literature. *International Journal of Business and Management Invention*, 6(3), 2319 – 8028 .

Zogning, F. (2022). Agency theory: A critical review. *European Journal of Business and Management*. ISSN 2222-2839, 9(2).