

## AUDIT FIRM SIZE, AUDIT FIRM TENURE AND AUDIT QUALITY

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### ABSTRACT

*The broad objective of this research was to examine some of the factors affecting audit quality. The research empirically examined the effects of audit firm size, audit firm tenure and frequency of audit committee meetings on audit quality. The research made use of only secondary data which were generated from the financial statements of thirty companies quoted on the Nigerian Stock Exchange (NSE). A regression model known as binary logit estimator was used to test the effects of audit firm size, audit firm tenure and frequency of audit committee meetings on audit quality. The tests revealed among others that audit firm size has the most significant effect on audit quality. In addition, frequency of audit committee meetings, were also found to be significant but not as significant as audit firm size. The study, however, did not find audit firm tenure to be a significant factor influencing audit quality. The study concludes that audit firm size and frequency of audit committee meetings are the major factors affecting audit quality in Nigeria. The study therefore recommends that audit firms should strive to grow in size and that measures should be put in place to encourage firms schedule frequent audit committee meetings so as to tackle the incessant menace of financial reporting deficiency. Also better package should be made for audit firms so as to encourage and enable them to carry out their duty efficiently.*

**Keyword:** *Audit firm size, length of auditors' tenure, the frequency of audit committee meetings and audit quality*

### Introduction

The Nigerian business condition has been seen in certain spots as not very helpful for financial specialists; both home and abroad. Decried explanations behind this affirmation incorporate the failure of financial reports to address the issues of this gathering of clients. The commonness of misrepresentation, over the top income the board and other money related violations in the nation has diminished the degree of certainty rested in these budget reports; and in the capacity of these announcements to play out their imperative capacities. Subsequently, the auditors are viewed as 'saviours' in rectifying this oddity, and along these lines legitimately, or in a roundabout way making an equalization in the working of the business condition.

The interest for external auditor administrations began from the organization issues which emerge out of the partition of proprietorship and control of firms. Firms are constantly possessed by dissimilar investors, however the day by day tasks of the organizations are constrained by expert managers; who could possibly hold huge shareholdings in the firm. This implies the investors of the firm have a remaining case on the association's assets and that the managers of the firm should impart their stewardship of the company's assets to investors; typically, through the intermittent issue of a lot of

financial reports (Securities and Exchange Commission, 2000). So as to guarantee that the financial information distributed by firms are solid for clients, it is ordinarily necessitated that the announcements are affirmed by an auditor – a target and thorough outsider who performs autonomous examinations that give budget summaries believability with clients.

It has been promoted by auditing researchers that the fundamental point of an audit task is to create a quality audit report. Accentuation here is on 'quality report', thus, it is assumed that the real job of the auditor is the generation of a quality report; accomplished through exacting adherence to the standards of high audit quality. Audit quality is the market-evaluated joint likelihood that a given auditor will both recognize material errors in the customer's budget reports and report the material misquotes (DeAngelo, 1981). This likelihood relies on the wide idea of an auditor's expert lead, which incorporates factors, for example, objectivity, due polished methodology and irreconcilable situation (Mgbame, Eragbhe and Osazuwa, 2012). Fundamentally, auditing is utilized to give the required confirmation to stakeholders when depending on audited budget reports. All the more correctly, the job of evaluating is to diminish data asymmetry on bookkeeping numbers, and to limit the leftover misfortune coming about because of supervisors' advantage in monetary revealing (Adeyemi and Fagbemi, 2010).

The generation of a quality audit is seen to cultivate trust in money related reports by the clients of those reports. Stakeholders specifically will in general spot better trust in audit report that are audited as the normal autonomy of the auditor helps the affirmation that significant venture choices can be made on the push of those announcements. The expanded certainty of these arrangement of monetary clients will in general draw in the inflow of capital which has the long-run impact of making development and improvement in the business condition (Adeyemi and Fagbemi, 2010). Be that as it may, wasteful aspects with respect to the board could prompt organized fiscal summary. These fiscal summaries commonly don't demonstrate the genuine situation of the association and subsequently could imperil the choices of planned financial specialists. Unfriendly outcomes on the venture would diminish the believability of the fiscal summaries; which would thus decrease the degree of capital stream, in this way decaying the condition of the business condition (Securities and Exchange Commission, 2000). The duty in this way lays on the auditor to address these issues through the proficient and viable execution of the audit task and the resultant generation of a quality report. The examination in this manner looks at the elements that could influence the quality of the audit task. The accompanying exploration questions were in this manner proposed by the analyst:

1. Is there a connection between audit firm size and audit quality?
2. Does the length of auditors' tenure enhance audit quality?
3. Does the frequency of audit committee meeting influence audit quality?

#### **Statement of Research Objectives**

1. To analyse the connection between audit firm size and audit quality.
2. To see whether the length of auditors' tenure enhance audit quality.
3. To see whether the frequency of audit committee meeting influence audit quality.

## **Research Hypothesis**

H<sub>01</sub>: There is no huge connection between audit firm size and audit quality.

H<sub>02</sub>: There is no length of auditors' tenure enhance audit quality.

H<sub>03</sub>: There is no critical connection between frequency of audit committee meeting influence audit quality.

## **Literature Audit**

### **Audit Quality**

Audit quality is the spirit of audit calling. It is identified with the fundamental enthusiasm of the general population. As indicated by DeAngelo (1981b) in Ling and Nopmanee (2012), audit quality is the likelihood that the auditor will find or reveal a break and report the rupture. Audit quality has been viewed as a multifaceted idea by the International Auditing and Assurance Standard Board (IAASB). The individual characterizing audit quality does as such relying upon the focal point through which he/she evaluates it. Clients, auditors, controllers, speculators (investors), and different partners in the budgetary revealing procedure may have disparate perspectives about what comprise audit quality which will impact the kind of markers one may use to evaluate audit quality.

The clients of monetary report may accept that high audit quality is the nonappearance of material misquotes. The examiner directing the audit may characterize high audit quality as tastefully finishing all assignment required by the association's audit approach. The examiner may assess high audit quality as one for which the work can be guarded against whenever tested in an examination or courtroom. Controllers may view audit quality as one that is in consistence with expert standard. The general public may believe high audit quality to be one that stays away from monetary issues for an organization or the market (Enofe; Mgbame; Adeyemi; Obehioye and Ehi-Ohio; 2013).

Moreover, through the financial specialists' focal point, audit quality likely could be viewed as including auditor reporting, notoriety and pertinent desire and of the audit. From the viewpoint of the audit council, audit quality is seen through the evaluation of the nature of the audit procedure and auditor correspondences and communication. The understood connection in all the above articulations depicting audit quality is the examiner's capacity to fulfil their expert commitment to discover material error through the execution of audit process.

### **Audit Firm Size**

Certain attributes inalienable in little audit practice may expand the risk of disability of audit quality. For instance, the propensity towards a customized method of administration and cosy association with the customer. Audit quality research place that Audit Firm Size influences audit quality and that huge audit firms give higher audit quality since they have more to free from acting astutely (DeAngelo, 1981b). Large audit firms are accepted to perform all the more dominant test (Husam, Rana, and Abdulhadi, 2013). Audit of large (particularly the Big 4) firms are of high calibre. Nonetheless, regardless of high audit quality that streams from the big4 which are at present-Akintola Williams Deloitte, Price water House coopers (PWC), Ernst and Young (E and Y) and KPMG-organizations still switch auditor. At the point when looked with suit or analysis, almost certainly, an organization will switch auditor, either out of disappointment with the previous auditor or in light of the fact that case against the auditor brings about a circumstance where the auditor is never again autonomous of

the organization and can never again direct the audit (Jackie, 2012). Discoveries from past research it is uncovered that when an organization is looked with misrepresentation, in the event that it isn't as of now utilizing a Big four firm, the organization is bound to enlist a bigger bookkeeping firm to direct future audits of their fiscal reports so as to guarantee high audit quality.

### **Audit Firm Tenure**

For viable and quality audit quality, the audit firm tenure is likewise considered in light of the fact that it is of incredible impact. Audit firm tenure is the length of auditor customer relationship as of the monetary year-end secured by the examined fiscal summary (Adeyemi, Okpala and Dabor, 2012). Audit tenure is characterized as short when a similar auditor has examined the budget report of an organization for a few years, and as long when a similar auditor has evaluated the fiscal report of an organization for nine (9) or more years (St. Pierre and Anderson, 1984; Stice, 1991) in (Adeyemi, Okpala and Dabor, 2012).

### **Frequency of Audit Committee Meetings**

As indicated by sec 359 (6) of the Companies and Allied Matters Act of 2004, it is the duty of the auditor to audit the money related reports of an organization in regard of a specific year end. In doing this statutory capacity, they can resolve issues and difficulties confronted by the organization. It takes an audit committee to be successful to accomplish this.

Audit committee viability to a huge degree relies upon the level the Committee can resolve issues and difficulties confronted by the organization and to improve their observing capacity of organization exercises (Abbott, Park and Parker 2000). A progressively dynamic audit committee is required to give an efficient monitoring apparatus. The more incessant the audit committee meets, the greater open door it needs to talk about current issues confronted by the organization. Since the degree of audit committee movement reflects great governance, it should improve the activity of oversight work and consequently, audit quality. The Code of Corporate Governance expresses that the arrangement of a regulated gathering urges the external auditor to raise possibly inconvenient issues at a moderately beginning time (Adeyemi et al, 2012). As a best practice, audit committee meeting ought to be directed at any rate once every year without the attendance of official board members. Notwithstanding, the total number of meetings relies upon the organization's terms of reference and the multifaceted nature of the organization's tasks. At any rate three or four meetings ought to be held notwithstanding different meetings held in light of conditions that emerge during the financial year (Finance Committee on Corporate Governance, 2001). Despite the fact that the quantity of meetings may not give a powerful checking system, it is noticed that an audit committee with no meeting or with modest number of meetings is less inclined to be a decent inspector (Menon & Williams, 1994).

### **Empirical Literature**

Numerous experimental investigations have been carried out on non-audit service, audit independence and audit quality. Non-audit service and audit independence close by other effect audit quality. Adeyemi, Okpala and Dabor (2012) in their examination on "factors influencing audit quality in Nigeria" utilizing essential information sourced from a few partners in the field of monetary announcing and auditing; and optional information sourced from fiscal summary of forty yearly reports of organizations listed on the Nigeria Stock Exchange uncovered that among different variables, multiple directorship is the most critical in influencing audit quality in Nigeria. It was also discovered that provision of non-audit service would probably significantly affect the audit quality in Nigeria.

Beattie, Fearnley and Hines (2010) in their examination on "factors influencing audit quality in the UK administrative environment", found that audit committee collaboration with auditors are among the most widely recognized variables upgrading audit quality.

In another investigation by Sewan and Alsaqqa (2012) on "audit company's size and quality: "Audits firm size impact audit quality in the Libyan oil industry". Utilizing essential information which was upheld by semi-organized meeting, they found that the size of the audit firm is emphatically connected with audit quality and that the predominance of large firms (the big 4) over little audit firms (the non-big 4) is found as far as assets and audit innovation, and the subsequent inspiration to execute as expertly as could reasonably be expected. They accumulated their information from two sources; the interest side (Libyan oil organizations) and supply side (audit firms working in Libya). The information for Libya oil organizations were accumulated from three unique respondents: inside auditors, monetary chiefs and record supervisors. For the audit firms, information were assembled from representatives at all levels in the firm: overseeing accomplices, audit directors and auditor.

In the examination led by Enofe, Mgbame, Adeyemi and Ehi-Ohio (2003) on "the determinants of audit quality in Nigerian business condition". Utilizing a regression model to break down the presence of huge connection between audit quality and the firm/audit related attributes, for example, audit firm size, board autonomy and proprietorship structure are decidedly identified with audit quality; be that as it may, just board freedom from their discoveries showed a noteworthy association with audit quality. In spite of the fact that board freedom isn't one of the variables being viewed as that influences quality with the end goal of this examination. Besides, they discovered that audit tenure has a negative association with audit quality which was additionally not noteworthy. The investigation in this manner prescribed that there ought to be sustenance and conceivable enhancement for the non-official board piece of association.

Chime, Causholi and Knechel (2012) in their examination on "audit firm tenure, non-audit administrations and inside evaluation of audit quality" utilized information from inward appraisal of audit quality in the Big-4 bookkeeping firms to research the effect of audit firm tenure and auditor gave non-audit benefits on audit quality. They discovered that first-year audits are bound to get lower appraisal of audit quality, yet from that point more elevated amounts of audit quality are accomplished and supported over long residencies. On the issue of examiner gave non-audit administrations, they tried for connection between audit quality and charges from expense the board warning administrations, security contributions and other non-audit administrations. They discovered proof of a negative effect on audit quality. It was somewhat discovered that fess gotten from the board warning administrations and administrations including customer open protections contributions are decidedly connected with audit quality.

## **Methodology**

The design adopted for this study is exploratory in nature as the secondary data obtained from annual reports of all the banks listed on the floor of the Nigerian Stock Exchange (NSE). The reason behind the choice of this design by the researcher is that it will enable him detect the nature of effects the explanatory variables such as; Non-Audit Services (NAS), audit independence, audit firm size, audit firm tenure and frequency of audit committee meetings has on the dependent variable which is audit quality.

The population for this study comprises of all the companies listed on the floor of the Nigerian Stock Exchange (NSE). The sample covers all the banks listed on the floor of the Nigerian Stock Exchange (NSE). The population is the same as the sample because the population is small.

This research work will embrace the use of only secondary data. The secondary data will be sourced from the annual reports of the companies listed on the floor of the Nigerian Stock Exchange (NSE). The data will cover a period of five (5) years from 2013-2017.

### **Model Specification**

For the purpose of this study, the multivariate linear regression model used for the prediction can be expressed as stated below;

$$\text{AudQual} = \alpha_0 + \beta_1 \text{AudFirmSize} + \beta_2 \text{AudTenure} + \beta_3 \text{FreqAudCMeet} + \varepsilon$$

Where:

AudQual = Audit Quality

AudFirmSize = Audit Firm Size

AudTenure = Audit Firm Tenure

FreqAudCMeet = Frequency of Audit Committee meetings

$\alpha$  = Constant of the regression

$\beta$  = Residual (error) term.

### **Measurement of Variables**

**Dependent variable:** In this study, audit quality is the dependent variable. The proxy audit quality is size of audit firms. A nominal scale of '1' is assigned for companies audited by any of the big-4 and '0' for companies not audited by any of the big-4.

### **Independent variables**

- i. Non-Audit Services: To measure non-audit services, total NAS fees billed audit client can be used.
- ii. Audit Independence: This can be regarded as a dummy variable for the purpose of this study. The proxy for audit independence however, is audit quality.
- iii. Audit firm size: Size of audit firm can be measured using audit firm revenue.
- iv. Audit firm tenure: Length of audit tenure measured in years.
- v. Frequency of audit committee meetings: This is measured by actual number of audit committee meetings held in a year.

The aforementioned measurements of variables is tabulated below showing; the variables, measurement, expected sign and the person the used the variable(s) if any.

### **Data Estimation Technique**

This study is carried out using binary logit estimator. The advantage of this estimator in analysing Qualitative Response Model won the researcher's choice of this method.

## Data Presentation and Analysis of Results

This section presents the empirical result and also the interpretation of the empirical findings. The empirical findings made use of the binary logit estimator because of its advantage in analysing Qualitative Response Model. However, the co-efficient are explained as the likelihood of achieving the dependent variable, in the case of audit reporting quality.

Data was analysed in this study using the binary logit estimator with the aid of econometric software-SPSS. Tables have been used to present the descriptive statistics, and regression results are obtained using the E-views 5.0.

### Descriptive Statistics

	AUDQUA	AUDSIZE	FREQAUDCMEET	AUDTENURE
Mean	0.740000	7.057127	3.526667	4.306667
Median	1.000000	6.985406	3.000000	5.000000
Maximum	1.000000	8.252853	6.000000	5.000000
Minimum	0.000000	6.079181	2.000000	1.000000
Std. Dev.	0.440104	0.476886	0.939060	1.122956
Skewness	-1.094306	0.529004	0.142190	-1.422730
Kurtosis	2.197505	2.694869	2.310698	3.796982
Jarque-Bera	33.96262	7.578028	3.475054	54.57392
Probability	0.000000	0.022618	0.175955	0.000000
Sum	111.0000	1058.569	529.0000	646.0000
Sum Sq. Dev.	28.86000	33.88566	131.3933	187.8933
Observations	150	150	150	150

The descriptive statistics describe the variables used in the model and give an idea about the characteristics of the variables. The mean of AUDITQUAL is 0.740000, with a median of 1.0000, a maximum value of 1.000000 and a minimum value of 0.000000. It has a standard deviation of 0.440104. The p-value of the Jarque-Bera statistics is less than 0.05 and thus indicates the rejection of the null hypothesis of normal distribution. The variable is not normally distributed. The mean of AUDFIRMSIZE is 7.057127, with a median of 6.985406, a maximum value of 8.252853 and a minimum value of 6.079181. It has a standard deviation of 0.476886. The p-value of the Jarque-Bera statistics is less than 0.05 and thus indicates the rejection of the null hypothesis of normal distribution. The variable is not normally distributed. The mean of FREQAUDCMEET is 3.526667, with a median of 3.000000, a maximum value of 6.000000 and a minimum value of 2.000000. It has a standard deviation of 0.939060. The p-value of the Jarque-Bera statistics is greater than 0.05 and thus indicates the acceptance of the null hypothesis of normal distribution. The variable is normally distributed. The mean of AUDITENURE is 4.306667, with a median of 5.000000, a maximum value of 5.000000 and a minimum value of 1.000000. It has a standard deviation of 1.122956. The p-value of the Jarque-Bera statistics is less than 0.05 and thus indicates the rejection of the null hypothesis. The variable is not normally distributed.

**Binary Estimation Result**

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-32.18267	6.663766	-4.829502	0.0000
AUDFIRMSIZE	4.425491	0.908866	4.869247	0.0000
AUDTENURE	0.134127	0.234006	0.573178	0.5665
FREQAUDCMEET	0.673255	0.284842	2.363607	0.0181
LR statistic (3 df)	53.96186			
Probability(LR stat)	1.14E-11			
McFadden R-squared	0.313883			

**Source: E-views 9.0**

From the result above, the coefficient will be evaluated on apriority expectation and also statistical significance of each of the variable in the model. The coefficient (Audit firm size, and Frequency of audit committee) follow apriori expectation in other word they possess positive signs, indicating that if a firm size is large enough there is likelihood that the audit quality will be better than that of smaller firms, because of their reputation, they will prefer and be able to afford highly profiled audit companies, which will improve the quality of audit reporting. Audit firm size and Frequency of Audit committee meeting were statistically significant while the Audit tenure was statistically not significant. However, together all the regressors have significant impinge on Audit Reporting Quality, as their likelihood ratio statistic 53.96186 whose probability value is about 0.00000000114, is very small. Hence we can say that it is significant at 1%. Also, the overall fit of the model revealed by the MC Fadden R-square shows that Audit firm size; Audit tenure and Frequency Audit committee (explain about 31% likelihood variation in audit reporting quality).

**Regression Result**

Dependent Variable: AUDITQUAL  
 Method: ML - Binary Logit (Quadratic hill climbing)  
 Date: 03/07/19 Time: 20:22  
 Sample: 2013 2017  
 Included observations: 150  
 Convergence achieved after 6 iterations  
 Covariance matrix computed using second derivatives

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Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-32.18267	6.663766	-4.829502	0.0000
AUDFIRMSIZE	4.425491	0.908866	4.869247	0.0000
AUDTENURE	0.134127	0.234006	0.573178	0.5665
FREQAUDCMEET	0.673255	0.284842	2.363607	0.0181

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Mean dependent var	0.740000	S.D. dependent var	0.440104
S.E. of regression	0.367437	Akaike info criterion	0.839701
Sum squared resid	19.71151	Schwarz criterion	0.919985

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Log likelihood	-58.97761	Hannan-Quinn criter.	0.872318
Restr. log likelihood	-85.95854	Avg. log likelihood	-0.393184
LR statistic (3 df)	53.96186	McFadden R-squared	0.313883
Probability(LR stat)	1.14E-11		

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Obs with Dep=0	39	Total obs	150
Obs with Dep=1	111		

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### **Hypothesis Testing and Discussion of Findings**

H<sub>01</sub>: There is no significant relationship between frequency of audit committee meetings and audit quality.

From the findings to make a meaningful discussion from binary logit Result, this interpretation is in terms of odds probabilities which are obtained by taking the antilog of the various slope coefficients. Thus, if you take the antilog of the slope of coefficient of FREQAUDCMEET (0.673255) which is 4.7125, it suggest that a firm whose model revealed by the MC Fadden R- square shows that Fsize, Tenure and frequency audit committee explain about 31% likelihood variation in audit reporting quality, is about five times likely to improve the quality of audit reporting as the frequency of audit committee meeting increases.

Based on the result of the analysis, its relationship is positive meaning; there is an agreement with our apriori expectation --because the coefficient (0.673255) of FREQAUDCMEET is positive. This agrees with apriority expectation that, there exist a positive relationship. But using the z-statistics to test for significance, the result shows that the relationship is highly significant at 2% therefore we reject the null hypothesis of no significant relationship and accept the alternative hypothesis.

H<sub>02</sub> There is no significant effect of the audit firm size on audit quality.

The coefficient of audit firm size is positive and its value is (4.425491) whose antilog is 26637.35. The relationship does passed the z-test at 1% thus, the null hypothesis is rejected and the alternative hypothesis accepted. In the same way, about 31% variation of audit report quality is explained by the independent variables (FIRMSIZE, TENURE and FREQAUDCMEET).

H<sub>03</sub>: There is no significant relationship between audit tenure and audit quality.

The coefficient of audit tenure is positive and its value is (0.134127) whose antilog is 1.3618. The relationship does not pass the z-test at 5% thus, the null hypothesis is rejected and the alternative hypothesis accepted. In the same way, about 31% variation of audit report quality is explained by the independent variables (FIRMSIZE, TENURE and FREQAUDCMEET).

### **Conclusions and Recommendations**

The aim of this study is to provide the summary of findings, conclusion and recommendation. Audit is playing an important role in developing and enhancing the global economy and business firms. Auditors express opinion on the truthfulness fairness of financial statements. This is important for the varied users of financial statement to gain assurance that the data (financial) are being reported, properly measured and fairly presented. Auditors must improve on their skills in order to increase the probability to rely more on the auditors' report and audited financial statements which are more relevant, unbiased and accurate for the decision makers. Audit quality is affected by many factors, some of them are; size of audit firm, audit firm tenure (i.e. number of years a particular audit firm has been auditing a client company), frequency of audit committee meeting, non-audit services and audit independence. In the light of the above, this research examines the systematic relationship between audit quality and its major determinants (audit firm size, audit firm tenure and frequency of audit committee meetings) and two other factors (audit independence and non-audit services) affecting audit quality as considered in this study. The summary of findings is presented below.

- There is positive and significant relationship between audit firm size and the quality of services they offer.
- There is also a significant positive relationship between frequency of audit committee meeting and audit quality among Nigeria firms.
- There is no significant relationship between audit tenure and audit quality.

## **Conclusions**

In this study we have estimated and analysed audit quality and its determinants in for the period under audit. After examining various literature and theoretical issues, an empirical analysis was also carried out using the Binary Logit estimation technique, due to its efficiency in quantal modelling. The regression showed all the variables used in the research, are of great significance except for audit tenure. Therefore, we proceed to conclude that audit firm size and frequency of audit committee meetings are the major factors affecting audit quality in Nigeria.

## **Recommendations**

The importance of the audit quality cannot be over emphasized for any firm. A lot of factors are into play in this. Among all, audit firm size and frequency of audit committee meeting are the most important. Therefore firms should put measures in place by the government to encourage firms to schedule frequent audit meetings, so as to tackle the incessant menace of financial report deficiency. Also better package should be made for audit firms so as to encourage and enable them to carry out their duty efficiently.

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## **APPENDIX**

### **REGRESSION RESULT**

Dependent Variable: AUDITQUAL  
Method: ML - Binary Logit (Quadratic hill climbing)  
Date: 03/07/19 Time: 20:22  
Sample: 2013 2017  
Included observations: 150  
Convergence achieved after 6 iterations  
Covariance matrix computed using second derivatives

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Variable	Coefficient	Std. Error	z-Statistic	Prob.
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C	-32.18267	6.663766	-4.829502	0.0000
AUDFIRMSIZE	4.425491	0.908866	4.869247	0.0000
AUDTENURE	0.134127	0.234006	0.573178	0.5665
FREQAUDCMEET	0.673255	0.284842	2.363607	0.0181

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Mean dependent var	0.740000	S.D. dependent var	0.440104
S.E. of regression	0.367437	Akaike info criterion	0.839701
Sum squared resid	19.71151	Schwarz criterion	0.919985
Log likelihood	-58.97761	Hannan-Quinn criter.	0.872318
Restr. log likelihood	-85.95854	Avg. log likelihood	-0.393184
LR statistic (3 df)	53.96186	McFadden R-squared	0.313883
Probability(LR stat)	1.14E-11		

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Obs with Dep=0	39	Total obs	150
Obs with Dep=1	111		

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