

PUSHING FOR JOINT AUDIT IN NIGERIA

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Abstract

This study examines whether the decision to engage two audit firms to conduct a joint audit would be associated with audit quality and earnings quality. The data on the perception of accounting academics and professionals was gathered through the use of a structured questionnaire. Analyses were carried out using Mean and ANOVA methods tested at 5% significance level. The Findings revealed that the engagement of joint auditors would not contribute positively to audit quality, higher earnings quality and would increase the cost of audit. It was therefore recommended that a voluntary joint audit would be a strategy to promote compliance with the regulations, build capacity of small and medium-sized practitioners, raise the quality of financial reporting and increase the confidence of investors and the general public.

Keywords: Audit fees, Audit quality, Earnings quality, Engagement partners, Joint audit

1. Introduction

The global financial crisis has raised many questions about the quality of external audits. A significant regulatory concern remains that the audit market is held in the hands of only four large