

**IMPACT OF AUDIT STANDARDS ON THE QUALITY PERFORMANCE OF
AUDITORS IN NIGERIA**



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BY

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**A RESEARCH PROJECT PRESENTED TO THE DEPARTMENT OF
ACCOUNTING, UNIVERSITY OF BENIN, BENIN CITY.
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF
THE BACHELOR OF SCIENCE (B.Sc. HONOURS) DEGREE IN ACCOUNTING.**

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DECLARATION

FAVOUR AKHERE **AIYEGBENI** declare that,

- i. This study is undertaken by me in the Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of **DR. S. UMANAH** of the Department of Accounting, Management Sciences, University of Benin, Benin City, Nigeria.
- ii. This work has not been submitted for the award of degree elsewhere.
- iii. Ideas and views are product of my personal research and where the view of others has been expressed, they have been duly acknowledged.

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DATE

CERTIFICATION

We, certify that this research project was carried out by **FAVOUR AKHERE AIYEGBENI** in the Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, Nigeria. It is adequate in scope and quality in partial fulfilment of the requirements for the award of Bachelor of Science (BSc.) degree in Accounting.

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DEDICATION

I dedicate this project to God Almighty, my creator and source of strength, who has guided me, granted me wisdom, and sustained me throughout this journey. His unwavering presence and blessings have been my foundation and inspiration. I also dedicate this work to my family and my loved ones, who have supported me with love and patience. To God be the glory for His faithfulness and goodness.

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ABSTRACT

This study examines the impact of selected International Standards on Auditing (ISA 200, ISA 220, ISA 240, and ISA 500) on audit quality performance in Nigeria, with a focus on auditors in Benin City, Edo State. The research adopted a descriptive survey design, utilizing a structured questionnaire to collect primary data from a sample of 100 auditors selected through stratified random sampling to ensure representation across firm sizes and professional experience. Data were analyzed using descriptive statistics and multiple regression analysis to determine the relationship between compliance with auditing standards and audit quality outcomes. Findings reveal that auditors strongly adhere to ethical standards and professional skepticism (ISA 200), maintain effective internal quality control and supervision mechanisms (ISA 220), actively assess and detect fraud risks (ISA 240), and gather sufficient, appropriate, and reliable audit evidence (ISA 500). The multiple regression results indicate that all four standards have a significant positive effect on audit quality performance, collectively explaining 46.8% of the variation in audit quality among respondents. Specifically, ISA 200 and ISA 500 exhibited the strongest influence, highlighting the importance of ethics, skepticism, and robust audit evidence in enhancing audit credibility. The study concludes that strict adherence to ISA standards substantially improves audit quality performance in Nigerian audit firms. It recommends that regulatory bodies and audit firms continue to reinforce training, supervision, and compliance with international auditing standards to strengthen the reliability, independence, and professional judgment of auditors, thereby enhancing stakeholders' confidence in financial reporting.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The importance of auditing in enhancing the credibility of financial reporting is particularly pronounced in developing economies such as Nigeria, where financial systems and governance frameworks continue to evolve. According to Adeyemi (2023), audit standards play a crucial role in ensuring the quality of audits services in Nigeria. Auditors play a crucial role as gatekeepers, providing reasonable assurance that financial statements are free from material misstatement caused by error or fraud. To effectively fulfil these responsibilities, auditors must perform their duties with a high level of diligence, objectivity, and independence. These qualities are fundamentally grounded in adherence to established auditing standards, which provide a framework for conducting quality audits. Globally, the International Auditing and Assurance Standards Board (IAASB) has developed the International Standards on Auditing (ISAs) to harmonize auditing practices across jurisdictions. Nigeria, through its Financial Reporting Council (FRC) and professional bodies like the Institute of Chartered Accountants of Nigeria (ICAN), has adopted these standards to align local audit practices with international benchmarks.

Despite the adoption of ISAs, Nigeria continues to face challenges related to audit quality and financial reporting reliability. Recent reports from the Nigeria Extractive Industries Transparency Initiative (NEITI, 2022) reveal discrepancies amounting to over ₦1.8 trillion in audited government accounts between 2016 and 2020. Such significant lapses have raised questions about the effectiveness of audit processes and compliance with auditing standards. Among the many ISAs, four standards have proven particularly critical in influencing audit quality and ethical conduct of auditors in Nigeria.

ISA 200, which outlines the overall objectives of the independent auditor and the conduct of an audit, emphasizes the need for professional ethics, skepticism, and sound judgment. This standard ensures auditors uphold objectivity and apply reasonable care throughout the audit process. Research by Okolie and Izedonmi (2022) suggests that breaches in professional skepticism and ethical conduct as outlined in ISA 200 account for approximately 68% of audit failures in Nigeria. This highlights the need for stricter enforcement of the principles contained in this standard.

ISA 220 focuses on quality management within an audit engagement. It requires audit firms to implement robust internal controls, including supervision, review, and monitoring mechanisms to ensure audit quality. Comparative studies, such as the World Bank's Report on the Observance of Standards and Codes (ROSC) (2021), reveal that Nigerian audit firms generally lag behind firms in South Africa and Kenya in maintaining effective quality control systems. This gap undermines the reliability of audits and erodes stakeholder confidence in Nigerian financial reports.

ISA 240 pertains to the auditor's responsibilities relating to fraud. Given the high prevalence of fraudulent activities in Nigeria, this standard is vital for auditors in assessing and responding to fraud risks. According to PwC's 2023 Global Economic Crime and Fraud Survey, 52% of Nigerian companies reported experiencing fraud incidents in the past two years, surpassing the global average of 46%. Such statistics underscore the critical role of auditors in fraud detection and prevention, as well as the importance of rigorous application of ISA 240.

Lastly, ISA 500 governs the collection and evaluation of audit evidence, guiding auditors to obtain sufficient and appropriate evidence to support their conclusions. The International Federation of Accountants (IFAC) (2023) identifies insufficient audit evidence as a major

factor in 37% of global audit failures. This trend is echoed in Nigeria, where the FRC's 2022.

Quality Review Report found that over 40% of audit files reviewed particularly from small- and medium-sized firms—showed inadequate documentation and weak evidence-gathering procedures. These shortcomings compromise the overall reliability of audit opinions.

As Nigeria continues to pursue greater transparency, accountability, and fiscal discipline, strict adherence to these key auditing standards is essential. However, there remains a persistent gap between the theoretical framework of ISAs and their practical implementation on the ground. For example, Egbunike and Odum (2023) note that many Nigerian auditors lack adequate continuing professional development to keep pace with changes in auditing standards and best practices. This has negatively impacted the overall quality of audits in the country.

In contrast, countries that have invested in the rigorous enforcement of auditing standards, such as the United Kingdom, Canada, and Australia, report higher levels of audit quality and investor confidence. The UK Financial Reporting Council (FRC UK) (2023) noted a 90% improvement in audit quality scores among major firms following stronger oversight of ISA compliance. Nigeria's audit firms, however, scored below 60% on a similar quality index compiled by the Association of Chartered Certified Accountants (ACCA) in 2022, illustrating the challenges ahead.

Given these realities, this study aims to assess how selected ISAs, specifically ISA 200, ISA 220, ISA 240, and ISA 500 impact the quality performance of auditors in Nigeria. By examining these standards within the Nigerian context, the research seeks to provide insights on how adherence to these guidelines influences auditors' ethical conduct, fraud detection capabilities, internal quality control, and evidentiary rigor. Ultimately, the study

hopes to contribute to efforts aimed at improving audit quality and financial reporting reliability in Nigeria.

1.2 Statement of the Research Problems

The quality of audit services in Nigeria has been a subject of concern, with various stakeholders questioning the effectiveness of audit standards in ensuring high-quality audits (Adeyemi 2023; Ojeka & Fakile, 2024).

Despite the global adoption of International Standards on Auditing (ISAs) aimed at enhancing audit quality and professionalism, Nigeria continues to experience significant challenges in audit practice, including persistent audit failures, inadequate training, undetected fraud, unreliable financial reporting, and regulatory complexities (Smith, 2023; Uwuigbe, 2025).. These challenges suggest gaps in the effective application and compliance with key auditing standards by Nigerian auditors.

For example, Okolie and Izedonmi (2022) emphasize that inadequate professional skepticism and weak adherence to ISA 200 contribute substantially to audit deficiencies in Nigeria. Their study highlights auditors' struggles with maintaining ethical rigor and professional judgment during engagements. Similarly, Egbunike and Odum (2023) investigate quality control mechanisms under ISA 220 in Nigerian audit firms and find systemic weaknesses in internal quality management processes, leading to inconsistent audit outcomes. Furthermore, Adeyemi and Akinyemi (2021) focus on auditors' role in fraud detection under ISA 240 and report that the high incidence of undetected fraud in Nigerian organizations partly stems from insufficient application of fraud risk assessment procedures.

While these studies provide valuable insights into specific aspects of auditing standards, they often examine these standards in isolation or focus on limited geographic or firm-size samples. There remains a significant gap in the literature regarding a comprehensive assessment of how the combined implementation of key ISAs specifically ISA 200, ISA 220, ISA 240, and ISA

500 jointly impacts the overall quality of audit performance across diverse Nigerian audit environments. Additionally, few studies critically analyses the practical challenges auditors face in fully adhering to these standards within Nigeria's unique regulatory and economic context.

This research aims to fill these gaps by adopting an integrated approach to evaluate the influence of these selected ISAs on audit quality performance in Nigeria. By doing so, it will provide a holistic understanding of how these standards collectively shape auditor behaviour, internal quality controls, fraud detection capabilities, and evidence gathering. The study will also explore barriers to full compliance and offer recommendations to enhance the practical effectiveness of auditing standards in Nigeria, thereby contributing to improved financial reporting reliability and stakeholder confidence.

1.3 Research Questions

1. How does the professional responsibility outlined in **ISA 200** affect auditors' ethical conduct and judgment in Nigeria?
1. In what ways does the quality control guidance in **ISA 220** improve internal supervision and audit execution in Nigerian audit firms?
2. What impact does the fraud risk assessment required by **ISA 240** have on auditors' ability to detect fraudulent activities?
3. ability to detect fraudulent activities?

4. 4. How does the audit evidence requirement of **ISA 500** affect the sufficiency and reliability of audit reports issued by Nigerian auditors?

1.4 Objectives of the Study

The main objective of this study is to assess the impact of selected auditing standards on the quality performance of auditors in Nigeria. The specific objectives are to:

1. examine how the ethical responsibilities and professional scepticism required by **ISA 200** influence auditors' professional behaviour and audit performance.
2. evaluate the role of audit engagement leadership and supervision requirements under **ISA 220** in ensuring quality control practices among audit firms in Nigeria.
3. determine how the risk assessment and response mechanisms provided by **ISA 240** enhance auditors' ability to detect and respond to fraud.
4. assess how the sufficiency and appropriateness of audit evidence under **ISA 500** contribute to the reliability and credibility of audit conclusions in Nigeria.

1.5 Research Hypotheses

The following null hypothesis will be tested

1. **H₀₁**: ISA 200 has no significant effect on the professional and ethical behavior of auditors in Nigeria.
2. **H₀₂**: ISA 220 has no significant influence on internal audit quality control practices in Nigerian audit firms.
3. **H₀₃**: ISA 240 has no significant impact on auditors' ability to detect and respond to fraud.
4. **H₀₄**: ISA 500 has no significant influence on the reliability and sufficiency of audit evidence gathered during audit engagements.

1.6 Scope of the Study

This study investigates the impact of four selected International Standards on Auditing (ISA 200, ISA 220, ISA 240, and ISA 500) on the quality performance of auditors specifically within Benin City, Edo State. The research targets registered audit firms and practicing auditors operating in this geographical area. It draws on primary data collected directly from audit professionals to ensure relevant and practical insights. The scope is limited to auditing activities conducted between 2018 and 2024. The year 2018 is selected as the take-off point because it marks a period when significant reforms and awareness campaigns regarding compliance with international auditing standards were intensified in Nigeria, particularly with increased emphasis from professional bodies such as ICAN and ANAN. These reforms sought to strengthen the application of ISAs to improve audit credibility and investor confidence. The 2024 is chosen as the termination point because it represents the most recent and complete data year available for assessing the outcome of these efforts, providing a seven-year span that is adequate for analyzing trends, compliance, and changes in audit quality. By narrowing the study of Benin City, the research captures context-specific insights into how auditors in the urban and economically active location apply international auditing standards. This localized focus enables the study to reflect the unique regulatory environment, economic dynamics, professional behavior in the city, offering findings that may inform broader policy recommendations.

1.7 Significance of the study

Regulatory Significance: This study is significant for regulatory bodies such as the Financial Reporting Council of Nigeria (FRCN), the Institute of Chartered Accountants of Nigeria (ICAN), and the Office of the Auditor-General of the Federation. It provides

empirical insights into the effectiveness of key International Standards on Auditing (ISA 200,
ISA 220, ISA 240,

and ISA 500) in improving audit quality within Nigeria. The findings will help these institutions enhance their regulatory frameworks, improve audit oversight, and strengthen enforcement mechanisms, ultimately fostering greater reliability and transparency in financial reporting across the country.

Professional Significance: For audit firms and practicing auditors, this research offers practical benefits by illuminating how compliance with these core auditing standards impacts audit quality in real-world settings. By understanding the direct relationship between adherence to these ISAs and improved audit outcomes, auditors can adopt better practices, enhance fraud detection capabilities, and ensure the sufficiency and appropriateness of audit evidence. This will not only improve the quality of their work but also elevate the overall reputation and credibility of the auditing profession in Nigeria.

Academic Significance: Academically, this study contributes to the body of knowledge on auditing standards and quality assurance, particularly within emerging economies like Nigeria. Unlike many existing studies that examine auditing standards in isolation, this research integrates multiple key ISAs to provide a comprehensive assessment of their collective impact on audit performance. Scholars and researchers will find this study useful as it fills gaps in the literature and lays a foundation for further studies exploring audit quality, regulatory compliance, and professional ethics in similar contexts.

Economic and Societal Significance: Lastly, this study is important for the broader economy and society as it indirectly promotes transparency and accountability in financial reporting. Improved audit quality enhances investor confidence, supports better corporate governance, and contributes to sustainable economic growth. By addressing critical challenges in auditing practices, the findings can inform policies and professional

development programs that benefit not only auditors but also businesses, investors, and the general public.

1.8 Definition of Terms

1. **ISA (International standards on Auditing):** Globally accepted principles developed by the IAASB to guide the conduct of financial audits.
2. **Audit Quality:** The degree to which an audit meets regulatory standards, provides accurate assurance, and adheres to professional ethics.
3. **Professional Skepticism:** An attitude that includes a questioning mind and a critical assessment of audit evidence.
4. **Audit Evidence:** Information used by the auditors to arrive at conclusions on which to base the audit opinion.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a comprehensive review of existing literature related to the impact of audit standards on the quality performance of auditors, with a specific focus on the Nigerian context. It covers key concepts, relevant theories, and empirical evidence. The objective is to establish a foundation for understanding how audit standards, particularly the International Standards on Auditing (ISAs), influence the effectiveness and reliability of audit outcomes. It also identifies gaps in existing literature that the current study intends to fill.

2.2 Conceptual Review

2.2.1 Audit Standards

Audit standards refer to the set of formal guidelines and professional benchmarks established to govern how audits should be conducted. They provide a structured framework that ensures audits are carried out with consistency, objectivity, transparency, and integrity. These standards are crucial in maintaining the credibility of financial statements, enhancing public confidence, and promoting sound corporate governance.

Globally, the International Standards on Auditing (ISAs)—developed and issued by the International Auditing and Assurance Standards Board (IAASB)—are the most widely adopted audit guidelines. These standards cover a broad range of audit procedures and principles, including auditor independence, materiality, documentation, fraud risk assessment, and the use of professional skepticism (IFAC, 2023). The ISAs are designed to ensure high-quality auditing across jurisdictions and are updated regularly to respond to emerging financial reporting risks and corporate failures.

In the Nigerian context, the adoption and implementation of ISAs have been critical in aligning the country's audit practice with international best practices. Regulatory bodies such as the Financial Reporting Council of Nigeria (FRCN), the Institute of Chartered Accountants of Nigeria (ICAN), and the Association of National Accountants of Nigeria (ANAN) are primarily responsible for enforcing compliance with these standards. The FRCN, through the Audit Regulation and Oversight Directorate, oversees the quality assurance framework for auditing and ensures that practitioners adhere to the ISAs and the Code of Ethics for Professional Accountants (FRCN, 2022).

Audit standards are divided into several categories under ISAs, including:

General principles and responsibilities (ISA 200 series), which define the overall objectives of the independent auditor and establish the importance of ethical requirements, professional skepticism, and professional judgment.

Risk assessment and response (ISA 300–499 series), which focus on planning, understanding the entity, and assessing the risk of material misstatement.

Audit evidence and documentation (ISA 500–599 series), which guide how to collect, evaluate, and document evidence.

Using the work of others (ISA 600–699 series), which guide group audits and the use of internal auditors.

Audit conclusions and reporting (ISA 700–799 series), which outline how auditors should communicate their findings in audit reports.

These structured standards collectively support a transparent audit process that reduces bias, enhances audit quality, and helps detect material misstatements or fraudulent financial activities. According to Olowookere and Adebayo (2023), compliance with ISAs has significantly improved the quality of financial audits in Nigeria's financial services sector, leading to better investor confidence and reduced financial restatements.

However, challenges persist in the full implementation of audit standards in Nigeria. Ugwoke and Chijoke-Mgbame (2022) noted that a significant proportion of small and medium-sized audit firms lack the capacity and training necessary to implement ISAs effectively, leading to audit inconsistencies and substandard assurance reports. Additionally, World Bank (2021) in its Report on the Observance of Standards and Codes (ROSC) for Nigeria emphasized the need for continued auditor training and the enforcement of audit quality reviews. Overall, audit standards serve as the backbone of professional auditing, helping ensure that audits are not only credible but also value-adding to stakeholders. Their full implementation in Nigeria is essential for enhancing corporate accountability, transparency, and the integrity of the financial reporting process.

2.2.2 Audit Quality Performance

Audit quality performance refers to the degree to which an audit is conducted in line with established auditing standards, professional ethics, and regulatory expectations. It encompasses the ability of an auditor to detect and report material misstatements, whether due to error or fraud, and to issue appropriate audit opinions that faithfully represent the financial condition of an organization. High-quality audits are essential to the functioning of capital markets as they provide assurance to investors, creditors, regulators, and other stakeholders that financial statements are accurate and reliable.

Audit quality is multidimensional and is influenced by several critical factors. These include the auditor's independence, compliance with International Standards on Auditing (ISAs), technical competence, professional skepticism, firm-level quality control mechanisms, and the presence of robust internal control systems within the audited entity (IAASB, 2022). When these factors are effectively in place, auditors are more likely to produce audit reports that contribute to accountability, transparency, and strong corporate governance.

According to Francis et al. (2021), audit quality can be assessed by the extent to which audit outcomes align with objective financial reality, especially in detecting material misstatements and issuing modified opinions when necessary. Additionally, the International Auditing and Assurance Standards Board (IAASB) emphasizes that audit quality is not only about compliance with standards but also about the execution of professional judgment and the culture of the auditing firm itself (IAASB, 2022). Audit quality, therefore, extends beyond technical compliance to include the auditor's ethical behavior, integrity, and dedication to the public interest.

In the Nigerian context, audit quality has been a matter of concern. Numerous corporate failures such as those involving Cadbury Nigeria Plc, Intercontinental Bank, and Oceanic Bank have raised doubts about the competence and independence of auditors in the country (Okaro & Okafor, 2021). These cases exposed weaknesses in audit practices, including insufficient risk assessment, failure to exercise skepticism, and inadequate application of audit standards. Consequently, stakeholders have called for a more robust regulatory framework and better oversight by bodies such as the Financial Reporting Council of Nigeria (FRCN) and the Public Accountants' Disciplinary Tribunal (PADT).

Recent studies show that while adoption of ISAs in Nigeria has improved the formal structure for conducting audits, practical implementation remains a challenge. Olowokure

and Olayemi (2023) noted that many small and medium-sized audit firms struggle to meet international expectations due to limited resources, lack of continuous professional development, and poor quality control processes. In contrast, larger firms—particularly those affiliated with international networks—are more likely to produce high-quality audits due to access to global methodologies and peer reviews.

Moreover, Akinyele and Adebayo (2022) argue that institutional factors such as regulatory enforcement, litigation risk, and auditor rotation policies play a critical role in determining audit quality. When regulatory bodies actively monitor audit activities and enforce compliance, auditors are more cautious and diligent in performing their duties. On the other hand, weak enforcement mechanisms may encourage complacency or collusion with clients.

In sum, audit quality performance is a vital element of the financial reporting ecosystem. It safeguards the interests of stakeholders by ensuring the reliability and integrity of financial information. In Nigeria, improving audit quality requires more than the mere adoption of international standards; it necessitates stronger regulatory oversight, continuous auditor education, firm-level commitment to ethical conduct, and active stakeholder engagement.

2.2.3 Key International Standards on Auditing (ISAs)

The following ISAs are particularly relevant to enhancing audit quality performance:

1. **ISA 200** – Deals with the overall objectives of the independent auditor and the conduct of an audit in accordance with ISAs.
2. **ISA 220** – Focuses on quality control for audits of financial statements.
3. **ISA 240** – Addresses the auditor's responsibilities relating to fraud in an audit of financial statements.

4. **ISA 500** – Relates to audit evidence and the auditor’s responsibility to design and perform audit procedures.

These standards collectively promote ethical compliance, systematic audit procedures, and reliable audit outcomes. (IFAC, 2024; IAASB, 2025).

2.2.3.1 Ethical responsibilities under ISA 200

ISA 200 emphasizes the importance of auditors adhering to ethical responsibilities in the conduct of an audit. By understanding and implementing these principles, auditors can maintain the trust and confidence of stakeholders, providing assurance on the financial statements, and upholding the public trust. The fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior are essential for auditors to perform their duties professionalism and expertise. Moreover, adherence to these ethical principles is crucial for the credibility and reliability of financial reporting, which is important for informed decision making by stakeholders (FRC 2019).

2.2.3.2 Quality Control under ISA 220

ISA 220 focuses on quality control for audits of financial statements, emphasizing leadership responsibilities, ethical requirements, acceptance and continuance of client relationships, assignments of engagement teams , engagement performance, monitoring, and documentation. By implementing these quality control procedures, auditors can provide reasonable assurance that the audit complies with professional standards and applicable legal and regulatory requirements, and that the auditor’s report issued is appropriate in the circumstances. The approach to quality management requires the engagement partner and engagement team to be proactive in managing and achieving quality

2.2.3.3 Fraud Detection under ISA 240

ISA 240 outlines the auditor's responsibilities relating to fraud in an audit of financial statements. It emphasizes the importance of professional skepticism and risk assessment, this standard enables auditors to identify and assess the risks of material misstatement due to fraud, ultimately enhancing the reliability and credibility of financial reporting. Auditors must maintain a skeptical mindset, actively questioning evidence and assumptions to identify anomalies that may indicate fraud. Effective communication with those charged with governance is also essential, ensuring that suspicious or findings related to fraud are promptly addressed.

2.2.3.4 Audit Evidence under ISA 500

ISA 500 provides a comprehensive framework for auditors to obtain sufficient and appropriate evidence, which is essential for forming an opinion on the financial statements. By adhering to this standard, auditors can ensure that their audit procedures are effective, efficient, and tailored to the specific needs of the engagement. It requires the auditors to exercise professional judgment and expertise in designing and performing audit procedures, evaluating the relevance and reliability of evidence, drawing conclusions based on the evidence obtained. By doing so, auditors can provide reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or errors.

2.2.3.5 ISA 200 and Audit performance

ISA 200 outlines the overall objectives of the independent auditors and sets the foundation for ethical requirements and application of professional judgment. In Nigeria, where audits failures have been associated with ethical lapses and inadequate skepticism, ISA 200 plays a crucial role. According to Uche and Iginoba (2025), Nigerians auditors who consistently

apply ISA 200 principles demonstrate superior audit quality, marked by accuracy, objectivity, and client independence. The study found that compliance with this standard significantly reduces the likelihood of audit errors and misstatements, especially in public listed firms.

2.2.3.6 ISA 220 and Audit performance

ISA 220 focuses on the quality control at the engagement level, emphasizing the importance of planning, supervision, and review. This standard is particularly important for ensuring that audit firms maintain a system of quality assurance. Ajayi and Nwachukwu (2025) discovered that the audit firms in Nigeria that implemented structured quality control systems in accordance with ISA 220 experienced improvement in audit effectiveness and efficiency. The study concluded that the adherence to ISA 220 positively impacts audit consistency, staff competence, and overall performance.

2.2.3.7 ISA 240 and Audit performance

ISA 240 deals with the auditor's responsibility to consider fraud in an audit financial statements. In Nigeria, fraudulent financial practices are a major concern, making ISA 240 precisely relevant. Chukwuma and Bello (2024) highlighted the effective implementation of ISA 240 enables auditors to better identify, assess, and respond to risks of material misstatements due to fraud. The research found a statistically significant relationship between ISA 240 compliance and detection of financial irregularities, particularly in the banking and manufacturing sectors.

2.2.3.8 ISA 500 and Audit performance

ISA 500 addresses the need for auditors to obtain sufficient and appropriate audit data. In Nigeria environment, the quality and quantity of evidence collected during audits directly

affects audit outcomes. Eze and Ogundipe (2025) emphasized that ISA 500 compliance improves the reliability and credibility of audit opinions. . The empirical analysis of Nigeria audit firms revealed that adhering strictly to ISA 500 demonstrated lower audit risks, stronger documentation, and enhanced regulatory approval.

2.3 Theoretical Review

The theoretical framework for understanding the impact of audit standards on auditor performance is grounded in several interrelated theories. These theories help explain why audit standards exist, how they are implemented, and the implications for auditor behavior and audit outcomes. The key theories that underpin this research include agency theory, interest theory, and compliance theory.

2.3.1 Agency Theory

Agency theory, first introduced by Jensen and Meckling (1976), provides a fundamental basis for understanding the need for external audits in modern corporations. The theory posits that in a corporate environment, there is a natural separation between the owners of a firm (the principals) and the managers (the agents) who control day-to-day operations. This separation often leads to a conflict of interest, as agents may not always act in the best interests of the principals. The resulting information asymmetry creates a need for mechanisms to monitor managerial actions.

Auditors serve as a key monitoring mechanism in this principal-agent relationship. Their role in providing independent and objective assurance on the truth and fairness of financial statements helps to mitigate agency costs by reducing information asymmetry (DeFond & Zhang, 2019). Adherence to high-quality audit standards strengthens the credibility of audit reports, assuring stakeholders that management's assertions are trustworthy.

In Nigeria, agency conflicts are heightened by weak corporate governance structures and limited regulatory enforcement. This increases the reliance on statutory audits to protect investor interests. When auditors strictly comply with International Standards on Auditing (ISAs), they enhance the transparency of financial reporting and reduce the risk of managerial opportunism (Okolie and Izedonmi, 2021) Thus, the relevance of agency theory in this context cannot be overemphasized, as it supports the crucial role of audit standards in safeguarding stakeholders value.

2.3.2 Public Interest Theory

Public interest theory, rooted in the work of Watts and Zimmerman (1986), asserts that regulatory mechanisms such as audit standards are primarily designed to serve the public good. According to this theory, regulation is introduced as a response to market failures or corporate misconduct, ensuring that public welfare is prioritized over private interests.

Audit standards are a form of such regulation, ensuring transparency, integrity, and fairness in financial reporting. They help align corporate behavior with societal expectations by mandating rigorous processes for evidence gathering, risk assessment, and financial disclosures. In emerging economies like Nigeria, where investor confidence can be fragile, the adoption of globally recognized standards like the ISAs is critical for maintaining trust in financial systems (Adebayo & Ogunlade, 2023).

Furthermore, public interest theory explains the importance of regulatory oversight by institutions such as the Financial Reporting Council of Nigeria (FRCN), which enforces compliance with audit standards to prevent financial misstatements and restore confidence in Nigeria's capital markets. The growing demand for corporate accountability from both local

and international investors highlights the relevance of this theory in shaping audit practice and policy in the Nigerian context.

2.3.3 Compliance Theory

Compliance theory explores the reasons why individuals and organizations conform to laws, standards, or professional codes. As articulated by Tyler (2006), compliance can be driven by internal motivations such as a belief in the legitimacy of the rules—or by external pressures, including fear of sanctions, loss of reputation, or peer scrutiny.

In the auditing profession, compliance with standards is critical to ensuring audit quality and professional integrity. Compliance theory offers insight into how both intrinsic ethical values and extrinsic regulatory threats influence auditor behavior. Auditors are more likely to follow auditing standards when they perceive the rules as fair, necessary, and consistently enforced (Braithwaite, 2021).

In Nigeria, where regulatory enforcement has historically been weak, efforts to raise compliance levels must address both motivational and deterrent factors. Professional bodies such as ICAN and ANAN, along with the FRCN, play a pivotal role in raising awareness, offering continuous professional development, and imposing disciplinary measures on erring practitioners. The theory supports the view that the quality of audits can be significantly improved when audit standards are not only present but actively enforced and internalized by auditors.

2.4 Empirical Review

The impact of audit standards on the quality performance of auditors in Nigeria has been the subject of several empirical studies. These studies have investigated the relationship between audit standards and auditor performance, with a focus on the adoption of ISA and effect on

audit quality. Studies have shown that the adoption of ISA in Nigeria has led to an improvement in audit quality.

Adebayo and Ogunleye (2025) assessed the impact of auditor rotation on fraud detection. Analyzing data from 75 audit over a five-year period, the study found that regular rotation of audit partners, as suggested by ISA 240, led to increased fraud detection rates. The authors advocated for regulatory policies enforcing mandatory audit partner rotation to prevent familiarity threats and enhance audit quality.

Nwankwo and Uche (2025) examined the influence of audit firm size on fraud detection capabilities. The study compared large international audit firms with smaller local firms in Nigeria, using data from 60 audit engagements. The results indicated that larger firms, with more resources and specialized staff, were more effective in detecting fraud. The study recommended capacity building for smaller firms and collaboration with larger firms to improve fraud detection practices.

Eze and Okonkwo (2025) investigated the challenges auditors face in obtaining sufficient appropriate audit evidence in Nigeria public sector. Through interviews with 50 public sector auditors, the study identified bureaucratic hurdles and limited access to records as major impediments. The study recommended policy reforms to facilitate better access to information and adherence to ISA 500 guidelines to improve audit outcomes in public sector.

Akinyemi and Adeyemi (2025) explored the relationship between audit evidence documentation and audit quality. Analyzing 80 audit reports from various firms, the study found that comprehensive documentation, in line with ISA 500, correlated with higher audit quality scores. The authors advocated for the implementation of standardized documentation templates and regular peer reviews to ensure compliance with audit evidence.

Ojo and Fagbemi (2025) assessed the effectiveness of audit evidence in detecting financial misstatements. The study involved a content analysis of 100 audit files and found that audits with thorough evidence collection and evaluation processes were more successful in identifying material misstatements. The study emphasized the need for continuous training on ISA 500 requirements and the use of analytical procedures to enhance the effectiveness of audit evidence.

Asogba, Soyemi, and Ariyibi (2024) examined the determinants of audit quality disclosures among non-financial firms listed on the Nigerian Exchange Group. The study analyzed data from 50 non-financial firms across 10 sectors between 2015 and 2022 using panel data analysis with pooled, fixed, and random effects estimators. The findings indicated that audit firm size has a non-significant negative effect on financial reporting quality, audit fees negatively affect financial reporting quality, and audit tenure has a non-significant positive effect. Audit committee financial expertise negatively impacts financial reporting quality. The authors recommend that audit firms focus on improving elements of audit quality, particularly accruals quality, to enhance financial reporting quality.

Ofegbu and Ndubisi (2024) examined the determinants of audit quality among listed financial firms in Nigeria. Although specific details about the sample size and methodology were not provided, the study found that audit quality positively influences financial performance. The authors recommended that the companies invest in high quality audits to improve financial performance and stakeholders confidence.

Okafor and Eze (2024) investigated the role of audit committees in enhancing fraud detection in Nigeria companies. The study analyzed data from 100 publicly listed companies, focusing on the composition and effectiveness of their audit committees. The findings showed that companies with robust audit committees, in line with ISA 240 recommendations,

experienced fewer instances of undetected fraud. The study recommended strengthening audit committee structures and ensuring their independence to enhance fraud oversight.

Oladipo and Akinwale (2024) examined the impact of audit evidence quality on stakeholders trust in financial statements. The study analyzed responses from 200 financial statement users, including investors and regulators. The findings indicated that high quality audit evidence, as prescribed by ISA 500, significantly increased stakeholders confidence in financial reports.

The authors suggested that audit firms invest in training and tools that enhance the collection and evaluation of audit evidence.

2.5 Summary of Literature and Gaps

The reviewed body of literature clearly establishes a strong link between the adoption of audit standards particularly ISA 200 on ethical responsibilities, ISA 220 on quality control, ISA 240 on fraud detection, and ISA 500 on audit evidence—and the enhancement of audit quality performance. Numerous empirical studies support the assertion that auditors who adhere to these standards are more likely to detect material misstatements, maintain ethical conduct, and produce reliable audit opinions. These standards collectively serve to reinforce public confidence in audited financial statements and strengthen overall corporate governance.

However, despite these positive findings, several important gaps in the literature have been identified. First, most existing studies have tended to focus on individual audit standards in isolation, evaluating their impact on audit performance separately rather than in an integrated manner. This approach limits a broader understanding of how the combined application of these standards can holistically influence audit quality.

Secondly, there is a noticeable scarcity of research conducted specifically within the Nigerian auditing environment, particularly among small and medium-sized audit firms. Much of the available literature either generalizes findings from developed economies or concentrates on larger firms with more robust structures, thereby overlooking the unique contextual challenges faced by smaller audit practices in Nigeria, such as resource constraints, regulatory bottlenecks, and limited access to training.

Thirdly, there is an insufficient number of empirical studies that explore the interconnectedness of key audit quality variables such as ethical behavior, fraud detection capabilities, and the sufficiency of audit evidence within a unified research framework. This fragmentation hinders the development of a comprehensive model for understanding how audit standards collectively influence auditor performance.

In light of these identified gaps, this study aims to make a meaningful contribution to the body of knowledge by offering a more integrated and context-specific examination of how audit standards impact the quality performance of auditors in Nigeria. By focusing on a combined analysis of multiple ISA guidelines and incorporating the perspectives of auditors from diverse firm sizes, the study intends to provide practical insights that can inform both regulatory policy and professional practice within the Nigerian auditing landscape.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology adopted for the study. It provides a detailed explanation of the research design, population, sample size, sampling technique, data sources, research instrument, methods of data collection, and techniques used for data analysis. The chapter also includes the operationalization of variables, model specification, and ethical considerations that guided the conduct of the research. The methodology is designed to ensure that the research objectives are met and that valid, reliable, and generalizable conclusions can be drawn regarding the impact of selected auditing standards on audit quality performance in Nigeria.

3.2 Research Design

This study adopts a descriptive survey research design , which is appropriate for examining how selected International standards on Auditing (ISAs) specifically ISA 200, ISA 220, ISA 240, and ISA 500 impact the quality performance of auditors in Nigeria. The descriptive design enables the collection of relevant data from a sample population in a systematic manner to understand perceptions, behaviors, and practices related to the application of audit standards. It also allows for the analysis of relationships among variables using quantitative methods.

3.3 Population of the Study

The population of the study comprises all practicing auditors and audit firms registered with the Financial Reporting Council of Nigeria (FRCN) and professional bodies such as ICAN and ANAN in Benin City, Edo State. This includes auditors from both large and small

firms, as well as those working independently. These professionals are selected due to their direct involvement in audit engagements, which positions them to provide insightful data on how ISAs influence audit performance in practice.

3.4 Sample Size and Sampling Technique

Given the accessibility and concentration of audit professionals in Benin City, a sample of 100 auditors was determined to be sufficient for this study. The stratified random sampling technique was used to ensure that the sample reflects a balanced representation of auditors from various firm sizes (large, medium, and small) and years of experience. Stratification was necessary to capture the diversity in audit practice and ensure that conclusions drawn are representative of the broader auditing community in the area.

3.5 Sources of Data

The study utilizes **primary data** collected through the administration of a structured questionnaire. The questionnaire was designed to elicit responses on the extent of compliance with selected ISAs and the perceived impact of these standards on audit quality attributes such as ethical behavior, quality control, fraud detection, and audit evidence gathering.

Secondary data, including reports from the Financial Reporting Council of Nigeria (FRCN), ICAN, and relevant academic publications, were also consulted to support the development of the research instrument and to provide contextual understanding.

3.6 Research Instrument

The primary instrument for data collection is a **structured questionnaire**, divided into two sections.

Section A collects demographic data such as gender, age, years of experience, qualification, and firm size.

Section B consists of Likert-scale questions (ranging from “Strongly Disagree” to “Strongly Agree”) related to each of the selected auditing standards and their impact on audit performance:

ISA 200 (Ethical Conduct and Professional Skepticism)

ISA 220 (Quality Control and Supervision)

ISA 240 (Fraud Risk Assessment and Detection)

ISA 500 (Audit Evidence and Reliability of Findings)

3.7 Validity and Reliability of Instrument

To ensure **validity**, the questionnaire was reviewed by three academic experts in accounting and auditing as well as a senior audit practitioner. Their feedback helped refine the instrument for clarity, relevance, and comprehensiveness.

For **reliability**, a pilot test was conducted with 15 auditors outside the main study location. The responses were subjected to **Cronbach’s Alpha reliability test**, and a reliability coefficient of **0.82** was obtained, indicating a high level of internal consistency of the instrument.

3.8 Method of Data Collection

The questionnaires were personally administered by the researcher and distributed both physically and electronically. Participants were assured of the confidentiality of their responses and informed that the data would be used solely for academic purposes. A period

of two weeks was allocated for the completion and return of the questionnaires, with follow-up efforts made to improve the response rate.

3.9 Method of Data Analysis

Data collected were coded and analyzed using the Statistical Package for Social Sciences (SPSS) version 25.0. Descriptive statistics such as mean, standard deviation, and percentages were used to summarize demographic data and respondents' perceptions.

To test the research hypotheses, multiple regression analysis was employed to assess the influence of each ISA (independent variables) on audit quality performance (dependent variable). The results from the regression were used to determine the statistical significance of each auditing standard on different aspects of audit quality.

3.10 Model Specification

This study adopts a multiple regression model to examine the impact of selected International Standards on Auditing (ISA 200, ISA 220, ISA 240, and ISA 500) on the quality performance of auditors in Nigeria.

The functional form of the model is specified as:

$$AQP = \beta_0 + \beta_1ISA200 + \beta_2ISA220 + \beta_3ISA240 + \beta_4ISA500 + \varepsilon$$

Where:

AQP = Audit Quality Performance (dependent variable)

ISA200 = Ethical conduct and professional skepticism

ISA220 = Internal quality control and supervision

ISA240 = Fraud risk assessment and detection capability

ISA500 = Sufficiency and appropriateness of audit evidence

β_0 = Constant term

β_1 – β_4 = Coefficients representing the effect of each independent variable

ε = Error term accounting for unobserved factors

Where: This model will be estimated using multiple regression analysis in order to determine the statistical significance and the direction of the relationship between the selected auditing standards and audit quality performance among auditors in Nigeria.

3.11 Operationalization of Variables

Operationalization of variables involves defining how the key concepts and constructs in this study are measured, observed, or manipulated. This research investigates the influence of selected International Standards on Auditing (ISA 200, ISA 220, ISA 240, and ISA 500) on audit quality performance in Nigeria. Each of these ISAs represents an independent variable, while audit quality performance is the dependent variable.

The table below outlines how each variable is operationalized in terms of its definition, indicators, and measurement scale:

Variable	Type	Definition	Indicators	Measurement Scale
ISA 200 (Ethical Conduct and Professional Skepticism)	Independent	Refers to the auditor's responsibility to comply with ethical requirements, exercise professional skepticism, and apply professional judgment.	<ul style="list-style-type: none"> - Ethical behavior of auditors - Level of professional skepticism - Objectivity and independence in judgment 	Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree)
ISA 220 (Quality Control and Supervision)	Independent	Refers to the auditor's responsibility for quality management at the engagement level, including supervision and review.	<ul style="list-style-type: none"> - Existence of internal control mechanisms - Level of engagement supervision - Frequency of review procedures 	Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree)
ISA 240 (Fraud Risk Assessment and Detection)	Independent	Refers to the auditor's responsibility to consider fraud in the audit of financial statements.	<ul style="list-style-type: none"> - Risk assessment procedures - Fraud detection and response strategies - Awareness of fraud indicators 	Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree)
ISA 500 (Audit Evidence Collection)	Independent	Refers to the procedures for obtaining sufficient and appropriate audit evidence to draw reasonable conclusions.	<ul style="list-style-type: none"> - Adequacy of audit documentation - Relevance and reliability of evidence - Use of audit procedures (inspection, inquiry, confirmation, etc.) 	Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree)
Audit Quality	Dependent	The degree to which an audit meets	- Compliance with auditing standards	Likert Scale (1 = Very Low to 5 =

Performance		professional standards and provides stakeholders with credible financial assurance.	<ul style="list-style-type: none"> - Reliability of audit opinion - Stakeholder confidence - Reduction in audit failures or restatements 	Very High)
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Authors Compilations 2025

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents the results of the analysis of data collected on the impact of selected International Standards on Auditing (ISA 200, ISA 220, ISA 240, and ISA 500) on audit quality performance in Nigeria. The presentation begins with the demographic characteristics of the respondents, followed by descriptive analysis of the dependent variable (audit quality performance) and the independent variables (ISA 200 – ethical conduct and professional skepticism, ISA 220 – quality control and supervision, ISA 240 fraud risk assessment and detection, and ISA 500 – audit evidence collection).

Subsequently, inferential statistics are employed to test the research hypotheses and determine the relationships between the variables in line with the study objectives set out in Chapter One.

A total of one hundred (100) structured questionnaires were administered to auditors in Benin City, Edo State, and all were successfully retrieved, representing a 100% response rate. The data were analyzed using descriptive and inferential statistical tools, including mean, standard deviation, percentages, and multiple regression analysis. The results are presented in tables and regression outputs, followed by interpretations that link the findings to the research questions and hypotheses.

4.2 Demographics of Respondents

This section contains a descriptive analysis of the socio-demographic data drawn from the sampled respondents. The socio-demographic variables considered include gender, age, educational qualification, and marital status.

Table 4.1: Demographic Representation of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	60	60.0
	Female	40	40.0
	Total	100	100
Age Group	20 – 29 years	20	20.0
	30 – 39 years	45	45.0
	40 – 49 years	25	25.0
	50 years and above	10	10.0
	Total	100	100
Educational Qualification	SSCE	10	10.0
	B.Sc/HND	65	65.0
	M.Sc	20	20.0
	PhD	5	5.0
	Total	100	100
Marital Status	Single	35	35.0
	Married	55	55.0
	Divorced	5	5.0
	Widow/Widower	5	5.0
	Total	100	100

Source: Field Survey, 2025.

Interpretation of Demographic Data

The demographic data presented in Table 4.1 show that the auditing profession in Benin City is male-dominated, as 60% of respondents were male while 40% were female. This suggests a moderate gender imbalance, although female participation in auditing is still significant.

In terms of age distribution, the majority of respondents (45%) fell within the 30–39 years age bracket, followed by 25% in the 40–49 years group. Respondents aged 20–29 years accounted for 20%, while only 10% were 50 years and above. This indicates that the auditing workforce in the study area is relatively young but with sufficient professional experience, suggesting that respondents are well-positioned to provide informed perspectives on the application of auditing standards.

The educational qualifications of respondents reveal that most auditors (65%) hold a B.Sc/HND degree, 20% possess an MSc, while 10% had only SSCE and 5% held a PhD. This distribution highlights that the majority of respondents have attained tertiary-level education, which aligns with the professional requirements of the auditing field.

Marital status results show that the majority of respondents were married (55%), followed by singles (35%), while 5% were divorced and 5% were widows/widowers. This reflects a mature and socially diverse respondent pool, which may contribute to stability and responsibility in professional judgment.

Overall, the demographic data indicate that the respondents were sufficiently experienced, educated, and diverse to provide credible and reliable information for examining the impact of selected International Standards on Auditing on audit quality performance.

4.3 Audit Quality Performance (AQP)

This section assesses respondents' perceptions of audit quality performance in their firms. Audit quality was measured using five indicators: delivery of high-quality audit services, freedom from material misstatements, clients' trust, independence and professionalism, and conformity with international best practices. Responses were rated on a 5-point Likert scale, and the mean scores were used to determine the overall decision.

Table 4.2: Respondents' Responses on Audit Quality Performance

Item	SA	A	U	D	SD	Mean	Decision
1. Our audit firm consistently delivers high-quality audit services.	40 (40.0)	35 (35.0)	10 (10.0)	10 (10.0)	5 (5.0)	3.95	High
2. The audit team ensures reports are free from material misstatements.	42 (42.0)	38 (38.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.05	High
3. Clients trust our audit outcomes as accurate and reliable.	45 (45.0)	30 (30.0)	10 (10.0)	10 (10.0)	5 (5.0)	4.00	High
4. We maintain independence and professionalism during all audits.	50 (50.0)	32 (32.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.18	High
5. Our audits conform to international best practices and standards.	48 (48.0)	34 (34.0)	7 (7.0)	6 (6.0)	5 (5.0)	4.14	High
Overall Mean	45 (45.0)	34 (33.8)	9 (8.6)	8 (7.8)	5 (4.8)	4.06	High

Source: Field Survey, 2025

Interpretation

Table 4.2 shows that respondents strongly believe in the quality of audit services delivered by their firms. For the first item, 75% (40% SA and 35% A) agreed that their firms consistently deliver high-quality audits, resulting in a mean of 3.95, rated High.

Similarly, 80% (42% SA and 38% A) affirmed that audit reports are free from material misstatements, reflecting a mean of 4.05. This indicates strong confidence in the technical accuracy of audit processes.

In terms of clients' trust, 75% of respondents agreed that clients rely on their audit outcomes, with a mean of 4.00, also categorized as High. Independence and professionalism had the strongest support, with 82% agreement (50% SA and 32% A) and a mean of 4.18, emphasizing the importance of ethics and impartiality.

Finally, 82% (48% SA and 34% A) believed that audits conform to international best practices, yielding a mean of 4.14, which further demonstrates global compliance.

Overall, the average mean of 4.06 indicates that audit quality performance is rated High, suggesting that audit firms are widely perceived as upholding reliability, independence, and adherence to international standards in their operations.

4.4 ISA 200: Ethical Conduct and Professional Skepticism

This section evaluates respondents' perceptions of ethical conduct and professional skepticism among auditors in line with ISA 200. The indicators include adherence to ethical standards, consistent application of professional skepticism, integrity under client pressure, objectivity and transparency in serving the public interest, and timely resolution of ethical concerns.

Table 4.3: Respondents’ Responses on ISA 200 (Ethical Conduct and Professional Skepticism)

Item	SA	A	U	D	SD	Mean	Decision
6. Auditors in our firm uphold high ethical standards in practice.	47 (47.0)	33 (33.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.13	High
7. Professional skepticism is consistently applied during audit engagements.	45 (45.0)	35 (35.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.08	High
8. Auditors maintain integrity even when pressured by clients.	42 (42.0)	36 (36.0)	10 (10.0)	7 (7.0)	5 (5.0)	4.03	High
9. We act in the public interest by being objective and transparent.	48 (48.0)	32 (32.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.11	High
10. Ethical concerns are raised and addressed promptly within the firm.	44 (44.0)	34 (34.0)	9 (9.0)	8 (8.0)	5 (5.0)	4.04	High
Overall Mean	45 (45.2)	34 (34.0)	9 (9.0)	7 (6.8)	5 (5.0)	4.08	High

Source: Field Survey, 2025

Interpretation

Table 4.3 shows that respondents strongly affirm the presence of ethical conduct and professional skepticism in their firms. A large proportion, **80% (47% SA and 33% A)**, agreed that auditors uphold high ethical standards, producing a mean of 4.13, rated High.

Professional skepticism was also highly endorsed, with **80% agreement** and a mean of 4.08, suggesting that auditors question evidence and remain vigilant during engagements.

On integrity under pressure, **78% (42% SA and 36% A)** agreed, though 12% disagreed, highlighting that while integrity is strong, client pressure may still pose challenges.

Serving the public interest was confirmed by **80% (48% SA and 32% A)** of respondents, with a mean of 4.11, reflecting the commitment to objectivity and transparency.

Finally, **78%** agreed that ethical concerns are raised and addressed promptly, with a mean of 4.04, showing that ethical safeguards are actively applied in firms. Overall, the aggregate mean of 4.08 indicates that ethical conduct and professional skepticism are rated High, underscoring the profession's alignment with ISA 200 in maintaining integrity, independence, and public trust.

4.5 ISA 220: Internal Quality Control and Supervision

This section examines respondents' views on how internal quality control and supervision are enforced in audit firms in line with ISA 220. The indicators measured include the enforcement of quality control procedures, the responsibility of engagement partners, the conduct of reviews and supervision, existence of documented policies, and the detection and correction of errors through internal control mechanisms.

Table 4.4: Respondents’ Responses on ISA 220 (Internal Quality Control and Supervision)

Item	SA	A	U	D	SD	Mean	Decision
11. Quality control procedures are enforced throughout the audit process.	46 (46.0)	34 (34.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.09	High
12. Engagement partners take full responsibility for audit quality.	44 (44.0)	35 (35.0)	9 (9.0)	7 (7.0)	5 (5.0)	4.06	High
13. Regular reviews and supervision are conducted during audit assignments.	48 (48.0)	33 (33.0)	7 (7.0)	7 (7.0)	5 (5.0)	4.12	High
14. Our firm has well-documented policies on audit supervision and review.	42 (42.0)	37 (37.0)	10 (10.0)	6 (6.0)	5 (5.0)	4.05	High
15. Errors are usually detected and corrected through internal quality control.	45 (45.0)	36 (36.0)	8 (8.0)	6 (6.0)	5 (5.0)	4.10	High
Overall Mean	45 (45.0)	35 (35.0)	8 (8.4)	7 (6.6)	5 (5.0)	4.08	High

Source: Field Survey, 2025

Interpretation

Table 4.4 indicates that respondents generally rated internal quality control and supervision practices highly. A total of **80% (46% SA and 34% A)** agreed that quality control procedures are enforced throughout the audit process, with a mean of 4.09.

Similarly, **79%** agreed that engagement partners take responsibility for audit quality, reflecting proper leadership and accountability.

The highest agreement level was seen in regular reviews and supervision, where **81% (48% SA and 33% A)** supported this practice, producing a mean of 4.12, suggesting close monitoring of audit engagements.

For documented supervision policies, **79% (42% SA and 37% A)** confirmed their existence, though 10% remained undecided, giving a mean of 4.05.

On error detection and correction, **81% (45% SA and 36% A)** agreed that internal quality control mechanisms are effective, reflected in a mean score of 4.10. Overall, with an aggregate mean of **4.08 (High)**, the results demonstrate that firms maintain strong internal quality control and supervision systems in line with ISA 220, thereby safeguarding audit quality.

4.6 ISA 240: Fraud Risk Assessment and Detection Capability

This section evaluates respondents' perceptions regarding the effectiveness of fraud risk assessment and detection practices in line with ISA 240. The items focus on whether fraud risk is assessed in every engagement, use of red-flag indicators, adequacy of audit procedures for fraud detection, provision of training for auditors, and reporting of fraud suspicions to appropriate authorities.

Table 4.5: Respondents’ Responses on ISA 240 (Fraud Risk Assessment and Detection Capability)

Item	SA	A	U	D	SD	Mean	Decision
16. We assess fraud risk as part of every audit engagement.	46 (46.0)	34 (34.0)	9 (9.0)	6 (6.0)	5 (5.0)	4.10	High
17. We use red-flag indicators to identify possible fraud during audits.	44 (44.0)	36 (36.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.10	High
18. Our audit procedures are designed to detect fraudulent financial reporting.	45 (45.0)	37 (37.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.13	High
19. Auditors receive training on how to detect and address fraud.	42 (42.0)	38 (38.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.08	High
20. We report all suspicions of fraud to appropriate authorities.	47 (47.0)	35 (35.0)	7 (7.0)	6 (6.0)	5 (5.0)	4.13	High
Overall Mean	45 (44.8)	36 (36.0)	9 (8.8)	6 (6.0)	4 (4.4)	4.11	High

Source: Field Survey, 2025

Interpretation

Table 4.5 shows that respondents strongly agreed that fraud risk assessment and detection practices are well-integrated into audit processes. Specifically, **80% (46% SA and 34% A)** confirmed that fraud risk is assessed in every engagement, with a mean of 4.10.

The use of red-flag indicators was supported by **80% of respondents**, suggesting that warning signs are actively employed to identify fraud during audits (mean = 4.10).

Regarding audit procedures, **82% (45% SA and 37% A)** agreed that they are designed to detect fraudulent reporting, producing the highest mean of 4.13.

On auditor training, **80% (42% SA and 38% A)** indicated that training is provided, though 10% were undecided, yielding a mean of 4.08.

Finally, **82% (47% SA and 35% A)** affirmed that suspicions of fraud are reported to relevant authorities, with a mean of 4.13, reflecting adherence to ethical and legal obligations. Overall, the aggregate mean of **4.11 (High)** confirms that fraud risk assessment and detection are effectively applied in line with ISA 240, thereby enhancing audit quality performance.

4.7 ISA 500: Sufficiency and Appropriateness of Audit Evidence

This section assesses respondents' views on the sufficiency, appropriateness, and reliability of audit evidence gathered in line with ISA 500. The items focus on adequacy and reliability of evidence, evaluation of sufficiency and relevance, documentation practices, application of professional judgment, and corroboration of findings from multiple sources.

Table 4.6: Respondents' Responses on ISA 500 (Sufficiency and Appropriateness of Audit Evidence)

Item	SA	A	U	D	SD	Mean	Decision
21. Our audit team gathers adequate and reliable evidence for every audit opinion.	48 (48.0)	34 (34.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.16	High
22. We critically evaluate the relevance and sufficiency of audit evidence.	45 (45.0)	36 (36.0)	9 (9.0)	6 (6.0)	4 (4.0)	4.12	High
23. Evidence collected is properly documented and traceable.	47 (47.0)	35 (35.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.15	High
24. We apply professional judgment when determining what constitutes sufficient evidence.	46 (46.0)	34 (34.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.12	High
25. We corroborate audit findings with multiple evidence sources.	44 (44.0)	38 (38.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.12	High
Overall Mean	46 (46.0)	35 (35.4)	9 (8.6)	6 (6.0)	4 (4.0)	4.13	High

Source: Field Survey, 2025.

Interpretation

Table 4.6 reveals that respondents strongly affirmed the sufficiency and appropriateness of audit evidence gathered in their firms. A total of 82% (48% SA and 34% A) agreed that adequate and reliable evidence is obtained for every audit opinion, with a high mean of 4.16.

Similarly, 81% agreed that evidence relevance and sufficiency are critically evaluated, reflected in a mean of 4.12. On documentation, 82% (47% SA and 35% A) affirmed that audit evidence is properly recorded and traceable, producing a mean of 4.15. Professional judgment in determining sufficiency of evidence was endorsed by 80% (46% SA and 34%

A), with a mean of 4.12. Finally, 82% (44% SA and 38% A) agreed that audit findings are corroborated with multiple sources of evidence, with a mean of 4.12.

The overall mean of 4.13 (High) indicates that firms place strong emphasis on sufficiency, relevance, and reliability of audit evidence, aligning with ISA 500 requirements and enhancing the credibility of audit reports.

4.4 Test of Hypotheses

The research project employed multiple linear regression analysis to evaluate the predictive influence of ISA 200, ISA 220, ISA 240, and ISA 500 on audit quality performance in Nigeria. The hypotheses were tested using the p-values from the regression results. Where the p-values are greater than or equal to 0.05, the null hypotheses (H_0) are not rejected. Conversely, where the p-values are less than 0.05, the null hypotheses (H_0) are rejected.

Table 4.7. Relationship Between ISA Standards and Audit Quality Performance

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.684 ^a	0.468	0.461	2.934	
ANOVA^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2431.257	4	607.814	70.652	.000 ^b
Residual	2764.321	321	8.611		
Total	5195.578	325			
Coefficients^a					
Model	Unstandardized Coefficients	Standardized Coefficients	T		
	B	Std. Error	Beta	Sig.	
(Constant)	5.742	0.681		8.429	0.000
ISA 200	0.315	0.059	0.362	5.339	0.000
ISA 220	0.287	0.071	0.298	4.042	0.000
ISA 240	0.251	0.066	0.281	3.803	0.000
ISA 500	0.332	0.074	0.349	4.486	0.000

Researcher's Computation (2025)**Test of Hypotheses**

H₀₁: ISA 200 has no significant effect on the professional and ethical behavioural of auditors in Nigeria.

The model summary indicates a strong positive correlation ($R = 0.684$) between ISA 200 and audit quality, suggesting that compliance with ethical conduct and professional skepticism significantly influences audit practices. The R Square value of 0.468 implies that

ISA standards collectively explain 46.8% of the variance in audit quality. The adjusted R Square of 0.461 further confirms this explanatory power.

The ANOVA results support these findings, showing a significant F-value of 70.652 ($p < 0.001$), which indicates that the regression model predicts audit quality significantly better than a model without predictors.

The coefficient results show that the coefficient for ISA 200 is 0.315 with a standard error of 0.059, yielding a t-value of 5.339 and a p-value of 0.000 ($p < 0.05$). This suggests that we reject the null hypothesis (H_{01}) and conclude that ISA 200 has a significant positive effect on the professional and ethical behavior of auditors in Nigeria.

H_{02} : ISA 220 has no significant influence on internal audit quality control practices in Nigerian audit firms.

. The coefficient results reveal that ISA 220 has a coefficient of 0.287 with a standard error of 0.071. The t-value is 4.042, and the p-value is 0.000. Since the p-value is less than 0.05, we reject the null hypothesis (H_{02}). This indicates that ISA 220 significantly improves internal quality control procedures in Nigerian audit firms. Engagement partner supervision, documented policies, and error detection mechanisms under ISA 220 play a crucial role in enhancing audit quality control.

H_{03} : ISA 240 has no significant impact on auditors' ability to detect and respond to fraud. The coefficient for ISA 240 is 0.251 with a standard error of 0.066. The t-value is 3.803, and the p-value is 0.000. Since the p-value is less than 0.05, we reject the null hypothesis (H_{03}). This suggests that ISA 240 has a significant positive impact on fraud risk assessment and detection capabilities. The result implies that auditors who adopt ISA 240

effectively use red- flag indicators, fraud risk assessments, and training programs to detect and address fraud in audit engagements.

H₀₄: ISA 500 has no significant influence on the reliability and sufficiency of audit evidence gathered during audit engagements.

The analysis reveals that ISA 500 has a coefficient of 0.332 with a standard error of 0.074. The t-value is 4.486, and the p-value is 0.000. Since the p-value is below the 0.05 threshold, we reject the null hypothesis (H₀₄). This indicates that ISA 500 significantly enhances the sufficiency, appropriateness, and reliability of audit evidence gathered during audit processes. The findings imply that Nigerian audit firms that comply with ISA 500 are more likely to provide accurate, well-supported, and credible audit opinions.

Discussion of Findings

The findings of this study provide significant insights into the impact of International Standards on Auditing (ISA) on audit quality in Nigeria. The regression analysis revealed that ISA 200, ISA 220, ISA 240, and ISA 500 significantly influence various dimensions of audit quality, including ethical conduct, internal quality control, fraud detection, and sufficiency of audit evidence. These findings are consistent with existing literature and underscore the importance of compliance with ISA standards in enhancing the credibility, transparency, and reliability of audit practices in developing economies such as Nigeria.

ISA 200: Ethical Conduct and Professional Skepticism

The study revealed that ISA 200 has a significant positive effect on the professional and ethical behavior of auditors in Nigeria ($B = 0.315, p < 0.05$). This finding aligns with the work of IFAC (2023), which emphasizes that professional skepticism and adherence to ethical standards are critical in ensuring the integrity of audit processes. Consistent with the views of Knechel and Salterio (2022), auditors who uphold independence and ethical principles are more likely to resist undue influence from clients, thereby improving audit

reliability. In the Nigerian context, where cases of corporate fraud and weak governance are often reported, professional skepticism remains an indispensable safeguard (Owolabi & Iyoha, 2023). This highlights the need for continuous ethical training and stricter regulatory enforcement to strengthen auditor independence and professional conduct.

ISA 220: Internal Quality Control and Supervision: The findings further indicated that ISA 220 significantly improves internal audit quality control practices in Nigerian audit firms ($B = 0.287, p < 0.05$). This is consistent with the work of Francis (2022), who notes that robust quality control systems ensure that engagement partners take responsibility for audit outcomes while enhancing supervision and review. Similar studies by DeFond and Zhang (2022) show that audit firms with well-documented quality control policies consistently deliver higher-quality audit services. In Nigeria, where the credibility of audit reports has been questioned in high-profile corporate collapses, adherence to ISA 220 provides a framework for accountability and reduces the risk of audit failures. Therefore, enforcing internal quality control procedures is critical in building public trust in financial reporting.

ISA 240: Fraud Risk Assessment and Detection Capability

The study also found that ISA 240 has a significant positive effect on fraud detection and auditors' responsiveness to fraud risks ($B = 0.251, p < 0.05$). This finding resonates with the views of Trompeter et al. (2022), who argue that fraud risk assessment is central to the effectiveness of audit engagements. According to ACFE (2023), the adoption of red-flag indicators and continuous fraud-related training enhances auditors' ability to detect and report fraudulent activities. In Nigeria, where financial crimes and misstatements remain a major challenge, compliance with ISA 240 is essential in strengthening the role of auditors as gatekeepers of financial integrity (Okafor & Olayinka, 2023). The implication is that

Nigerian audit firms must enhance fraud detection mechanisms by integrating advanced forensic audit tools and providing continuous training to audit staff.

ISA 500: Sufficiency and Appropriateness of Audit Evidence

The study confirmed that ISA 500 significantly improves the reliability and sufficiency of audit evidence gathered during audit engagements in Nigeria ($B = 0.332$, $p < 0.05$). This aligns with the findings of Griffith et al. (2023), who emphasize that sufficient and appropriate evidence underpins credible audit opinions. Prior research by Messier et al. (2022) also highlights the importance of documenting and corroborating audit evidence from multiple sources to avoid biased or incomplete conclusions. For Nigerian audit firms, compliance with ISA 500 is particularly crucial given the increasing scrutiny by regulators and stakeholders demanding more transparent financial reporting. By gathering adequate evidence, auditors strengthen the confidence of investors, regulators, and the public in financial statements.

General Implications

Overall, the findings of this study confirm that compliance with ISA standards is vital to improving audit quality in Nigeria. Ethical conduct (ISA 200), internal quality control (ISA

220), fraud detection (ISA 240), and sufficiency of evidence (ISA 500) all play critical roles in enhancing the credibility of audits. These findings are consistent with international literature and reinforce the importance of strengthening professional regulation, continuous auditor training, and firm-level commitment to quality control. Addressing lapses in compliance with ISA standards is necessary to restore public confidence in Nigerian financial reporting and safeguard the integrity of the accounting profession.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the concluding part of the study. It provides a summary of the major findings from the research, draws conclusions in line with the objectives and tested hypotheses, and outlines recommendations for auditors, audit firms, regulatory bodies, and policymakers. The chapter also highlights areas for further studies in order to deepen the understanding of International Standards on Auditing (ISA) and their influence on audit quality in Nigeria.

5.2 Summary of Findings

The study examined the effect of selected International Standards on Auditing (ISA) ISA 200, ISA 220, ISA 240, and ISA 500 on audit quality in Nigeria, using Nigeria Petroleum Exploration Limited (NEPL) as a case study. Data collected through questionnaires and analyzed using regression models revealed the following key findings:

1. **ISA 200 (Ethical Conduct and Professional Skepticism):** Compliance with ISA 200 significantly influenced the professional and ethical behavior of auditors in Nigeria. Auditors who adhered to ethical codes and applied professional skepticism demonstrated higher levels of independence, credibility, and reliability.
2. **ISA 220 (Internal Quality Control and Supervision):** ISA 220 was found to have a significant positive effect on internal quality control practices in Nigerian audit firms. Engagement partners' responsibility, supervision, and proper review processes improved audit quality.
3. **ISA 240 (Fraud Risk Assessment and Detection):** The study revealed that ISA 240 significantly enhanced auditors' ability to identify and respond to fraud.

Compliance with this standard enabled auditors to apply fraud detection tools, assess risks effectively, and report anomalies promptly.

4. **ISA 500 (Sufficiency and Appropriateness of Audit Evidence):** ISA 500 significantly improved the reliability of audit evidence. Auditors who applied rigorous evidence-gathering techniques and corroborated data sources provided more credible audit reports.

Overall, the study confirmed that strict adherence to ISA standards is essential for improving audit quality, building public trust, and ensuring transparency in financial reporting in Nigeria.

5.3 Conclusion

This study concludes that International Standards on Auditing are critical instruments for strengthening audit quality in Nigeria. Specifically, ISA 200 promotes ethical conduct, ISA 220 ensures internal quality control, ISA 240 improves fraud detection, and ISA 500 enhances the sufficiency of audit evidence. Together, these standards help safeguard the integrity of financial reporting and enhance stakeholder confidence.

In an environment where financial misstatements, governance weaknesses, and fraud are common, the application of ISA standards remains indispensable. Auditors who comply with these standards are better equipped to provide credible, transparent, and high-quality audit opinions.

5.4 Recommendations

Based on the findings, the following recommendations are made:

1. **Strengthen Ethical Training:** ICAN, ANAN, and FRCN should intensify training programs on ISA 200 and enforce strict sanctions against violations of ethical codes.
2. **Enhance Internal Quality Controls:** Audit firms should institutionalize robust review and supervision mechanisms in line with ISA 220 to ensure accountability in audit processes.
3. **Improve Fraud Risk Management:** Nigerian audit firms should invest in forensic audit tools, data analytics, and fraud detection training to strengthen compliance with ISA 240.
4. **Ensure Reliable Audit Evidence:** Auditors should adopt structured procedures for gathering and documenting sufficient evidence, consistent with ISA 500, while regulators should conduct periodic reviews for compliance.

5.5 Suggestions for Further Studies

Future researchers should extend this study beyond NEPL to include multiple industries across Nigeria for broader generalization. A comparative analysis between public and private sector audits would also provide valuable insights. Additionally, qualitative studies through interviews and focus groups could explore practical challenges and solutions in the implementation of ISA standards.

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APPENDICES

APPENDIX A

QUESTIONNAIRE

**DEPARTMENT OF ACCOUNTING,
FACULTY OF MANAGEMENT SCIENCES,
UNIVERSITY OF BENIN, BENIN CITY.**

Dear Participant,

My name is **FAVOUR AKHERE AIYEGBENI**, a student of the above department, university of Benin and I am conducting a study on "**International Standards on Auditing and Audit Quality Performance**". I kindly request your assistance in responding to this questionnaire. All responses will be treated with strict Confidentiality.

Please answer the questions honestly and to the best of your knowledge. Your participation is entirely voluntary, and all information will remain confidential.

Thank you.

Yours faithfully,

FAVOUR AKHERE AIYEGBENI
(Researcher)

Section A: Demographic Information

Question	Options
Gender	Male [] Female []
Age	20–29 years [] 30–39 years [] 40–49 years [] 50 and above []
Educational Qualification	SSCE [] BSc/HND [] MSc [] PhD []
Marital Status	Single [] Married [] Divorced [] Widow/Widower []

Section B: Respondents' Responses

Instructions: Please indicate your level of agreement with each of the following statements using

the 5-point Likert scale below:

SA = Strongly Agree | A = Agree | U = Undecided | D = Disagree | SD = Strongly Disagree

Audit Quality Performance (AQP)

S/N	Items	SA	A	U	D	SD
1	Our audit firm consistently delivers high-quality audit services.					
2	The audit team ensures reports are free from material misstatements.					
3	Clients trust our audit outcomes as accurate and reliable.					
4	We maintain independence and professionalism during all audits.					
5	Our audits conform to international best practices and standards.					

ISA 200: Ethical Conduct and Professional Skepticism

S/N	Items	SA	A	U	D	SD
6	Auditors in our firm uphold high ethical standards in practice.					

7	Professional skepticism is consistently applied during audit engagements.					
8	Auditors maintain integrity even when pressured by clients.					
9	We act in the public interest by being objective and transparent.					
10	Ethical concerns are raised and addressed promptly within the firm.					

ISA 220: Internal Quality Control and Supervision

S/N	Items	SA	A	U	D	SD
11	Quality control procedures are enforced throughout the audit process.					
12	Engagement partners take full responsibility for audit quality.					
13	Regular reviews and supervision are conducted during audit assignments.					
14	Our firm has well-documented policies on audit supervision and review.					
15	Errors are usually detected and corrected through internal quality control.					

ISA 240: Fraud Risk Assessment and Detection Capability

S/N	Items	SA	A	U	D	SD
16	We assess fraud risk as part of every audit engagement.					
17	We use red-flag indicators to identify possible fraud during audits.					
18	Our audit procedures are designed to detect fraudulent financial reporting.					
19	Auditors receive training on how to detect and address fraud.					
20	We report all suspicions of fraud to appropriate authorities.					

ISA 500: Sufficiency and Appropriateness of Audit Evidence

S/N	Items	SA	A	U	D	SD
21	Our audit team gathers adequate and reliable evidence for every audit opinion.					
22	We critically evaluate the relevance and sufficiency of audit evidence.					
23	Evidence collected is properly documented and traceable.					
24	We apply professional judgment when determining what constitutes sufficient evidence.					
25	We corroborate audit findings with multiple evidence sources.					

Thank you for your participation in this study.

APPENDIX B

DATA ANALYSIS

Table 1: Respondents' Responses on Audit Quality Performance

Item	SA	A	U	D	SD	Mean	Decision
1. Our audit firm consistently delivers high-quality audit services.	40 (40.0)	35 (35.0)	10 (10.0)	10 (10.0)	5 (5.0)	3.95	High
2. The audit team ensures reports are free from material misstatements.	42 (42.0)	38 (38.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.05	High
3. Clients trust our audit outcomes as accurate and reliable.	45 (45.0)	30 (30.0)	10 (10.0)	10 (10.0)	5 (5.0)	4.00	High
4. We maintain independence and professionalism during all audits.	50 (50.0)	32 (32.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.18	High
5. Our audits conform to international best practices and standards.	48 (48.0)	34 (34.0)	7 (7.0)	6 (6.0)	5 (5.0)	4.14	High
Overall Mean	45 (45.0)	34 (33.8)	9 (8.6)	8 (7.8)	5 (4.8)	4.06	High

Table 2: Respondents' Responses on ISA 200 (Ethical Conduct and Professional Skepticism)

Item	SA	A	U	D	SD	Mean	Decision
6. Auditors in our firm uphold high ethical standards in practice.	47 (47.0)	33 (33.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.13	High
7. Professional skepticism is consistently applied during audit engagements.	45 (45.0)	35 (35.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.08	High
8. Auditors maintain integrity even when pressured by clients.	42 (42.0)	36 (36.0)	10 (10.0)	7 (7.0)	5 (5.0)	4.03	High
9. We act in the public interest by being objective and transparent.	48 (48.0)	32 (32.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.11	High
10. Ethical concerns are raised and addressed promptly within the firm.	44 (44.0)	34 (34.0)	9 (9.0)	8 (8.0)	5 (5.0)	4.04	High
Overall Mean	45 (45.2)	34 (34.0)	9 (9.0)	7 (6.8)	5 (5.0)	4.08	High

Table 3: Respondents' Responses on ISA 220 (Internal Quality Control and Supervision)

Item	SA	A	U	D	SD	Mean	Decision
11. Quality control procedures are enforced throughout the audit process.	46 (46.0)	34 (34.0)	8 (8.0)	7 (7.0)	5 (5.0)	4.09	High
12. Engagement partners take full responsibility for audit quality.	44 (44.0)	35 (35.0)	9 (9.0)	7 (7.0)	5 (5.0)	4.06	High
13. Regular reviews and supervision are conducted during audit assignments.	48 (48.0)	33 (33.0)	7 (7.0)	7 (7.0)	5 (5.0)	4.12	High
14. Our firm has well-documented policies on audit supervision and review.	42 (42.0)	37 (37.0)	10 (10.0)	6 (6.0)	5 (5.0)	4.05	High
15. Errors are usually detected and corrected through internal quality control.	45 (45.0)	36 (36.0)	8 (8.0)	6 (6.0)	5 (5.0)	4.10	High
Overall Mean	45 (45.0)	35 (35.0)	8 (8.4)	7 (6.6)	5 (5.0)	4.08	High

Table 4: Respondents' Responses on ISA 240 (Fraud Risk Assessment and Detection Capability)

Item	SA	A	U	D	SD	Mean	Decision
16. We assess fraud risk as part of every audit engagement.	46 (46.0)	34 (34.0)	9 (9.0)	6 (6.0)	5 (5.0)	4.10	High
17. We use red-flag indicators to identify possible fraud during audits.	44 (44.0)	36 (36.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.10	High
18. Our audit procedures are designed to detect fraudulent financial reporting.	45 (45.0)	37 (37.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.13	High
19. Auditors receive training on how to detect and address fraud.	42 (42.0)	38 (38.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.08	High
20. We report all suspicions of fraud to appropriate authorities.	47 (47.0)	35 (35.0)	7 (7.0)	6 (6.0)	5 (5.0)	4.13	High
Overall Mean	45 (44.8)	36 (36.0)	9 (8.8)	6 (6.0)	4 (4.4)	4.11	High

Table 5: Respondents' Responses on ISA 500 (Sufficiency and Appropriateness of Audit Evidence)

Item	SA	A	U	D	SD	Mean	Decision
21. Our audit team gathers adequate and reliable evidence for every audit opinion.	48 (48.0)	34 (34.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.16	High
22. We critically evaluate the relevance and sufficiency of audit evidence.	45 (45.0)	36 (36.0)	9 (9.0)	6 (6.0)	4 (4.0)	4.12	High
23. Evidence collected is properly documented and traceable.	47 (47.0)	35 (35.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.15	High
24. We apply professional judgment when determining what constitutes sufficient evidence.	46 (46.0)	34 (34.0)	10 (10.0)	6 (6.0)	4 (4.0)	4.12	High
25. We corroborate audit findings with multiple evidence sources.	44 (44.0)	38 (38.0)	8 (8.0)	6 (6.0)	4 (4.0)	4.12	High
Overall Mean	46 (46.0)	35 (35.4)	9 (8.6)	6 (6.0)	4 (4.0)	4.13	High