

## Effect of external auditors' attributes on financial reporting quality of listed insurance firms in Nigeria

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<https://doi.org/10.33003/fujafr-2025.v3i4.244.89-100>

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### Abstract

**Purpose:** The need for greater attention to the activities of insurance firms, as bankruptcy would not just affect the shareholders, customers, employees alone but the economy in general. This study assessed the effect of audit attributes on financial reporting quality of listed insurance firms in Nigeria.

**Methodology:** The sample of the study is 20 insurance firms listed in the Nigerian Exchange Group (NGX) out of the 23 insurance firms. The data for this study was secondary data sources which were collected from published financial statements of the selected listed insurance firms for the period of 10 years covering from 2013-2022.

**Results and conclusion:** The study found that audit independence has negative and insignificant effect on financial reporting quality. Also, the study found that audit competence has positive and significant effect on financial reporting quality. The study concluded that competence of auditors shows a positive significant effect on financial reporting quality, this indicates that competence is one of the factors that influence financial reporting quality even when not supported by other factors to effectively enhance FRQ.

**Implication of findings:** Based on the findings, the study recommended that regular training and certification programs should be organized for auditors to ensure they possess the necessary skills and knowledge, supported by strong regulatory oversight. Professional accounting bodies and regulators should collaborate to offer continuous professional development programs.

**Keywords:** Audit independence, Audit competence, Financial reporting quality.

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### 1. Introduction

Globally, there is a shift in business environment occasioned by the unending mirage of accounting scandals that has led to fundamental questions on how agency conflict is managed in corporate institutions (Farinha, 2003). The scandals have re-echoed theorist and stakeholder's arguments on interest of managers, and their effectiveness in ensuring the increased performance and sustainability of firms. This thus explains the growing number of research and studies around the need for audit, its quality and process effectiveness.

Abu-Ijela and Hamdan, (2010) held that the fall of the financial markets in developed economies and only recently in some developing economies have made it rather a topical issue of discussion for both academics and professionals, as it highlights the relevance of auditing, and its intermitting role in the performance of financial markets. Bell et al., (2015) opine that systemic process that ensures quality of audit practices is sufficient towards reducing the spate of corporate entities failures. These failures have an impact not just on the stakeholders but also on the image of the industry and its regulators (Farinha, 2003). This informs the views of Adeyemi et al., (2012) that held that subjecting financial statements to external verification would help the managers add credibility to the reports and better improve the reliance placed on them.

Audit independence has also been referred to as auditors reporting behaviour (Tepalagul & Lin, 2015), as it is simply the independence of the auditors from its clients. The auditor is expected to be honest and credible to his clients by reporting any misrepresentation in the client's financial statement. However, there is a possibility that since it is the board that hires the auditors, this may not be possible (Chinwe & Okafor, 2012). As such, there is a need for the absence of over-familiarity between the auditors and its clients and absence of conflict of interest on the auditor's part to ensure auditors' independence (Hussey, 2009). There are opinions among scholars that the size of the audit firms ensures audit quality (Ali & Aulia, 2015). This is anchored in the confidence that big auditing firms cannot be easily influenced (Bae & Lee, 2013).

Further, Abbott et al. (2015) held that audit competence has to do with the depth of knowledge and skills of the audit firm to meet their client's demand. Nwanyanwu (2017) stated that the technical capacity of the auditor is linked to the extent of the audit quality of the firm. Another factor that has been linked to account for audit quality is the audit fee (Kraub et al., 2015). The amount the firm is willing to pay would determine the quality of audit that would be undertaken (Krauss & Zulch, 2013). When firms are not willing to cover the fees of reputable audit firms, it leaves them with incompetent firms that may not have the capacity to effectively carry out the audit process and deliver quality.

Globally, the insurance sector is a major sector in any economy and contributes to not just financial services delivery but also to employment generation (Nwosa & Mustapha, 2018). The sector is a critical avenue through which small businesses and other large business ventures gain support. Thus, the need for a greater attention to their activities, as bankruptcy would not just affect the shareholders, customers, and employees alone but the economy in general. The fall of major corporations in developed economies such as Enron Corp, World Com, and Barings have called to question the process and quality of audit (Ikpantan & Daferighe, 2019). There are instances where major auditing firms such as PricewaterhouseCoopers (PwC), Arthur Andersen among others, have been made to pay huge lawsuit cost and even made to make compensation to creditors on account of their negligence and advising in auditing (Alareeni, 2018) thus, creating palpable worry among financial expert on this growing trend of corporate fraud in organisations.

In Nigeria, the situation is not in any way better, as there have been cases of clean bill of health issued by auditing firms to insurance firms' financial statements only for them to go under less than a year. The insurance industry has been particularly affected by this challenge, as seen in the takeover of several firms including Trustworld Insurance Company Limited, The Lion of Africa Insurance Company Limited, Sun Insurance Nigeria Plc, and Metropolitan General Insurance Company Limited, among others which had been certified financially sound and even reported profits, yet collapsed within a few months. This has called into question the audit quality and that of the firms that handled the process, as the aftermath effect of these scandals has occasioned a fall in investors' confidence, shareholders loss, international partners fear and most importantly, an adverse effect on the economy. Thus, prompting the need to ascertain what effect audit quality would have on the financial quality of insurance firms.

Further, there is a theoretical debate on the measures of audit quality, as there seems to be a lack of consensus on what measure to adopt towards measuring audit quality. Also, there have been inconsistencies in the findings on some of the measures of audit quality on financial reporting quality (Ikpantan & Daferighe, 2019; Malai & Rajamangala, 2015; Salau & Ayoib, 2016), thus, intensifying scholarly calls for further research towards identifying other underlying variable(s) that could account for the inconsistencies in findings (Khan, 2006). Hence, this justifies the current study effort of assessing

external auditors' attributes and financial reporting quality. In addition, previous research on the subject matter has mainly focused on commercial banks (Abbaszadah, 2017; Gehya, 2019), with little studies carried out using insurance firms in Nigeria, therefore giving rise to the need for this study.

Hence, there is a need to close this gap, as it will be useful for regulatory bodies in the Nigerian insurance sector to proscribe certain audit process that opens the financial statement to misrepresentation and compel stringent corporate governance measures in order to have an efficient financial reporting in Nigeria. It is on that premise that this investigation is focused on unravelling the antecedent moderating effect of regulatory requirements on audit attributes on financial reporting quality using listed insurance firms in Nigeria.

## **2. Literature review**

### ***External auditors' independence and financial reporting quality***

The efficacy of an audit is predominantly contingent upon its independence, as it constitutes a fundamental professional principle that verifies both its utility and caliber (Olajide et al., 2025). Independence is the absence of bias, coercion, or partiality. The absence of independence in an audit not only compromises the quality of the audit but also exacerbates unfavorable perceptions regarding the processes. Audit independence serves the direct purpose of safeguarding audit by bolstering the reliability of information employed in investment and other financial decision-making processes (Sani, 2025).

An assessment of auditor's independence influence on quality financial reporting in Nigeria was carried out by Otuya (2019). The researcher adopted the agency theory and used content analysis research design for the study. The source of data collection was the yearly reports of some selected manufacturing firms from 2013-2017. Descriptive and regression analysis was the method used to test the research hypothesis. It was proven that there exists a significant relationship between financial reporting quality and audit independence. The research was though carried out in Nigeria, however, the manufacturing sector was the area of the study, while the current study is interested in closing gaps in limited study related to the insurance sector in Nigeria.

The study of Nwanyanwu (2017) was on the relationship between audit independence and financial reporting quality. Research questionnaire was used for collecting the data used for the study. Descriptive, Pearson Product Moment Coefficient of Correlation and multiple regression was used to carry out univariate, bivariate and multivariate data analysis. It was found that auditor independence affects financial reporting quality, as it had the most explanatory power of variations in financial reports. Auditing firms were used as study sample, which differs from this current study that is focused more on the insurance sector in Nigeria.

John and Tom (2018) conducted an appraisal of the relationship between audit independence and financial reporting quality. The study was mainly focused on Aluminum corrugating firms in Rivers State, Nigeria. Survey research design was employed for the study and questionnaires were administered to 60 respondents from 6 aluminum corrugating firms in Rivers State. The reliability test of the research questionnaire was conducted using Cronbach alpha technique and was considered fit for the study. Multiple regression and Pearson's Product Moment Correlation Coefficient were the method used for data analysis. The results of the analysis showed a significant relationship between financial reporting quality and audit independence. The study was centered on Aluminum corrugating firms whereas, the interest of the present study is on the insurance sector in Nigeria.

Based on the assertions above the study formulated the following hypothesis:

- H1: External auditors independence does not have significant effect on financial reporting quality of listed insurance firm in Nigeria.

***External auditors' competence and financial reporting quality.***

Competency is defined as the caliber of the audit evidence, be it verbal, written, or perceived (Emovon & Ogbonmwan, 2024). The focus of audit competence is on assessing the reliability and applicability of the audit evidence utilized during the course of the work. It is necessary to solidify auditing expertise in order to increase demand and the firm's rating. The requirement for proficiency underscores the ongoing education of auditors to ensure they remain well-informed about contemporary auditing and accounting methodologies and structures (Mansouri 2009). Audit competence encompasses not only the dependability and applicability of audit evidence, but also the auditors' competency, which pertains to the auditor's propensity to execute their responsibilities.

Rindi (2018) employed survey research design to assess the extent to which financial reporting quality is affected by audit competence. The study was carried out in Indonesia using Java Island local government as a case study. The researcher obtained primary data through a self-constructed questionnaire and analyzed the data using partial least square regression method. The researcher found that financial reporting quality is significantly affected by audit competence. The study was focused on Java Island local government in Indonesia whereas the current study is focused on the insurance sector.

The relationship between audit competence and financial reporting timeliness of manufacturing firms in Indonesia was examined by Alshrife et al., (2016). Ninety-two listed Indonesian manufacturing firms was purposively sampled for the study. Financial statements were sourced from Indonesian manufacturing firms, while structural equation model was adopted by the researchers to carry out hierarchical regression analysis on the obtained data, and found that audit competence was significantly related to financial reporting timeliness. The study was on financial reporting timeliness whereas the present study is interested in financial reporting quality. Also, the study sample differs, in the sense that the reviewed study was conducted in Indonesian manufacturing firms whereas the interest of the present study is on the Nigerian insurance sector.

An assessment of the effect of auditor's competence on audit quality was carried out by Ramlah et al., (2018). The researchers obtained data from a sample of thirty-one auditors of the office of the public accountant Makassar city. Multiple regression was the tool employed to test the study hypothesis from which the study found that audit competence is significantly and positively related to audit quality. The study obtained data from auditors at Makassar city which differs from the present study which intends to obtain data from the Nigerian insurance sector. Also, the study was focused on audit quality while the present study is on financial reporting quality.

The research conducted by Pandoyo (2016) was aimed at establishing a relationship between auditor's competence and auditors' professionalism and its implication on audit quality. The research data was collected from a sample of 250 participants in Central Government in Jakarta. The study was conducted through explanatory research method while structural equation modelling was the technique adopted for data analysis, and it was proven that audit competence is significantly related to auditors' professionalism and audit quality. The target population of the study was those in central government in Jakarta whereas the target population of the present study is the insurance sector in Nigeria.

H2: External auditors' competence does not have significant effect on financial reporting quality of listed insurance firm in Nigeria

### *Theoretical framework*

This study is underpinned by the agency theory which has been linked more to the works of Jensen and Meckling (1976). The presupposes that a relationship of agency exists when there is an indenture between a person or more for an individual (principal) to engage also a person known as the agent to carry out stated or given task on behalf of the principal (Clarke, 2004). The relationship indicates that authority would be vested to the agent to act for the principal (Clarke, 2004). The compelling issue of this theory is that the organization managers work in their own interest and not the interest of the stakeholders.

This situation gives rise to a conflict of interest, as the managers may give higher importance to their own personal goals and ambitions rather than the goals and objectives of the organisation and its stakeholders. Jensen and Meckling suggest that this conflict might result in agency costs, which refer to the expenses borne by the principal to oversee and regulate the agent's behaviour, ensuring that it aligns with the principal's best interests. The expenditure mentioned can encompass expenses related to monitoring, bonding, and residual loss (Jensen & Meckling, 1976). For instance, within a corporation that is listed on the stock exchange, the managers could take up high levels of risk in order to enhance their personal financial gain via stock options, without considering the potential adverse consequences for the shareholders.

### **3. Methodology**

This study adopted an ex post-facto longitudinal design. The choice of the design is because it supports the use of previous data that will be collected at one time to be used as bases for analysis, the population study is the 23 insurance firms listed in the Nigerian Exchange Group (NXG). The sample size for the study is 20. The sample size was mathematically derived using the Taro Yamen's formula. The study relies on secondary source data and was sourced from the published financial statements of the selected listed insurance firms. The data collected span for ten (10) years' period from 2013 to 2022. This study adopted descriptive and multivariate data analysis in estimating the parameters of the study model.

**Table 1: Operationalisation of Variables**

Variable (s)	Symbol	Operationalization Measurement	Sources/prior study	Apriori Expectation
<b>Dependent variable</b>				
Financial reporting quality	<b>FRQ</b>	Discretionary accruals	Tang, Lin & Xiao (2008) (Mbodo & Ntiedo, 2016).	Positive sign
<b>Independent variable</b>				
Audit independence	<b>AUI</b>	Ratio of total fees paid to the audit firm / Non-audit fees in a financial year	(Tepalagul & Lin, 2015) (Sadiq & Emmanuel, 2017)	Negative sign



Audit competence	AUC	Number of years of experience of the audit firm. dichotomous variable of (1 and 0). Auditing firms that are 10 years and above are 1, and less than 5years 0.	(Abdul, Sutrisno, Rosidi & Achsin, 2014) (Astro, Taufiq & Tertiarto, 2019)	Negative sign
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#### Model specification

The model is hereby specified to test the study hypothesis. The following model will be used to estimate the direct relationship between *IV* and the *DV*:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots \beta_n X_n + \varepsilon \dots \dots \dots \text{eq (i)}$$

$$FRQ = (AUI_{it}, AUC_{it}, ) \dots \dots \dots \text{eq (ii)}$$

Therefore:

$$FRQ = \beta_0 + \beta_1 AUI_{it} + \varepsilon_{it} \dots \dots \dots \text{eq (iii)}$$

$$FRQ = \beta_0 + \beta_2 AUC_{it} + \varepsilon_{it} \dots \dots \dots \text{eq (iv)}$$

Where:

FRQ = Discretionary accruals; AUI = Audit Independence; AUC = Audit Competence;  $\beta_0$  = Constant parameter; i = Firm intercept; t = Time intercept e = Stochastic error term.

## 4. Results and discussion

### Descriptive statistics

Descriptive statistics provide a summary of the data used in the analysis, including the mean, standard deviation, minimum, and maximum values of the variables. These statistics help to understand the general characteristics of the data set.

**Table 2: Descriptive statistics**

Variables	Observations	Mean	Std. Dev.	Minimum	Maximum
FRQ	200	0.02855	0.2372	-0.4792	0.8816
AUI	200	0.2247	1.2824	0	7.8224
AUC	200	0.75	0.4341	0	1

Note. Stata 14 output (2024)

Table1 displays the calculated values for the mean, the standard deviation, the minimum and the maximum for each of the research variables for the 20 insurance firms during the period of the study from 2013 to 2022. The Table also shows that the study has 200 firm-year observations for the study. The results on Table 1 The study shows that Financial Reporting Quality (FRQ) has mean 0.0286. This indicates that, on average, the discretionary accruals (a measure of financial reporting quality) are relatively low. The low mean value indicates that, on average, the level of discretionary accruals (used as a proxy for financial reporting quality) is close to zero. This suggests that most companies do not engage heavily in earnings management practices, maintaining relatively transparent financial reporting. On the other hand, the study shows a standard deviation is 0.2372. This shows a moderate spread around the mean, suggesting some variability in the financial reporting quality across the companies. The

moderate standard deviation indicates some variability in FRQ among the companies, suggesting that while most companies have low discretionary accruals, there are variations, with some firms engaging more in earnings management. The minimum is -0.4793, the lowest value of FRQ is negative, indicating some companies might have highly aggressive or conservative discretionary accruals. The maximum is 0.8816. The highest value is positive, showing that some companies have a high level of discretionary accruals. The minimum value is negative, indicating that some companies may have significant negative accruals, potentially reflecting aggressive income-reducing strategies. The positive maximum value suggests that some companies have high levels of discretionary accruals, indicating possible aggressive income-increasing strategies.

In addition, the audit independence has minimum of 0 which indicates that most audit firms do not engage in audit service and engage in non-audit service in order to avoid familiarity threat and enhance audit independence. The maximum is 7.8224, which indicates some firms provide non-audit service. However, they are not the same firms that provide audit service. The maximum value is quite high, showing some firms have very high levels of audit independence, potentially enhancing audit quality. Consequently, audit competence has mean of 0.75 which indicates that on average, audit competence is relatively high. The mean suggests that, on average, there is a reasonable level of audit competence, which is crucial for ensuring high-quality audits and reliable financial reporting. Furthermore, the standard deviation of audit competence is 0.4341 which indicates that there is moderate variability, suggesting a spread in competence levels across auditors. A moderate standard deviation shows variability in audit competence across firms, suggesting that while some auditors are highly competent, others may lack sufficient expertise. Also, the minimum value of the audit competence is 0, which shows that some audit firms have been in operation for over five years. This indicates some instances where audit competence could be perceived as absent. The maximum is 1, which indicates that some firms have been in operation for over 10 years. The maximum value suggests a high competence in some cases based on experience.

### *Correlation analysis*

**Table 3: Correlation matrix**

VAR.	FRQ	AUI	AUC	VIF
FRQ	1.0000			
AUI	-0.0495	1.0000		1.07
AUC	0.1380	0.1015	1.0000	1.57

*Note.* Stata 14 output

The Table 3 shows that Audit Independence (AUI) has a negative correlation with FRQ (-0.0495), indicating that as audit independence increases, financial reporting quality (FRQ) might slightly decrease. However, this relationship appears very weak. The negative correlation also implies that audit independence and financial reporting quality moves in separate directions. The implication is that a weak negative correlation with FRQ suggests that increasing independence alone may not necessarily improve financial reporting quality. However, larger firms seem to perceive independence less strongly, possibly due to internal controls or governance mechanisms.

Also, audit competence (AUC) has a positive correlation with FRQ (0.138), suggesting that higher audit competence is associated with better financial reporting quality. This is a weak positive correlation; it also indicates that audit competence and financial reporting quality move in the same direction. The implication is that the weak positive relationship with FRQ suggests that having competent auditors

slightly enhances financial reporting quality. Hence, focusing on auditor training and qualifications may marginally improve financial outcomes.

**Table 4: Panel Data Regression Results**

Variables	Coefficient	Z	P>  z
Constants	6.7945	59.62	0.000***
AUI	-0.0067	-1.08	0.281
AUC	0.0107	3.61	0.000***
Within R <sup>2</sup>		0.2524	
Between R <sup>2</sup> /R <sup>2</sup>		0.5414	
Overall R <sup>2</sup> /Adj. R <sup>2</sup>		0.3033	
Wald Chi <sup>2</sup> /F-Stat		61.41	0.0000
Hausman		2.53	0.8651
LM chibar2 (01)		32.91	0.0000
Auto correlation		0.167	0.6876
Hettest Chi2(1)		1.83	0.1757

*Note.* Stata 14 output (2024)

\*\*\* indicate 1% level of significance.

Results in Table 4.5 show the within R-squared 0.2524, this indicates that 25.24% of the variation in financial reporting quality (FRQ) within each group (insurance companies) over time is explained by the independent variables (audit quality measures and firm size). While the between R-squared: 0.5414, this shows that 54.14% of the variation in FRQ between different groups (insurance companies) is explained by the independent variables

In addition, the overall R-squared is 0.3033 suggests that about 30.33% of the total variation in FRQ across all observations is explained by the independent variables. The Wald chi-square statistic is 61.41 with a p-value of 0.0000. This indicates that the overall model is statistically significant at the 1% significance level, meaning that the independent variables collectively have a significant effect on financial reporting quality of listed insurance companies in Nigeria. Table 4 indicates that audit independence exerts a negative but statistically insignificant effect on financial reporting quality. The coefficient of audit independence (AUI) is -0.0067 with a corresponding p-value of 0.281. This negative coefficient implies that a 1% increase in audit independence is associated with a 0.0067 decrease in financial reporting quality (FRQ), although this effect lacks statistical significance. In practical terms, this means that higher levels of audit independence alone do not necessarily translate into better financial reporting quality. The finding suggests that while independent auditors are expected to enhance the credibility and reliability of financial reports, in this context, independence alone may not be a strong determinant of reporting quality. Other factors such as auditor expertise, firm governance mechanisms, or the strength of internal controls may play a more decisive role.

Furthermore, the result highlights that focusing solely on maintaining audit independence without complementing it with other quality-enhancing measures may not produce significant improvements in FRQ. However, it remains important for auditors to maintain independence by avoiding the provision of non-audit services to their audit clients, as doing so could help prevent conflicts of interest and strengthen the perceived integrity and objectivity of the audit process in the long term. In addition, this finding partially did not align with agency theory, which posits that independent auditors mitigate information asymmetry between management and stakeholders. However, the insignificant effect



suggests that independence alone may not be sufficient to ensure high-quality financial reporting. Also, the study disagreed with stakeholders' theory. According to stakeholder theory, the minor positive effect of audit independence reflects the broader accountability auditors have to stakeholders, though the insignificant impact may indicate that other factors are more influential.

Similarly, the negative and insignificant effect of audit independence on financial reporting quality appears to contradict the expectations from the perspective of Agency Theory, this finding can be interpreted as reflecting the persistent information asymmetry and conflict of interest between management (agents) and shareholders (principals). While audit independence is intended to mitigate agency problems by ensuring objective and unbiased reporting, its insignificant impact suggests that independence alone may be insufficient to constrain managerial opportunism or enhance the credibility of financial reports. More so, the result aligns with studies that have found negative or insignificant effects of audit independence on financial reporting quality such as Geoffrey (2020); Sadiq and Emmanuel (2017), suggesting that other dimensions of audit quality may be more critical. However, I disagreed with the findings of Gehya (2019); Otuya (2019); John and Tom (2018); Nwanyanwu (2017).

Additionally, Table 4 shows that audit competence has positive and significant effect on financial reporting quality. The coefficient for audit competence (AUC) is 0.0107 with a p-value of 0.000. This positive and statistically significant coefficient indicates that an increase in audit competence significantly enhances financial reporting quality. The finding also suggests that 1 year increase in auditor experience in audit service would increase the auditor's competence which would as increase financial reporting quality by 0.0107 tune. It implies that as the auditor's knowledge of the audit services year by year increases it would return improve financial reporting quality of every firm to the auditor audit. The implication of the finding underscores the importance of hiring competent auditors to improve the quality of financial reporting. Regulatory bodies may consider enforcing higher standards for auditor qualifications and continuous professional development. The positive and statistically significant impact on FRQ, indicating that more competent auditors are better able to detect and report discrepancies in financial statements, thereby improving the quality of financial reporting.

More so the finding aligned with agency theory, the significant positive effect supports agency theory, which suggests that competent auditors reduce information asymmetry and enhance the reliability of financial reports. Also, competent auditors are likely more effective in mitigating the agency problem by ensuring accurate and reliable financial reporting. Empirically, this result is consistent with Astro et al. (2019); Rindu (2018); Ramlah et al. (2018); Pandoyo (2016); Nelli (2014) that has found a strong positive and significant effect of auditor competence on financial reporting quality, reinforcing the critical role of auditor expertise. However, the findings are not in line with the findings of Hadisantoso et al. (2017); Abdul et al. (2014) who documented that audit competence has not significant effect on financial reporting quality. The finding further implies that higher audit competence leads to better financial reporting quality.

## **5. Conclusion**

Based on the analyses conducted, the following conclusions can be drawn from the study's findings: External auditor' independence does not positively and significantly impact financial reporting quality, this suggests that independence alone may not be sufficient to improve FRQ without complementary factors.

The competence of external auditors shows a positive significant effect on financial reporting quality; this indicates that competence is one of the factors that influence financial reporting quality even when not supported by other factors to effectively enhance FRQ.

Insurance companies should implement additional internal controls and governance mechanisms to complement auditor independence, enhancing the overall quality of financial reporting. These measures should be adopted by company boards and audit committees during their oversight functions. Also, regulators should encourage the development and certification of audit firms with over 10 years of operational experience. A regulatory framework that incentivizes the continuous professional development of auditors will ensure that competence translates into improved financial reporting quality.

Regular training and certification programs should be organized for auditors to ensure they possess the necessary skills and knowledge, supported by strong regulatory oversight. Professional accounting bodies and regulators should collaborate to offer continuous professional development programs. Additionally, regulatory bodies should enforce stricter regulations preventing audit firms from offering both audit and non-audit services to the same client. This will reduce conflicts of interest and ensure that financial reporting remains unbiased and transparent.

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