



INSTITUTIONAL OWNERSHIP AND FINANCIAL REPORTING QUALITY OF LISTED FINANCIAL SERVICE FIRMS IN NIGERIA: THE MODERATING EFFECT OF AUDIT FIRM TENURE

Victor Okpanachi Atabo¹; Terzungwe Nyor²; Joshua Okpanachi³; Lateef Mustapha⁴

¹Department of Accounting, Faculty of Management Sciences, University of Maiduguri, Borno, Nigeria

^{2,3,4}Department of Accounting, Faculty of Management Sciences, Nigerian Defence Academy, Kaduna

Keywords

Financial service firm
Quality
Tenure
Audit
Reporting and users

JEL Classification

M41

Corresponding author

Victor Okpanachi Atabo
victoratabo23@gmail.com
Phone NO: 08038898834



Abstract

The issues of ownership, audit tenure and Financial Reporting Quality (FRQ) have received more consideration in recent time from professionals, academics and other interested parties, given persistent events loss of investment, loss of jobs, and low confidence on corporate financial reporting that may threaten a firm going concern. The study using secondary data from 23 sampled financial service firms out of the 52 listed on the Nigeria Exchange between 2006 – 2021, examines the effect of institutional ownership on FRQ; the moderating role of audit firm tenure. Using panel data, the Ordinary Least Square (OLS) regression showed audit firm tenure do not have a moderating effect on the relationship between institutional ownership and FRQ. Thus, the study concludes that institutional ownership negatively influence FRQ of financial service firms in Nigeria. The study suggests that financial service firms can increase FRQ through other supervisory and monitoring ways other than increasing institutional ownership and constant external audit firm change.

1. Introduction

Financial Reporting Quality (FRQ) is of great concern to business stakeholders such as owners, creditors, employees, government and their agencies among others given the role of financial report as a formal and primary means of communicating financial information to business stakeholders. These stakeholders make economic decisions relying on the financial statement of business, which is expected to give a holistic picture of the firm activities in monetary and non-monetary terms. The International Accounting Standard Board (IASB) provides the business world with the International Financial Reporting Standard (IFRS) adopted by 166 countries

(Rathnayake, 2020). The aim is to develop financial reporting regulation to guide in the preparation of financial statement that is free from errors and bias, faithfully representing the business reality and supporting stakeholders' decision usefulness, promoting uniformity and accountability.

This perfection is sometimes impracticable, as businesses prepare their annual report independently with allowed flexibilities in the choice of accounting policy, method and estimate used which may impair the reporting quality and misrepresenting the business reality. Owners and other users of financial statements often see FRQ from their own needs perspective, with no universal

accepted method in measuring it. According to Mbobo and Ekpo (2016); Beest et al. (2009); Adebiyi and Olowookere (2016) mostly methods for measuring FRQ are the accrual methods, value relevance methods, specific items in annual reports methods and the qualitative characteristic based method. The qualitative characteristic approach uses the IASB (2008, 2010) qualitative characteristics, which are relevance, faithful representation, comparability, reliability, timeliness and understandability focusing on both qualitative and quantitative items in the financial statement to enhance owners and other user's economic decision usefulness.

Ownership structure of a business reveals the distribution of equity holding and the identity of the equity owners (Wahl, 2006). Globally, the relationship between FRQ and ownership structure has been of primary concern lately to many investors, management, scholars, academics and policy makers among others. Kuo et al. (2020) states that this relationship depends on the combination of business ownership at any time in the business. Ownership can be government, institutional, free float individual, managers, family, foreign among others. Institutional owners having the necessary machinery in place, given their wealth of experience and financial exposure constantly monitor and engage managers of their investment on every action taken in the business. Bukar et al. (2016) in same view argued, that as institutional shareholders attain majority status in their holdings, they tend to pursue the agency conflict which now shift from the normal agents (managers) against the principals (shareholder) conflict to managers and institutional owners conflict as the majority. Institutional owners often the majority shareholders will want to transfer the wealth to themselves at the expense of other minority. This inclination can be said to have an effect on FRQ as false earnings may be reported by the reporting entity (Ding et al., 2007). This may also result into loss of investment, loss of jobs, fines, business shutdown, low confidence on the reporting

systems and additional agency cost in the services of an external auditor.

Audit firm tenure may consolidate the relationship between institutional ownership and quality of financial reports given the importance attached to auditing in financial reporting. According to Ilesanmi (2020) audit tenure involves how long an auditor stays before the disengagement of his services. Audit attributes such as capacity, expertise, fees, delay, size and quality among others may serve as guide to the business owners in their choice of the audit tenure. The adequacy of the external audit will help to support the confidence of owners and other stakeholders on the claims by management that the financial statements are free from all form of biasedness and material misstatement. Audit tenure as a moderator on the effect of institutional ownership on FRQ is important because audit tenure reinforces the owners' capacity to monitor and change management.

The main objective of the study is to examine the moderating effect of audit firm tenure on the relationship between institutional ownership and FRQ of listed financial service firms in Nigeria hypothesized in the null form below:

H₀₁: Audit firm tenure does not significantly moderate the effect of institutional ownership on financial reporting quality of listed financial service firm in Nigeria.

The study covers a period of 15 years from 2006 to 2021. The organisation of the remaining part of the study is as follows; literature review showing the conceptual issues, theoretical framework upon which the study stands and the review of empirical studies, the methodology, conclusion and recommendation.

2. Literature Review

2.1 Financial Reporting Quality

Financial reporting quality as a concept is often used in relation to the quality of financial information. The acceptance of a general definition for FRQ in academic literature is still difficult according to (Cheung et al., 2010; Dechow et al., 2010). Beest et al. (2009) define

FRQ as a broader concept that refers not only to financial information alone but the disclosures of non-financial information to enhance decision-making. The definition compared to others, highlights the inclusion of non-financial information in attempt to explain qualitative factors often not used by many studies in the measure of FRQ. FASB (2010) defines FRQ as a transparent report, with high quality and possessing internal consistency with fair presentation and credibility with the desirable qualitative characteristics of financial information. Herath and Albarqi (2017) referring to the FASB, IASB, financial reporting quality as the ability of financial report to provide accurate and fair information underlying the true performance and financial position of an entity. Though the various definitions see FRQ differently in line with the different users' information need, all the definitions hinges on the decision usefulness as the common ground that financial statement should be designed not to mislead users but guide for their decision making.

2.2 Institutional Ownership

Corporate business ownership are mostly comprised of several block ownership from institutional, managerial, foreign and family ownership among many. From the extant of previous studies' institutional ownership is a common practice among many firms (Bissessur, 2008). Institutional ownership seen as the percentage of equity ownership held by institutions such as pension and mutual fund administrators, trust institutions, insurance and banks (Sharma, 2004). Several studies have highlighted the role of institutional ownership as an important factor in corporate business with powers to influence financial reporting and choice of board of directors/management (Dong & Zhang, 2008; Klai & Omri, 2011; Globberman et al., 2011; Alkhawaldeh, 2012 and Chan et. al. 2007). According to Abdullah (2008) institutional investors have more influence compared to individual investors. Warfield et. al. (1995) indicated that the higher the holding of institutional investors, the lesser management discretionary actions and the

more informativeness of earning. This will increase the demand for quality financial reporting and audits as institutional shares increases (Kane & Velury, 2004). Alves (2012) assert that institutional ownership under the agency theory is a crucial governance tool that is able to monitor managers and upheld FRQ.

2.3 Audit Firm Tenure

Audit firm tenure generally connotes the duration a firm keeps the services of an external audit firm specifically as it relates to the examination of its financial statements. Ilesanmi (2020) defines Audit firm tenure as how long an auditor stays before the disengagement of his services. Qawqzeh et al. (2018) sees audit tenure as the number of years in periods an audit firm audits a client. Audit firm tenure as an external monitoring mechanism is one of many sensitive feature of the reporting process (Abu et al. 2018; Abdillah et al. 2019; Abedalgader et al. 2010; Mubaraq et al. 2021 and Fan & Wong 2005). As it can bring about familiarity threat in the reporting process which can results into problems of FRQ.

In Nigeria, Article 15.2 FRCN Code & Article 33.2 SEC Code.15 shows that, audit firms are disengaged after ten (10) years, but may be reappointed after another seven (7) years of their disengagement. Auditor tenure may have a positive or negative effect on the reporting process Qawqzeh et al. (2018). Generally, two arguments revolves around this issue according to Lim et al. (2010) and Knechel et al. (2012) holding that short tenure will bring about less experience on client's work by the auditor and long period may reduce the independence of the external auditor. Furthermore, article 15.4 FRCN Code.17 also provide for audit partner rotation; Which must be carried out every five (5) years to guarantee independence to curtail personal relationship developed between the client and partners on audit over time.

2.4 Theoretical Review

Freeman (1984) stakeholder theory addressed morals and values in organisation management. This theory holds that business's stakeholders which includes persons affected by the business and its workings. In this study, stakeholders refer to the owners and other direct users of the financial reports whose financial decision are influenced by the financial statement. Freeman (1984) opined that a company's stakeholders are persons without whose supportive activity the business would not exist. Ownership structure becomes relevant in this theory, given the emphasis on the resources provided by each owner upon which they hold their claims on the business. Institutional owners like other owners in the business provide resources in fund used by the business to acquire assets. The analysis on the role of each stakeholder's actions and how it impact on FRQ is crucial to the survival of the business.

2.5 Empirical Review

The empirical evidence on institutional ownership and financial reporting quality provide ambiguous results, various studies assumed that institutional ownership could restrain managerial misinformation and improve FRQ. While other studies have shown institutional ownership do not have any effect on FRQ.

Bukar et al. (2016) using panel data of the 16 listed food, beverages and tobacco firms in Nigeria, investigate the impact of institutional ownership on earnings quality, the study covered the period 2005-2013. The results revealed that institutional ownership has a significant effect on earnings quality, while firm size use as control variable is insignificant to earnings quality. Lawal et al. (2018) cross-examine the effect of institutional ownership, managerial ownership on financial performance of listed insurance firms in Nigeria, using 28 insurance firms listed on the Nigeria Exchange for the periods of 2011 to 2016. The study employed ex-post facto research design with ownership structure proxy by institutional

ownership the largest block holders shareholders in the study, managerial ownership, and ownership concentration and firm financial performance proxy by book value per share of the insurance firms under consideration. The result of the study showed institutional ownership and managerial ownership having significant and positive effect on financial performance of the listed insurance firms except concentrated ownership.

Kurawa et al. (2021) appraised the effect of ownership structure on the quality of financial reporting in Nigeria using 41 non financial firms on the Nigerian Exchange for the 2011 to 2019 period. The study overcame the threat of heteroskedasticity and endogeneity by adopting the Generalised Method of Moments (GMM) technique and findings revealed that institutional has a significant but negative effect on earnings management thus, improving the reporting quality. Uwuigbe et al., (2017) report a significant effect of institutional ownership on financial reporting quality and posit that large owners, such as institutional shareholders, has the ability to control managers. The study used 75 firms listed on the Nigerian Exchange during the period 2011-2015 and the General Least Square (GLS) regression method used in estimating the parameters of the model. Institutional ownership and managerial ownership used as proxy for ownership structure and financial disclosure quality modeled using both accounting measure and market based measure.

Adebiyi and Olowookere (2016) investigates the effect of ownership structure on FRQ among Deposit Money Banks (DMBs) in Nigeria. The study measured ownership structure: managerial ownership, foreign ownership and institutional ownership, while FRQ measured using discretionary accruals. Using Ordinary Least Square (OLS) regression technique with a sample of all listed DMBs listed on Nigeria Exchange between 2005 and 2013. The results shows discretionary accruals positively relates to managerial ownership but negatively relates to

institutional and foreign ownership. Ekpulu and Omoye (2018) the study investigates the impact of ownership structure on earnings management in Nigeria and makes use of secondary data employing a longitudinal panel research design for a sample of 75 listed firms from 2009 to 2014. The descriptive statistics showed institutional and managerial ownership consist more of the shareholding blocks. The result showed that managerial ownership negatively and significantly relates to earnings management, while institutional ownership and foreign ownership have a positive but insignificant relationship to earnings management.

Oladejo (2022) investigated the effect of audit tenure on FRQ of Nigerian DMBs. The study employed secondary data with a study population comprising of all the 20 listed DMBs on the Nigerian Exchange between 2008 to 2018. Purposive sampling was employed to select 13 banks as the study sample given available data. Data were analysed using Random Effect Method and results showed audit tenure had a positive and significant relationship on FRQ. Thus the study concluded that audit tenure had strong influence on FRQ of Nigerian DMBs. Onyabe et al. (2018) investigates the impact of audit committee tenure on FRQ of DMBs on the Nigeria Exchange over a 10 year period, spanning from 2007-2016. This study used regression to analysis the data gathered and the results showed audit firm tenure slightly have a significant influence FRQ of DMBs in Nigeria. This finding suggest that FRQ can be improved by a way of audit rotation, this can further strengthen the confidence of owners and other users of the financial statements, as familiarity threat will be absent or reduced.

3. Methodology

The section shows the study population, sample size and sources of data, variable measurement and the method of data analysis that was used in the study. The population of the study comprise of 52 financial service firms listed in the Nigerian Exchange as at December 2021. The study covered the period

of 16 years from 2006 to 2021. Purposive sampling technique was used to select 23 financial service firm listed on the Nigerian Exchange as the sample size. A filtering criterion was applied to arrive at the final sample size. First a financial service firm must have published its accounts for the period of the study. Secondly it must have provided all the information that would be required on the variables of the study. Finally, any company listed/delisted, merged or acquired within the study period and have changed their self-existing form, to prepare and publish financial statements was excluded from the sample. Table 1 below shows the population and sample size frame. The following financial service firms made up the sample, Aiico, Cornerstone Insurance, Fidelity Bank, First City Monumental Bank, Guinea Insurance, Lasasco Assurance, Linkage Assurance, Mutual Benefit Assurance, Nem Insurance,

Prestige Assurance, Royal Exchange, Stanbic Ibtcl Holding, Standard Alliance Insurance, Sterling Bank, Union Bank Of Nigeria Plc, United Bank For Africa, Unity Bank, Wema Bank, Zenith Bank, Access Holdings Plc, FBN Holding, Guaranty Trust Holding and Coronation Insurance.

Table 1. Population and Sample Size Frame

Filtering criteria	Firms
Study population	52
Firms with no data within 2006 and 2021	(29)
Sample size	23

Field Survey, 2022

Table 1. Showed the population and sample size used to arrive at the sample size of 23 firms (Appendix A), out of the study population of 52 firms. 29 service firms either incorporated, delisted, acquired or merged within the study period were left out for incomplete data arising from non-availability of financial statement upon which the data will be sourced.

The study variables financial reporting quality, institutional ownership and the

moderating variable audit firm tenure are measured in Table 2 below.

Table 2. Variables Measurement, and sources

Variable/Abbreviation	Measurement	Sources
Financial Reporting Quality Index (FRQ)	Index of available qualitative characteristics using content analysis	(Beest, Braam, & Boelens 2009, Mbobo & Ekpo, 2016)
Institutional Ownership (IOWN)	Ownership concentration of all block institutional shareholders with 5% and above shares of total ownership	(Adebiyi & Olowookere 2016; Alves 2012; Affan et al., 2017).
Audit Firm Tenure (AFTN)	"1" where companies external auditor have stayed for 3years and above, "0" other wise	(Braam et. al., 2015; Abdullah, 2008; Zureigat, 2011)

Source: Field survey, 2022

3.1. Model Specification

The implicit economic model used in this study is given as: $Y = f(x_i) + \varepsilon$, where, Y is the dependent variable; $f(x)$ comprises of β_0 (constant) and a set of β_i 's which are the coefficient of the explanatory variables and ε is the random effect (assumed to have zero mean and independent across time period). The regression model is specified as:

$$FRQ_{it} = \beta_0 + \beta_1 IOWN_{it} + \beta_2 AFTN_{it} + \beta_3 IOWN_{it} * \beta AFTN_{it} + \varepsilon_{it}$$

where: FRQ_{it} is the financial reporting quality; $IOWN_{it}$ denotes institutional ownership; $AFTN_{it}$ denotes audit firm tenure; B_0 represent the intercept; β_{1-3} is the various coefficient, i represents the number of firms in the panel data; t represents the time period of the panel data; ε_{it} is the error term.

4. Results

This section presents and discussed the descriptive statistics, the regression assumptions alongside the various test and results of the regression analysis.

Descriptive Statistics

The descriptive analysis for FRQ, IOWN and AFTN is shown in table 3 below.

Table 3. Descriptive statistics

Stats	FRQ	IOWN	AFTN
N	368	368	368
Mean	.7880	.3780	.5842
Min	.6	0	0
Max	.9	.92	1
Sd	.0588	.2409	.4935
Skewness	-.1988	.0979	-.3418
Kurtosis	2.7944	2.0833	1.1168

All value approximate to 4 decimal place

Source: Stata 13 output, 2022

Table 3 shows 368 observation from the 29 sampled financial service firms used in the study. The mean value for FRQ is 0.7880, which indicates that the sampled financial service firm showed qualitative factors in their financial statements as evidenced in a positive score from a minimum of 0.6 to a maximum of 0.9. IOWN with a mean value of 0.3780 (SD = 0.2409), having a minimum of 0 and maximum of 0.92 showed the involvement of institutional ownership in the ownership structure of most listed financial service firm in Nigeria. The average value of the audit tenure (AFTN) at 0.5841 showed constant audit rotation in the listed financial service firm in Nigeria evidenced by the maximum value of 1 and minimum value of 0, indicating over 50% of firms under this study often change their audit firm. The

standard deviation of FRQ, IOWN and AFTN from the mean is 0.0588, 0.2409 and 0.4935 respectively, showed a more tightly packed data. The variability of the data distribution around the mean (i.e. skewness) for FRQ, IOWN and AFTN is -0.1988, 0.0979 and -0.3488 respectively and the level of peakedness (kurtosis) around the central mean is 2.7944, 2.0833 and 1.1168 for FRQ, IOWN and AFTN respectively indicating a well distributed data in line with Kline (1998) and Pallant (2011) that data values within skewness values of (± 3), and kurtosis values of (± 10) is generally accepted.

Diagnostic Checks

Diagnostic checks were conducted to ensure the robustness of the results, before the multiple regression results were presented. The Pearson correlation coefficient was first calculated to test for multicollinearity. Table 4 below presents the Pearson correlation coefficient.

Table 4. Matrix of Correlations

Variables	FRQ	IOWN	AFTN
FRQ	1.0000		
IOWN	0.0378	1.0000	
AFTN	-0.0001	0.1045	1.0000

All value approximate to 4 decimal place

Source: Stata 13 output, 2022

Table 4 showed FRQ have a positive correlation with IOWN at 0.0378, and a negative correlation with AFTN at -0.0001. The overall pair wise correlation of -0.0001 to 0.1024 shows no multicollinearity problem. The Variance Inflation Factors (VIF) computed to further test multicollinearity among the study variables attached in the appendix, also indicates the absence of multicollinearity as all computed VIF are less than 10 a rule of thumb suggested by (Neter et al., 1996). The Ramsey RESET test for omitted variables as shown in the appendix showed that there is no omitted variable in the study model. The Breusch-Pagan/Cook-

Weisberg test utilized to investigate the presence of heteroscedasticity appended showed a χ^2 of 0.22 and a probability of 0.6354 which is insignificant at 5% level indicating no heteroscedasticity problem associated with the study data. Furthermore, the Shapiro-Wilk test for normal data as appended showed an insignificant Shapiro-Wilk (z), p -value above 0.05 for FRQ and AFTN, but significant for IOWN indicating, that the population residual for IOWN is not normally distributed. The Hausman's test was utilized to estimate between the fixed effect and random effect estimates model for the study. Appended to this study, the Hausman's test results showed an insignificant ($\chi^2=0.37$, $p=0.9455$), inferring that the Fixed Effect Model (FEM) would not be suitable for adoption in this study. This lead to further test to choose between the Random Effect Model (REM) and the Ordinary Least Square (OLX) regression model. The Breusch and Pagan Lagrange multiplier (LM) test results showed ($\chi^2=0.32$, $p=0.2871$), leading to the adoption of the OLX regression model over the REM.

In this study, institutional ownership examined in terms of its effects on FRQ using audit firm tenure as moderator. Given the specific relationship of FRQ and IOWN in table 5 above at ($\beta= 0.204$, $p< 0.288$) and AFTN and FRQ at ($\beta= 0.0069$, $p< 0.543$), both as insignificant. The result of the moderating effect of AFTN on institutional ownership and FRQ of listed Nigeria financial service firms also showed an insignificant value of ($F(3, 364) = 0.38$, $p< 0.769$). The adjusted R^2 of -0.31%, indicating a negative prediction and effect in line with (Adebiyi & Olowookere, 2016; Madani et al., 2013). Therefore, the null hypothesis should not be rejected, thus institutional shareholding do not have positive significant effect on FRQ of listed Nigeria financial service firm. This negative and insignificant effect can be seen from the point of institutional investors may use their powerful influence within the ownership structure to pressure management to go their ways against the interest of the other owners.

Table 5. Regression Analysis

/FRQ/	Coef.	Std. Err.	t	Prob.	95% Conf. Interval
IOWN	.0204	.0192	1.06	0.288	-.0173 .0583
AFTN	.0069	.0114	.061	0.543	-.0155 .0294
IOWN*AFTN	-.0200	.0258	-0.78	0.437	-.0709 .0307
Constant	.7809	.0082	94.96	0.000*	-.7647 .7971
R ²	0.0031				
Adj.R ²	-0.0051				
Prob>F	0.7690				

Source: Stata 13 output, 2022;

* denote statistical significance at 5% levels; all value approximate to 4 decimal place

5. Conclusion

Audit firm attribute in the Nigerian financial service sector is a cause for concern as they are crucial to positively or negatively influence FRQ firms given the sector. The financial service firms specifically DMBs and insurance should note that a higher score on financial reporting will always result in confidence on the side of their stakeholders, showing better accountability and may also have a negative correlation where the FRQ is poor. Based on the study's findings, the research concluded that institutional ownership do not play a significant role in improving FRQ of Nigerian financial service firms, also audit firm tenure do not significantly predicts FRQ and be concluded that audit firm attribute do not significantly moderate the effect of institutional ownership on FRQ of the Nigerian financial service firms.

6. Recommendations

The study therefore recommends that the Nigerian financial service firm owners should rather looked at other monitoring tools aside institutional ownership to check management and also ensure other elements of audit firm attributes such as shorter audit firm tenure, specialization and expertise in their choice of audit firm, in order to improve FRQ to reduce managerial excessiveness.

References

- Adebiyi, W. K., & Olowookere, J. K. (2016). Ownership structure and the quality of financial reporting: evidence from Nigerian deposit money banks. *International Journal of Economics, Commerce and Management United Kingdom*, 4(1), 541-552. Retrieved from <http://ijecm.co.uk/>
- Abdullah, W. Y. (2008). The Impact of board composition, ownership and CEO duality on audit quality: The Malaysian Evidence. *Malaysian Accounting Review*, 7(2), 17-28.
- Affan, M. W., Rosidi, S. E., Ak, M., Purwanti, L., & CSRS, C. (2017). The effect of ownership structure on the quality of financial reporting of manufacturing companies listed in the IDX during the Period of 2013-2015. *Imperial Journal of Interdisciplinary Research (IJIR)*, 3 (7), 165-174. doi:<http://www.onlinejournal.in>
- Alkhawaldeh, A. A. (2012). Effects of family and foreign ownership structure on Jordanian credit risk assessments. *International Research Journal of Finance and Economics*, 90, 92-113.
- Alves, S. (2012). Ownership structure and earnings management: evidence from Portugal. *Australian Accounting Business and Finance*, 6(1), 57-74.
- Astuti, D. A., Rahman, D., & Sudarsono, D. (2015). Pengaruh Kepemilikan Keluarga

- Terhadap Kinerja Perusahaan Dengan Agency Cost Sebagai Variabel Moderating. *Jurnal Dinamika Akuntansi*, 7(2), 98-108.
- Aziz, N. F., Muzrifah, M., Hasnan, S., Norfarhani, S., & Abdul Aziz, R. (2017). Ownership structure and financial restatement in Malaysia. Puncak Alam, Selangor, Malaysia.
- Beest, V. F., Braam, G., & Boelens, S. (2009). *Quality of Financial Reporting: measuring qualitative characteristics*. Institute for Management Research. HK Nijmegen The Netherlands: Radboud University Nijmegen.
- Bissessur, S. W. (2008). *Earnings quality and earnings management; the role of accounting accruals*. Amsterdam: Thela Thesis Academic Services.
- Brigham, E. F., & Gapenski, L. C. (1996). *Intermediate financial management. 7th edition*. SeaHarbor Drive: The Dryden Press.
- Bukar, A., Garba, I., Nasidi, M., & Karaye, I. Y. (2016). The impact of institutional ownership on earnings quality of listed food/beverages and tobacco firms in Nigeria. *Journal of Arts, Science & Commerce*, 7(1), 20-30. doi:10.18843/rwjasc/v7i1(1)/03
- Chen, G., Firth, M., Gao, D. N., & Rui, O. M. (2006). Ownership structure, corporate governance, and fraud: Evidence from China. *Journal of Corporate Finance*, 12, 424-448. doi:10.1016/j.jcorpfin.2005.09.002
- Chen, K. Y., Elder, R., & Hsieh, Y. (2007). Corporate governance and earnings management: The implication of corporate governance best-practice principles for Taiwanese listed companies. *Journal of Contemporary Accounting and Economics*, 3(2), 73-105.
- Cheung, E., Evans, E., & Wright, S. (2010). A historical review of quality in financial reporting in Australia. *Pacific Accounting Review*, 22(2), 147-169.
- Dechow, G., & Schrand, S. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics*, 50(3), 344-401.
- Ding, Y., Zhang, H., & Zhang, J. (2007). Private vs state ownership and earnings management: evidence from Chinese Listed Companies. *Journal of China European International Business School*, 15(2).
- Doms, M., & Jensen, J. (1998). *Comparing wages, skills, and productivity between domestic and foreign owned manufacturing establishments in the United States*. In Baldwin: R., Lipsey.
- Dong, N., & Zhang, J. (2008). Does ownership structure matter when CPA deciding types of audit opinions. *Journal of Modern Accounting and Auditing*, 4(4), 44-48.
- Ekpulu, G. A., & Omoye, A. S. (2018). Ownership structure and earnings management: evidence from Nigerian listed firms. *Accounting & Taxation Review*, 2(2), 57-74. Retrieved from <http://hdl.handle.net/11159/4389>
- Farhat, A. (2014). *Corporate governance and firm performance the case of UK*. Doctoral dissertation University of Portsmouth.
- FASB. (2010). Statement of financial accounting concepts No. 8: Conceptual framework for financial reporting. Retrieved from http://www.fasb.org/cs/ContentServer?cid=1176157498129&d=&pagename=FA%2FDocument_C%2FDocumentPage.
- Frankfurter, G. M., & Wood, B. G. (1994). Dividend policy theories and their empirical tests. *Journal of Financial Education*, 23, 16-32.
- Ghahroudi, M. R. (2011). Ownership advantages and firm factors influencing performance of foreign affiliates in Japan. *International Journal of Business and Management*, 6(11), 119.
- Globerman, S., Peng, M. W., & Shapiro, D. (2011). Corporate governance and Asian companies. *Asia Pacific Journal of Management*, 28(1), 1-14. doi:10.1007/s10490-010-9240-6
- Gul, F. A., Kim, J. B., & Qiu, A. A. (2010). Ownership concentration, foreign

- shareholding, audit quality, and stock price synchronicity: evidence from china. *Journal of Financial Economics*, 95(3), 425-442.
- Heflin, F., & Shaw, K. (2000). Block holder ownership and market liquidity. *Journal of Financial and Quantitative Analysis*, 35(4), 621-633.
- Herath, S. K., & Albarqi, N. (2017). Financial reporting quality: A literature review. *International Journal of Business Management and Commerce*, 2(2), 1-14.
- Ilesanmi, T. A. (2020, June 23). *Nigeria: attentions: auditor independence and sound financial reporting in Nigeria*. Retrieved from LeLaw Barristers & Solicitors-Mondaq : <https://www.mondaq.com/nigeria/audit/956810/attentions-auditor-independence-and-sound-financial-reporting-in-nigeria>
- International Accounting Standard Board. (2008). An improved conceptual framework for financial reporting. Available. *IASB the Joint Improved Conceptual Framework*. Retrieved from Available at <http://www.assb.gov.sg/docs/attachments/ED of Chapters1 and 2 the Joint Improved Conceptual Framework>
- Johnson, T. (2005). *Relevance and reliability; Article from the FASB Report*. FASB Report. Feb. 28.
- Kalabeke, W., Sadiq, M., & Keong, C. O. (2019). Auditors tenure and financial reporting quality: evidence from a developing country. *International Journal of Asian Social Science*, 9(5), 335-341. doi:DOI: 10.18488/journal.1.2019.95.335.341
- Kane, G. D., & Velury, U. (2004). The role of institutional ownership in the market for auditing services:an empirical investigation. *Journal of Business Research*, 57(9), 976-983.
- Kimura, F., & Kiyota, k. (2007). Foreign owned versus omestically owned firms economic performance in Japan. *Review of Development Economics*, 11(1), 31-48.
- Klai, N., & Omri, A. (2011). Corporate governance and financial reporting quality: The case of Tunisian firms. *International Business Research*, 1913-9004.
- Kline, B. R. (1998). *Principles and practices of structural equation modeling*. New York: Guilford.
- Knechel, W. R., Krishnan, G. V., Pevzner, M., Shefchik, L. B., & Velury, U. K. (2012). Audit quality: insights from the academic literature. *Auditing. A Journal of Practice & Theory*, 32(1).
- Kuo, K., Lu, W., & Dinh, I. (2020). Firm performance and ownership structure: dynamic network data envelopment analysis approach. *Managerial and Decision Economics*, 14(4), 608–623. doi:<https://doi.org/10.1002/mde.3124>
- Kurawa, J. M., Alhassan, I., Islam, K. A., Haque, M., & Shariful. (2021). Ownership structure and financial reporting quality in listed non-financial firms in Nigeria. *International Journal of Accounting & Finance Review*, 9(1), 57-73. doi:DOI: 10.46281/ijaf.v9i1.1547
- Lawal, O. D., Agbi, E. S., & Mustapha, L. O. (2018). Effect of ownership structure on financial performance of listed insurance firms in Nigeria. *Journal of Accounting, Finance and Auditing Studies*, 4(3), 123-148.
- Lee, H. Y., Mande, V., & Son, M. (2009). Do lengthy auditor tenure and the provision of non-audit services by the external auditor reduce audit report lags? *International Journal of Auditing*, 13(2), 87-104.
- Lim, C. Y., & TAN, H. T. (2010). Does auditor tenure improve audit quality? Moderating effects of industry specialization and fee dependence. *Contemporary Accounting Research*, 27(3).
- Lins, K. V., & Warnock, F. E. (2004). Corporate governance and the shareholder base. *International Finance Discussion Papers*, 819.
- Madani, M., Addin, M. M., & Rad, A. A. (2013). Impact of famaly ownership, state ownership and major shareholder on the

- financial reporting quality of the firms listed on Tehran Stock Exchange. *Interdisciplinary Journal of Contemporary Research in Business*, 5(5), 50-63.
- Makarem, N., & Dehkordi, F. H. (2011). The effect of size and type of auditor on audit quality. *International Research Journal of Finance and Economics*, 80, 121.
- Mbobo, M. E., & Ekpo, N. B. (2016). Operationalizing the qualitative characteristics of financial reporting. *International Journal of Finance and Accounting*, 5(4), 184–192.
- Neter, J., Kutner, H. M., Nachtsheim, J. C., & Wasserman, W. (1996). *Applied linear statistical models (4th ed.)*. New York, NY: McGraw-Hill/Irwin.
- Oladejo, O. A. (2022). Audit tenure and financial reporting quality of listed Nigerian deposit money banks. *European Business & Management*, 8(4), 81- 88. Retrieved 10.11648/j.ebm.20220804.11
- Onyabe, J. M., Okpanachi, J., Nyor, T., Yahaya, O. A., & Ahmed, M. (2018). Effect of audit committee tenure on financial reporting quality of listed deposit money banks in Nigeria. *European Scientific Journal ESJ*, 14(4), 257.
- Otusanya, J. O., Adeyeye, B. G., & Ovienbo, L. (2019). Informal sector taxpayers' perception of influence of government accountability on voluntary tax compliance and the moderating role of fiscal exchange. *International Journal of Accounting & Finance (IJAF)*, 8(2), 1-20.
- Adebisi, W. K., & Olowookere, J. K. (2016). Ownership structure and the quality of financial reporting: evidence from Nigerian deposit money banks. *International Journal of Economics, Commerce and Management United Kingdom*, 4(1), 541-552. Retrieved from <http://ijecm.co.uk/>
- Abdullah, W. Y. (2008). The Impact of board composition, ownership and CEO duality on audit quality: The Malaysian Evidence. *Malaysian Accounting Review*, 7(2), 17=28.
- Affan, M. W., Rosidi, S. E., Ak, M., Purwanti, L., & CSRS, C. (2017). The effect of ownership structure on the quality of financial reporting of manufacturing companies listed in the IDX during the Period of 2013-2015. *Imperial Journal of Interdisciplinary Research (IJIR)*, 3 (7), 165-174. doi:<http://www.onlinejournal.in>
- Alkhalaf, A. A. (2012). Effects of family and foreign ownership structure on Jordanian credit risk assessments. *International Research Journal of Finance and Economics*, 90, 92-113.
- Alves, S. (2012). Ownership structure and earnings management: evidence from Portugal. *Australian Accounting Business and Finance*, 6(1), 57-74.
- Astuti, D. A., Rahman, D., & Sudarsono, D. (2015). Pengaruh Kepemilikan Keluarga Terhadap Kinerja Perusahaan Dengan Agency Cost Sebagai Variabel Moderating. *Jurnal Dinamika Akuntansi*, 7(2), 98-108.
- Aziz, N. F., Muzrifah, M., Hasnan, S., Norfarhani, S., & Abdul Aziz, R. (2017). Ownership structure and financial restatement in Malaysia. Puncak Alam, Selangor, Malaysia.
- Beest, V. F., Braam, G., & Boelens, S. (2009). *Quality of Financial Reporting: measuring qualitative characteristics*. Institute for Management Research. HK Nijmegen The Netherlands: Radboud University Nijmegen.
- Bissessur, S. W. (2008). *Earnings quality and earnings management; the role of of accounting accruals*. Amsterdam: Thela Thesis Academic Services.
- Brigham, E. F., & Gapenski, L. C. (1996). *Intermediate financial management. 7th edition*. SeaHarbor Drive: The Dryden Press.
- Bukar, A., Garba, I., Nasidi, M., & Karaye, I. Y. (2016). The impact of institutional ownership on earnings quality of listed food/beverages and tobacco firms in Nigeria. *Journal of Arts, Science & Commerce*, 7(1), 20-30. doi:10.18843/rwjasc/v7i1(1)/03

- Chen, G., Firth, M., Gao, D. N., & Rui, O. M. (2006). Ownership structure, corporate governance, and fraud: Evidence from China. *Journal of Corporate Finance*, 12, 424–448. doi:10.1016/j.jcorpfin.2005.09.002
- Chen, K. Y., Elder, R., & Hsieh, Y. (2007). Corporate governance and earnings management: The implication of corporate governance best-practice principles for Taiwanese listed companies. *Journal of Contemporary Accounting and Economics*, 3(2), 73–105.
- Cheung, E., Evans, E., & Wright, S. (2010). A historical review of quality in financial reporting in Australia. *Pacific Accounting Review*, 22(2), 147–169.
- Dechow, G., & Schrand, S. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics*, 50(3), 344–401.
- Ding, Y., Zhang, H., & Zhang, J. (2007). Private vs state ownership and earnings management: evidence from Chinese Listed Companies. *Journal of China European International Business School*, 15(2).
- Doms, M., & Jensen, J. (1998). *Comparing wages, skills, and productivity between domestic and foreign owned manufacturing establishments in the United States*. In Baldwin: R., Lipsey.
- Dong, N., & Zhang, J. (2008). Does ownership structure matter when CPA deciding types of audit opinions. *Journal of Modern Accounting and Auditing*, 4(4), 44–48.
- Ekpulu, G. A., & Omoye, A. S. (2018). Ownership structure and earnings management: evidence from Nigerian listed firms. *Accounting & Taxation Review*, 2(2), 57–74. Retrieved from <http://hdl.handle.net/11159/4389>
- Farhat, A. (2014). *Corporate governance and firm performance the case of UK*. Doctoral dissertation University of Portsmouth.
- FASB. (2010). Statement of financial accounting concepts No. 8: Conceptual framework for financial reporting. Retrieved from http://www.fasb.org/cs/ContentServer?cidm=1176157498129&d=&pagename=FA SB%2FDocument_C%2FDocumentPage.
- Frankfurter, G. M., & Wood, B. G. (1994). Dividend policy theories and their empirical tests. *Journal of Financial Education*, 23, 16–32.
- Ghahroudi, M. R. (2011). Ownership advantages and firm factors influencing performance of foreign affiliates in Japan. *International Journal of Business and Management*, 6(11), 119.
- Globerman, S., Peng, M. W., & Shapiro, D. (2011). Corporate governance and Asian companies. *Asia Pacific Journal of Management*, 28(1), 1–14. doi:10.1007/s10490-010-9240-6
- Gul, F. A., Kim, J. B., & Qiu, A. A. (2010). Ownership concentration, foreign shareholding, audit quality, and stock price synchronicity: evidence from china. *Journal of Financial Economics*, 95(3), 425–442.
- Heflin, F., & Shaw, K. (2000). Block holder ownership and market liquidity. *Journal of Financial and Quantitative Analysis*, 35(4), 621–633.
- Herath, S. K., & Albarqi, N. (2017). Financial reporting quality: A literature review. *International Journal of Business Management and Commerce*, 2(2), 1–14.
- Ilesanmi, T. A. (2020, June 23). *Nigeria: attentions: auditor independence and sound financial reporting in Nigeria*. Retrieved from LeLaw Barristers & Solicitors-Mondaq : <https://www.mondaq.com/nigeria/audit/956810/attentions-auditor-independence-and-sound-financial-reporting-in-nigeria>
- International Accounting Standard Board. (2008). An improved conceptual framework for financial reporting. Available. *IASB the Joint Improved Conceptual Framework*. Retrieved from Available at <http://www.assb.gov.sg/docs/attachments/ED of Chapters1 and 2 the Joint Improved Conceptual Framework>

- Johnson, T. (2005). *Relevance and reliability; Article from the FASB Report*. FASB Report. Feb. 28.
- Kalabeke, W., Sadiq, M., & Keong, C. O. (2019). Auditors tenure and financial reporting quality: evidence from a developing country. *International Journal of Asian Social Science*, 9(5), 335-341. doi:DOI: 10.18488/journal.1.2019.95.335.341
- Kane, G. D., & Velury, U. (2004). The role of institutional ownership in the market for auditing services: an empirical investigation. *Journal of Business Research*, 57(9), 976-983.
- Kimura, F., & Kiyota, k. (2007). Foreign owned versus omentically owned firms economic performance in Japan. *Review of Development Economics*, 11(1), 31-48.
- Klai, N., & Omri, A. (2011). Corporate governance and financial reporting quality: The case of Tunisian firms. *International Business Research*, 1913-9004.
- Kline, B. R. (1998). *Principles and practices of structural equation modeling*. New York: Guilford.
- Knechel, W. R., Krishnan, G. V., Pevzner, M., Shefchik, L. B., & Velury, U. K. (2012). Audit quality: insights from the academic literature. *Auditing. A Journal of Practice & Theory*, 32(1).
- Kuo, K., Lu, W., & Dinh, I. (2020). Firm performance and ownership structure: dynamic network data envelopment analysis approach. *Managerial and Decision Economics*, 14(4), 608–623. doi:https://doi.org/ 10.1002/mde.3124
- Kurawa, J. M., Alhassan, I., Islam, K. A., Haque, M., & Shariful. (2021). Ownership structure and financial reporting quality in listed non-financial firms in Nigeria. *International Journal of Accounting & Finance Review*, 9(1), 57-73. doi:DOI: 10.46281/ijaf.v9i1.1547
- Lawal, O. D., Agbi, E. S., & Mustapha, L. O. (2018). Effect of ownership structure on financial performance of listed insurance firms in Nigeria. *Journal of Accounting, Finance and Auditing Studies*, 4(3), 123-148.
- Lee, H. Y., Mande, V., & Son, M. (2009). Do lengthy auditor tenure and the provision of non-audit services by the external auditor reduce audit report lags? *International Journal of Auditing*, 13(2), 87-104.
- Lim, C. Y., & TAN, H. T. (2010). Does auditor tenure improve audit quality? Moderating effects of industry specialization and fee dependence. *Contemporary Accounting Research*, 27(3).
- Lins, K. V., & Warnock, F. E. (2004). Corporate governance and the shareholder base. *International Finance Discussion Papers*, 819.
- Madani, M., Addin, M. M., & Rad, A. A. (2013). Impact of famaly ownership, state ownership and major shareholder on the financial reporting quality of the firms listed on Tehran Stock Exchange. *Interdisciplinary Journal of Contemporary Research in Business*, 5(5), 50-63.
- Makarem , N., & Dehkordi, F. H. (2011). The effect of size and type of auditor on audit quality. *International Research Journal of Finance and Economics*, 80, 121.
- Mbobbo, M. E., & Ekpo, N. B. (2016). Operationalizing the qualitative characteristics of financial reporting. *International Journal of Finance and Accounting*, 5(4), 184–192.
- Neter, J., Kutner, H. M., Nachtsheim, J. C., & Wasserman, W. (1996). *Applied linear statistical models (4th ed.)*. New York, NY: McGraw-Hill/Irwin.
- Oladejo , O. A. (2022). Audit tenure and financial reporting quality of listed Nigerian deposit money banks. *European Business & Management*, 8(4), 81- 88. Retrieved 10.11648/j.ebm.20220804.11
- Onyabe, J. M., Okpanachi, J., Nyor, T., Yahaya, O. A., & Ahmed, M. (2018). Effect of audit committee tenure on financial reporting quality of listed deposit mony banks in Nigeria. *European Scientific Journal ESJ*, 14(4), 257.

- Otusanya, J. O., Adeyeye, B. G., & Ovienbo, L. (2019). Informal sector taxpayers' perception of influence of government accountability on voluntary tax compliance and the moderating role of fiscal exchange. *International Journal of Accounting & Finance (IJAF)*, 8(2), 1-20.
- Oyedokun, G. E., Okwuosa, I., & Isah, S. (2019). Effect of Audit Characteristics on Financial Reporting Quality of Listed Consumer Goods in Nigeria. *Fountain University Osogbo Journal of Management (FUOJM)*, 4(3), 161–180.
- Pallant, F. J. (2011). *SPSS survival manual : a step bystep guide to data analysis using SPSS (4th ed.)*. Crows Nest, NSW: Allen & Unwin.
- Qawqzeh , H. K., Endut, W. A., Rashid, N., & Dakhallalh , M. M. (2019). Ownership structure and financial reporting quality: influence of audit quality evidence from Jordan. *International Journal of Recent Technology and Engineering (IJRTE)*, 8(4).
- Rathnayake, B. M. (2020). *An approach based on qualitative characteristics of providing decision-useful information*. A thesis submitted in fulfilment of the requirements for the Degree of Doctor of Philosophy in Accounting. Canterbury, England.
- Sharma, V. D. (2004). Board of director characteristics, institutional ownership, and fraud: evidence from Australia. *Auditing*, 23(2), 107-119.
- Tanyi, P., Raghunandan, K., & Barua, A. (2010). Audit report lags after voluntary and involuntary auditor changes. *Accounting Horizons*, 24(4), 671-688.
- Uwuigbe, U., Erin, O. A., Uwuigbe, O. R., Igbinoba, E. E., & Jafaru, J. (2017). Ownership structure and financial disclosure quality: evidence from listed firms in Nigeria. *Journal of Internet Banking and Commerce*, 22(58). Retrieved from <http://www.icommerceland.com>
- Wahla, K. U., Shah, S. Z., & Hussain, Z. (2012). Impact of ownership structure on firm performance evidence from non-financial listed companies at Karachi stock exchange. *International Research Journal of Finance and Economics*, 84, 6–13.
- Warfield, T., Wild, J. J., & Wild, K. (1995). Managerial ownership, accounting choices, and informativeness of earnings. *Journal of Accounting and Economics*, 20(1), 61-91.
- Yasmeen, D., & Hermawati, S. (2015). Pengaruh good corporate governance terhadap kualitas pelaporan keuangan pada perusahaan manufaktur. *Jurnal Ekonomi Bisnis*, 25(31), 25-31.
- Zureigat , Q. M. (2011). The effect of ownership structure on audit quality: evidence from Jordan. *International Journal of Business and Social Science*, 2(10), 38-46.