

CORPORATE GOVERNANCE, FINANCIAL PERFORMANCE AND AUDIT QUALITY OF LISTED FIRMS IN NIGERIA

JEROH, Edirin.

Department of Accounting and Finance,
Faculty of The Social Sciences,
Delta State University, Abraka, Nigeria
Email: jeroh4laff@yahoo.com

EKWUEME, C. M.

Department of Accountancy,
Faculty of Management Science,
Nnamdi Azikiwe University, Awka, Nigeria
Email: cm.ekwueme@unizik.edu.ng
ekwuemecm@gmail.com

OKORO, G. Edesiri

Department of Accountancy,
Faculty of Management Science,
Nnamdi Azikiwe University, Awka, Nigeria
Email: edesirioracle@yahoo.com

Abstract

This study examined corporate governance, financial performance and audit quality of listed firms in Nigeria. In order to achieve this, secondary data were obtained from the Fact-book of the Nigerian Stock Exchange as well as the Annual Reports and Accounts of fifty-eight (58) listed firms for a period of 24 years spanning from 1990 to 2013. The Logistic regression was the tool adopted to analyze the data obtained for this study. The findings from the analysis of data indicated that ownership by non-executive director has the possibility of increasing audit quality. Evidence from the study also suggests that firm size, leverage, profitability and CEO duality are important factors that determine audit quality in Nigeria. We also found a link between corporate governance, financial performance and the audit quality of listed firms in Nigeria. On the basis of these findings, we recommended that the management of organizations should adhere strictly to the codes of best practice of good corporate governance as this would to a large extent help in enhancing corporate governance and the financial performance of firms and by extension, the quality of audit in Nigeria.

Keywords: Audit Quality, Corporate Governance, Financial Reporting, Audit, Decision Making, Nigeria

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