



AUDIT ATTRIBUTES AND FINANCIAL REPORTING QUALITY OF NIGERIAN DEPOSIT MONEY BANKS: THE MODERATING EFFECT OF GOING CONCERN

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Abstract

The moderating effect of going concern on the influence of audit attributes on the financial reporting quality of listed Nigerian banks was examined in this study. An ex-post facto research design was employed on a population consisting of 23 banks. 13 banks were purposively selected for a period 10 years ranging from 2013-2022. Data used for this study was analyzed using descriptive statistics and structural equation modeling. Audit attributes was proxy with audit fees, audit specialization, audit independence, and audit size while financial reporting quality was measured with discretionary accrual. Going concern was used as the moderating variable. Auditors' opinion was used to measure going concern. The outcome of the analysis discovered that going concern ($\beta = 0.878, p > 0.634$) at 5% level of significance has a positive but insignificant effect on financial reporting quality whereas going concern ($\beta = 0.052, p < 0.028$) at 5% level of significance has a positive and significant effect on audit attributes of deposit money banks in Nigeria. Also, all the audit attributes used in this study have a positive and significant effect on financial reporting quality except for audit specialization which has an insignificant relationship with financial reporting quality. The study concluded that audit attributes have a significant effect on financial reporting quality and that going concern has a moderating effect on audit attributes and financial reporting quality. The study recommends that banks should ensure that their going concern ability is being assessed by the external auditor to guarantee the survival of the banks and gain the trust of the investors and shareholders.

Keywords: *Audit Fees, Audit Independence, Audit Specialization, Financial Reporting Quality, Going Concern*

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INTRODUCTION

The effectiveness of the audit report and financial reporting quality reflects the true state of an organization's going concern. External auditors are responsible for assessing their clients' ability to survive without raising doubts about their going concern. A going concern audit opinion arises when auditors question a company's ability to maintain viability (Utami & Abriandi, 2018). Gardi

et al. (2023) emphasizes the pivotal role of financial reporting quality in instilling confidence among stakeholders in banks' financial reports and bolstering their optimism about the prospects of banks. Farouk and Hassan (2014) assert that the attainment of quality financial reporting hinges largely on the external audit's support for both financial reporting quality and the continued viability of an organization. External auditors not only review financial statements and opine on reporting quality but also evaluate a company's sustainability into the foreseeable future. Kabajeh et al. (2012) highlight the significance of the audit report as an essential informational tool for various stakeholders in organizations. Despite its informational value, the lack of independence among external auditors poses a challenge for banks and other organizations. The collapses of prominent companies like Cadbury PLC, Enron in Texas, Parmalat in Italy, and Northern Rock in the United Kingdom underscore the detrimental impact of inadequate audit and financial reporting systems (Hauwa et al, 2017).

Furthermore, the downfall of several Nigerian banks, including Intercontinental Bank, Spring Bank, Oceanic Bank, and Sky Bank, in recent years has led to a loss of confidence among investors (Egbunike et al., 2017). Despite having clean audit reports, these banks failed due to a lack of efficient audit practices (Adenle et al., 2022). Dabor and Adeyemi (2009) underscored that some Nigerian banks faced failure due to insufficient regulation, crony capitalism, lax accounting standards, and a lack of audit independence. The absence of auditor independence can compromise judgment on a company's true state, thereby negatively impacting the quality of the audit report. Effiong et al. (2022) assert that unethical business practices by managers have adversely affected the financial performance of Nigerian banks.

Also, audit quality such as such as expertise, size, tenure, specialization, independence, and experience, significantly impact the audit process and the quality of financial reporting. Larger firms, with more resources, can conduct thorough audits, ensuring high financial reporting quality (Adenle et al., 2022). The use of Audit Attributes (AAT) is instrumental in improving the quality of financial reporting (FRQ) for firms (Bala & Ibrahim, 2015). In Nigeria, there has been a prevalence of fraud and unethical conduct within various businesses. To foster healthy competition among stakeholders, Companies and Allied Matters Act (2020) was enacted and amended. Odjaremu and Jeroh (2019) emphasized that the credibility of FRQ serves as an asset for the advancement of any economy. External auditors are expected to maintain a high level of integrity, independence, and objectivity in fulfilling their corporate responsibilities. Factors such as audit fees, audit specialization, audit independence, and audit firm size play crucial roles in determining audit quality. The fees paid to external auditors should be reasonable, objective, and appropriate, avoiding any influence on auditor independence (Usman & Ugoh, 2023). Rajgopal et al. (2021) indicated that a substantial audit fee suggests increased audit effort, consequently implying higher Financial Reporting Quality (FRQ). Audit firm specialization pertains to specialized auditors possessing more accurate knowledge about non-error frequencies compared to non-industry specialists. Auditor industry specialization can enhance the effectiveness of auditors due to their superior industry-specific knowledge (Arena et al., 2011; Usman & Ugoh, 2023). The presence of audit independence ensures an unbiased opinion from the auditor, and larger audit firms tend to excel due to the significant reputation they have at stake.

However, external auditors are obligated to include an evaluation of the going concern in their audit report, as it is crucial for assessing an entity's capacity to sustain its operations. In the banking sector, this assessment holds significant importance, given the potential systemic repercussions of bank failures. According to Hakiki and Mappanyukki (2022), many auditors in Indonesia and the USA tend to overlook the evaluation of a firm's going concern status after providing their audit opinion. Audit firms bear the responsibility of appraising a bank's going concern status and revealing any uncertainties. Messier et al. (2016) pointed out that while the audit report typically issues an unqualified opinion, it may include a separate paragraph emphasizing the auditor's reservations about the entity's ability to persist as a going concern. More so, Arens et al. (2015) stressed that the effectiveness of this going concern assessment is influenced by various factors, including audit attributes. A well-executed audit report can readily identify any issues that might pose a threat to the organization's going concern.

In addition, this research aims to investigate how audit attributes affect the financial reporting quality of Nigerian banks, with a specific focus on the moderating role of going concern. The attributes of an audit play a pivotal role in determining the quality of financial reporting and evaluating a firm's going concern. While numerous studies, such as those conducted by Dijeh, Ofor & Odubuasi (2022), Okolie, Izedonmi, and Enofe (2013), Okolie (2014), Olalere and Adegbe (2023), Soroushyar (2023), Usman and Ugoh (2023), and Yayangida et al. (2023), have explored the impact of audit attributes on Financial Reporting Quality (FRQ) in various sectors like manufacturing, insurance, and the health sector, none of these studies have considered going concern as a moderating variable. Notably, there is a paucity of research specifically delving into the influence of audit attributes on the financial reporting quality of banks in Nigeria. The focus on the Nigerian banking sector is justified as it represents a critical pillar of the nation's economy, playing a significant role in its growth and development.

Despite the growing importance of audit attributes and financial reporting quality (FRQ), there is a noticeable research gap in understanding the moderating role of going concern in the context of both developing and developed nations concerning audit attributes and FRQ. This study aims to provide insights and address this gap by examining the potential moderating impact of going concern on audit attributes and financial reporting quality, an aspect that has received limited empirical attention. While previous research, such as that conducted by Dijeh, Ofor & Odubuasi (2022); Okolie, Izedonmi, and Enofe (2013); Okolie (2014); Olalere and Adegbe (2023); and Soroushyar (2023), focused on audit attributes like audit tenure, independence, and firm size, only a few, like Usman and Ugoh (2023), explored audit specialization. This study aims. The primary goal of this study is to contribute to both conceptual and empirical literature in this research area, specifically by investigating the moderating role of going concern on audit attributes and financial reporting quality in Nigerian banks.

LITERATURE REVIEW

Conceptual Review

Audit Attributes

Audit fees, audit specialization, audit independence, and audit firm size constitute essential elements of audit attributes. The audit fee is not static; it varies based on factors such as assignment risk, service complexity, required expertise level, client firm's cost structure, and other professional

considerations, terms, and conditions (Yayangida et al., 2023). According to Chersan et al. (2012), audit fee refers to the payments made to the auditor for provided audit services. Industry specialist auditors, as defined by Usman & Ugoh (2023), possess extensive training and experience concentrated in a specific industry, resulting in a high level of audit knowledge. Audit independence is characterized by an auditor's unbiased mental attitude in decision-making throughout the audit and financial reporting process (Okolie, 2014).

Impaired independence leads to subpar audit quality and facilitates greater earnings management and lower earnings quality (Okolie, 2014b). More so, the size of an audit firm plays a crucial role in ensuring the quality and timely completion of audit tasks. Typically, larger audit firms are equipped with skilled and experienced audit personnel, technological capabilities, and greater resources compared to smaller audit firms (Owusu-Ansah & Leventis, 2006). DeAngelo (1981) posits that larger firms tend to conduct more effective audits due to the higher reputation they have at stake. In this study, audit fee, audit specialization, audit independence, and audit size were employed as proxies for audit attributes. Similarly, studies by Havasi and Darabi (2016), Chersan et al. (2012), Okolie (2014), Owusu-Ansah & Leventis (2006), Usman & Ugoh (2023), and Yayangida et al. (2023) have also utilized audit fees, audit independence, audit specialization, and audit size as measures of audit attributes.

The quality of financial reporting, commonly referred to as financial reporting quality (FRQ), is significantly influenced by audit attributes. Daferighe and George (2020) discovered a notable negative impact of audit fees on financial reporting quality when exploring the connection between audit attributes and the financial reporting quality of manufacturing firms in Nigeria. Additionally, the examination of literature on auditor industry specialization indicates that specialization in the relevant industry equips auditors with a high level of knowledge, consequently elevating the quality of financial statements (Soroushyar, 2022).

Minutti-Meza (2013) established a positive relationship between audit independence and discretionary accruals, while Balsam et al. (2003) revealed a significant negative association between audit independence and discretionary accruals. Chalaki, Dider, and Riahinezhad (2012) contend that larger firms possess the financial capacity to uphold a meticulously organized accounting and internal control department staffed by qualified professionals, thereby enhancing the financial reporting process. According to Emmanuel and Emem (2020), substantial audit firms are equipped with efficient information systems that facilitate the monitoring and management of financial and non-financial data to attain strategic, tactical, and operational objectives.

The crucial impact of going concern on audit characteristics and the quality of financial reporting should not be underestimated. Companies facing financial challenges receive a going concern opinion from auditors, and the detection of these challenges relies on maintaining high standards of audit and financial reporting quality (Guo et al., 2020). Maintaining the independence of audit firms is crucial for guaranteeing impartial reporting. A failure in independence might result in the exclusion of vital information in financial reports, impacting the evaluation of a company's viability. According to Alareeni (2019), major audit firms are prone to revealing going concern issues due to the higher litigation risks they face. Widiatanmi et al.'s (2019) research indicated that financial distress significantly and negatively influenced audit opinions with regard to going concern.

Financial Reporting Quality (FRQ)

Financial reporting quality pertains to the precision and pertinence of a company's reported financial information, reflecting how accurately the financial statements portray the economic reality of the organization and the usefulness of the information for stakeholders in decision-making (Gardi et al., 2023). Quality financial reporting fosters transparency, resulting in well-founded annual reports through thorough reporting (Kalagbor, Amah & Ewuienu, 2021). Literature has proposed various measures of Financial Reporting Quality (FRQ), including metrics like earnings aggressiveness, accrual-based indicators, value relevance, and loss avoidance. Deschow et al. (2010) underscored that earnings features encompass aspects such as persistence, smoothness, meeting target expectations, discretionary accruals derived from accrual modeling, and timely recognition of losses. In this study, financial reporting quality is represented by discretionary accruals. Researchers such as Hussaini and Gugong (2015), Olowookere et al. (2022), and Olthof (2017) have employed discretionary accruals as a measure of financial reporting quality.

Theoretical Framework

This study is theoretically grounded in agency theory, introduced by Jensen and Meckling (1976). The theory establishes an arrangement between owners and external auditors to oversee managerial activities. Shareholders delegate responsibilities to management, emphasizing that safeguarding shareholder interests and ensuring the provision of high-quality financial statements is the responsibility of managers, monitored by an independent external auditor (Institute of Chartered Accountants in England & Wales, 2005). The division between ownership and control, differing risk preferences, information imbalances, and moral hazards, as outlined by Panda and Leepsa (2017), give rise to conflicts of interest and agency costs. The inherent assumption of self-interest exposes built-in conflicts that are inevitable (Kalagbor et al., 2021). Consequently, accountants and auditors are anticipated to acknowledge that the public consistently demands a minimal rate of audit failures which is relevant to this study (Yayangida et al., 2023). Mohammed et al. (2018) assert that the information quality disclosed by companies is contingent upon the quality of the audit. However, agency theory is hindered by problems with rationality, information asymmetry, fraud, and transaction cost. This theory has been attacked for its lack of concern for the principals, who take advantage of and mislead the agents (Perrow, 1986).

Empirical Review

Emmanuel and Emem (2020) investigated the influence of audit trait on FRQ of quoted manufacturing companies in Nigeria. The study period covers 5 years which ranges from 2011-2015. 16 firms were sampled for this study. Multiple regression analysis was used to analyze the data gathered for this study. The findings from this study revealed that audit fee is significantly related to FRQ but audit size and audit delay does not have any significant relationship with FRQ of Nigeria manufacturing firms.

The effect of audit attributes on FRQ in Iran was investigated by Soroushyar (2022). Audit specialization and audit tenure were used as proxy for audit attributes whereas discretionary was used as proxy for FRQ. 145 listed firms in the Tehran Stock Exchange were employed in this study, this study covered a period of 10 years ranging from 2011-2020. Multivariate regression

was used to analyze the collected data. The findings of this study revealed that audit specialist have a positive and significant relationship with FRQ. Also audit tenure has a positive connection with FRQ.

Dijeh et al. (2022) analyzed the nexus between audit traits and FRQ of quoted insurance firm in Nigeria. Audit tenure, audit type, audit specialization, audit fees and joint audit on financial reporting quality were used as measures of audit attributes. The study employed 22 sampled insurance companies for a period of 2011-2020. Inferential (panel regression) and descriptive statistics were used to analyzed the data gathered for this study. The result disclosed that audit type has no effect on FRQ whereas audit fees have a negative significant effect on FRQ of quoted FRQ. Also, audit specialization and joint audit has a negative insignificant relationship with FRQ.

The influence of audit quality, financial condition, and discretionary accrual on the going concern audit opinion with corporate mechanism as mediating variable was examined by Anugerah, Toni and Sitepu (2022) on 49 manufacturing firms in the Indonesian Stock Exchange covering a period of 3 years ranging from 2018-2020. Regression analysis was used to analyze the data gathered in the study. The outcome of the study revealed that financial condition and discretionary accrual has a significant influence on going concern audit opinion. The outcome also shows that corporate mechanism truly moderates the influence of financial condition on the going concern audit.

Yayangida et al. (2023) examined the effect of audit fees on financial reporting quality (FRQ) of quoted non-financial firms in Nigeria using audit committee independence as a moderating variable. The study used discretionary accrual as a measure of FRQ. 30 non-financial firms were employed in this study covering 10 years' period between 2011-2021. Descriptive statistics and multiple regression were used to analyze the data gathered for this study. The findings from the study revealed that audit fees do not have significant influence on FRQ. The study also revealed that audit fees on FRQ has significant when it is being moderated by audit committee independence.

METHODOLOGY

This research adopted an ex-post facto research design, concentrating on thirteen (13) listed banks on the Nigerian Exchange Group (NGX), out of a total of 23 listed Nigerian banks as at 31st December, 2023. 13 firms were selected based on availability of the examined variable in annual report of the banks. The sample size comprised thirteen banks chosen through purposive sampling. The study spanned a decade, from 2013 to 2022, utilizing data extracted from the annual reports of the banks. 2013 was used because it preceded the year after the adoption of IFRS. Descriptive and structural equation modelling were employed for data analysis.

Model Specification

This study aims to investigate, the moderating impact of going concern on audit attributes and the quality of financial reporting of listed Nigeria Banks. The research adopted and adjusted the model presented by Yangangida et al (2023).

Model 1

$FRQ = f(ADF, ADSP, ADI, ADFS, FSZ, LEV)$

explicitly, the regression model is econometrically represented as:

$$FRQ = \beta_0it + \beta_1ADF_{it} + \beta_2ADS_{it} + \beta_3ADSP_{it} + \beta_4ADI_{it} + \beta_5ADFZ_{it} + \beta_6FSZ_{it} + \beta_7LEV_{it} + e_{it} \dots (1)$$

Model 2

The second model shows the moderating effect of going concern on the relationship between audit attributes and financial reporting quality.

$$FRQ_{it} = \lambda_0 + \lambda_1 ADA_{it} + \lambda_2 ADA_{it} * GCN_{it} + \lambda_3 ADI_{it} + \lambda_4 ADFZ_{it} + \dots (2)$$

$$FRQ_{it} = \beta_0 + \sum_{k=1}^4 \beta_k AAT_{it} + \sum_{q=1}^4 \delta_q AAT_{it} * GNC_{it} + \beta_5 FSZ_{it} + \beta_6 LEV_{it} + \mu_{it}$$

Where:

AAT_{it} = the vector of audit attributes

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Measurement of Variables

	Label	Measurement	Source	A priori Expectation
Dependent variable				
Financial Reporting Quality	FNRQ	Discretionary Accrual (DAC)	Usman and Ugoh (2023); Adebiyi and Olowookere (2016)	
Independent Variables				
Audit Fees	ADF	Natural logarithms of audit fees	Farouk and Hassan (2014)	+
Audit Specialisation	ADSP	Measured by dichotomous variable 1 for the companies audited by industry specialist auditors and 0 for non-specialist auditors.	Usman and Ugoh (2023), Salim, (2012)	+/-
Audit Independence	ADI	Ratio of audit fee to company's revenue.	Adeniyi and Mieseigha (2013)	+
Audit Size	ADSZ	AFS Measured by Dichotomous: 1 if company is	Usman and Ugoh (2023)	

		audited by a Big 4, otherwise 0.		+
Moderating Variable				
Going Concern	GCN	GCN is Measured by Dichotomous:1 if auditor's opinion is based on going concern, 0 if otherwise.	Anugerah, Toni and Sitepu (2022)	+/-
Control Variables				
Firm Size	FSZ	Natural log of total assets.	Al-Sraheen, (2014), Fakunle et al. (2022)	+/-
Leverage	LEV	Ratio of total debt to total assets current liabilities	Mahdi, Momeni & Ali, (2011), Yusuf (2018)	+

Source: Researchers' Compilation (2023)

Discretionary Accruals

Kothari et al. (2005) advocated for incorporating the initial lag of the return on asset (ROA) into the adjusted Jones model proposed by Deschow et al. (1995), which is presented as:

$$\frac{TA_{it}}{A_{t-1}} = \delta_1 \left[\frac{1}{A_{t-1}} \right] + \delta_2 \left[\frac{\Delta REV_{it} - \Delta REC_{it}}{A_{t-1}} \right] + \delta_3 \left[\frac{PPE_{it}}{A_{t-1}} \right] + ROA_{it-1} + \mu_{it} \quad (1)$$

The total accrual is obtained as

$$TA_{it} = NI_{it} - CFO_{it} \quad (2)$$

Where:

TA_{it} = Total accrual of firm i in year t

A_{t-1} = First lag of total asset of firm I at year t

ΔREV_{it} = Change in Revenue

ΔREC_{it} = Change in Receivable

PPE_{it} = PPE of firm I at time t.

μ_{it} = The residual of the model

$\delta_1, \delta_2,$ and δ_3 = The parameters of the model

NI_{it} = Firm i Net income at time t

CFO_{it} = Firm i Net cash flow from operation at time t

ROA_{it-1} = immediate past year return on assets

RESULTS AND DISCUSSION

Table 1: Descriptive Statistics

Variable	Obs	Mean Std.	Dev.	Min	Max
FRQ	130	0.40	0.30	0.01	1.41
GCN	130	0.92	0.27	0	1
ADF	130	4.11	0.39	3.18	4.87
ADI	130	0.31	0.40	0.01	1.96
AFS	130	0.64	0.48	0	1
ADSP	130	0.73	0.45	0	1
FSZ	130	4.10	0.61	2.83	5.07
LEV	130	0.57	0.31	0.01	1.70

Source; Researchers' Computations (2023)

On average, the financial reporting quality score stands at 0.40, showing moderate consistency with a standard deviation of 0.30. Scores range from 0.01 to 1.41, reflecting variability in financial reporting quality among the sampled deposit money banks. This variability holds implications for stakeholders like investors and regulatory bodies. Regarding going concern, the high mean of 0.92 indicates that most sampled banks are in a going concern status, with a low standard deviation (0.27) signifying limited variability. Audit fees, averaging at 4.11 with a standard deviation of 0.39, suggest relative stability within banks, despite some variability. The average audit independence score of 0.31 suggests a moderate level of independence among auditors, but the wide range (0.01 to 1.96) indicates potential concerns in some deposit money banks. Similarly, audit size averages 0.64 with a standard deviation of 0.48. This variable displays a broad range of values, potentially suggesting diversity in the scale or complexity of audits conducted by the examined deposit money banks.

Moreover, the average audit specialization score stands at 0.73, indicating that a majority of these banks exhibit some degree of audit specialization. However, the standard deviation of 0.45 highlights variability in the extent of specialization among deposit money banks, potentially impacting audit quality. Concerning control variables, the average firm size is 4.10 with a standard deviation of 0.61, illustrating variation in the size of deposit money banks over the specified period. Lastly, the average financial leverage score is 0.57 with a standard deviation of 0.31, demonstrating diversity in financial leverage levels among the sampled deposit money banks.

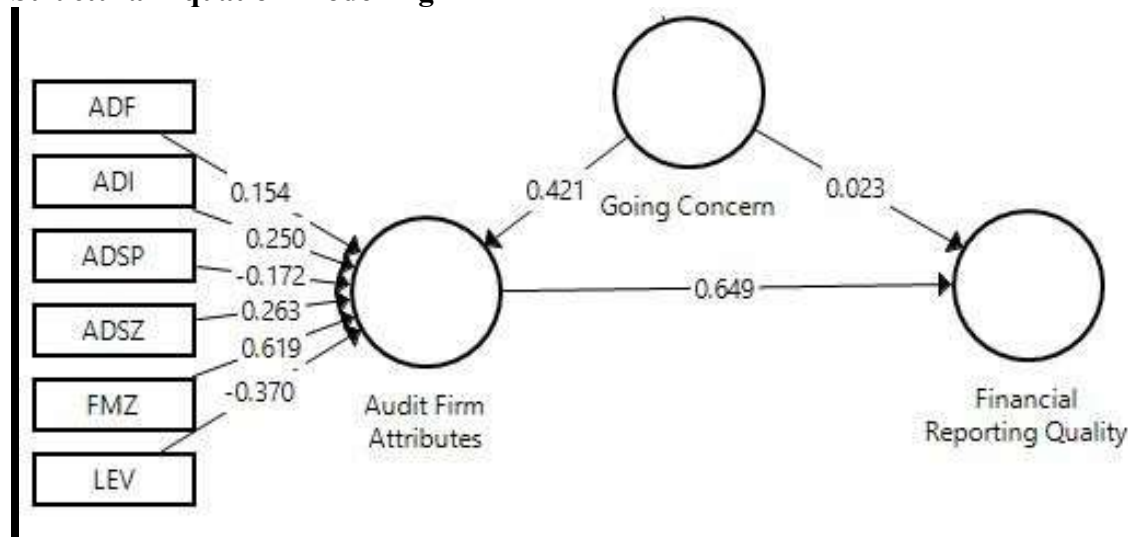
Table 2: Correlation Analysis

	FNRQ	GCN	ADF	ADI	ADSZ	ADSP	FMZ	LEV
FRQ	1							
GCN	0.27	1						
ADF	0.36	0.05	1					
ADI	-0.12	-0.53	-0.22	1				
ADSZ	0.15	-0.22	0.27	0.24	1			
ADSP	0.00	-0.10	0.01	0.07	0.06	1		
FMZ	0.53	0.42	0.08	-0.32	-0.31	0.00	1	
LEV	-0.57	-0.19	-0.31	0.00	-0.02	-0.09	-0.54	1

Source: Publishers' Computations (2023)

Financial Reporting Quality shows a positive correlation with Audit Fees (0.36) and Firm Size (0.53), implying that superior financial reporting quality aligns with higher audit fees and larger firms. Additionally, there is a positive correlation between going concern and Financial Reporting Quality (0.27), suggesting that elevated financial reporting quality might indicate a going concern status. On the other hand, Audit Independence demonstrates a negative correlation with Financial Leverage (-0.31), indicating that increased financial leverage may be linked to lower audit independence. Audit size exhibits a positive correlation with Audit Fees (0.27) and Audit Independence (0.24), indicating that larger audits may lead to increased fees and potentially influence audit independence. Firm Size shows a positive correlation with Financial Reporting Quality (0.53) and Audit Fees (0.42), suggesting that larger firms may have superior financial reporting quality and higher audit fees. Finally, Financial Leverage demonstrates a negative correlation with Financial Reporting Quality (-0.57) and Firm Size (-0.54), suggesting that higher leverage could be linked to lower financial reporting quality and smaller firms.

Structural Equation Modelling



The R² value for financial reporting quality is 0.649, indicating that 64.9% of the variation in financial reporting quality is accounted for by audit fees, audit specialization, audit independence, audit size, firm size, and firm financial leverage. This result suggests that the model fits well and effectively explain the variance in financial reporting quality.

Table 3: Structural Equation Modelling Table

Variab le	Relationship	Beta	Std Error	t- value	p- value	R ²	Decision
1	ADF-> FRQN	0.154	0.061	2.525	0.041	0.649	Accept
2	ADI-> FRQN	0.025	0.012	2.083	0.032		Accept
3	ADSP-> FRQN	-0.172	0.705	-0.244	0.848		Reject
4	ADSZ-> FRQN	0.263	0.103	2.604	0.024		Accept
5	FMZ-> FRQN	0.619	0.164	3.774	0.005		Accept
6	LEV-> FRQN	-0.370	0.599	-0.618	0.564		Reject

Source: Publishers' Computations (2023)

The structural equation modelling table presents the outcomes of analyzing the impact of audit attributes on financial reporting quality. The examined audit attributes included audit fees, audit independence, audit firm size, and audit specialization. The study revealed that audit fees, audit independence, audit firm size, and firm size positively and significantly influence the financial reporting quality of deposit money banks in Nigeria. More precisely, the beta coefficients (β) for audit fees, audit independence, audit firm size, and firm size were 0.154, 0.025, 0.263, and 0.619, respectively. The variables exhibited t-statistics of 2.525, 2.083, 2.604, and 3.774, all with p-values below 0.05, signifying statistical significance. In contrast, the study revealed that audit specialization and financial leverage had a negative yet insignificant impact on the financial reporting quality of deposit money banks in Nigeria. The beta coefficients for audit specialization and financial leverage were -0.172 and -0.379, respectively, with corresponding t-statistics of -0.0244 and -0.618. The p-value for audit specialization was 0.848, and for financial leverage, it exceeded 0.564, indicating a lack of statistical significance in these findings.

Table 4: Moderating effect of going concern on Audit attributes and Financial Reporting Quality

Variable	Relationship	Beta	Std Error	t-value	p-value	R ²	Decision
1	GCN-> FRQN	0.878	0.992	0.885	0.634	0.023	Reject
2	GCN-> Audit attributes	0.052	0.019	2.092	0.028	0.429	Accept

Source: Publishers' Computations (2023)

The moderating variable, going concern, accounted for 2.3% of the variance in financial reporting quality, while audit attributes explained a substantial 42.9% of this variance. Examining the specific effects, going concern ($\beta = 0.878$, $t = 0.885$, $p > 0.634$) demonstrated a positive but insignificant impact on financial reporting quality. Conversely, going concern ($\beta = 0.052$, $t = 2.092$, $p < 0.028$) exhibited a positive and significant influence on the audit attributes of deposit money banks in Nigeria.

Discussion of Findings

Firm financial reporting quality can be influenced by various factors which includes audit attributes. This study explores the moderating impact of going concern on both audit attributes and financial reporting quality, as well as the influence of audit attributes on financial quality. The results indicate that audit fees, audit independence, and audit firm size exhibit positive and significant effects on the financial reporting quality of listed Nigeria money deposit banks, supported by β values of (0.154, 0.025, 0.263), t-statistics of (2.525, 2.083, 2.604), and p-values of (0.024, 0.032, 0.024) respectively. These findings suggest that robust audit attributes contribute to higher quality financial reporting. This aligns with prior research by Emmanuel and Emem (2020) and Ogungbade, Adekoya, and Olugbodi (2021), which also identified a positive and significant relationship between audit fees and financial reporting quality. The findings of this study align with Rajgopal et al.'s (2021) perspective, asserting that high audit fees indicate increased audit effort, resulting in elevated financial reporting quality (FRQ). In contrast, Yayangida et al. (2023) found no discernible relationship between audit fees and FRQ. Meanwhile, Daferighe and George (2020), Dijeh et al. (2022), and Umaru (2014) posited a negative and significant correlation between audit fees and FRQ. Additionally, Dabor and Dabor (2015), Minutti-Meza (2013), and Umaru (2014), in agreement with this study, highlighted that audit

independence tends to positively influence FRQ. Conversely, Balsam et al. (2003) uncovered a negative and significant relationship between audit independence and FRQ, while Ithof (2017) found no evident link between audit independence and FRQ.

Further, consistent with the outcomes of this study, Emmanuel, and Emem (2020), Jerry and Saidu (2016), and Ogungbade, Adekoya, and Olugbodi (2021) also reported that the scale of the audit firm positively and significantly influences the financial reporting quality (FRQ) of banks. Emmanuel and Emem (2020) supported this notion by asserting that larger audit firms possess effective information systems, enabling them to monitor and manage financial and non-financial data for strategic, tactical, and operational objectives. However, Chalaki, Didar, and Riahi-zhad (2012) and Olthof (2017) indicated the absence of a relationship between audit size and FRQ. In summary, the observed significant and positive correlations between audit fees, audit independence, audit firm size, and financial reporting quality suggest that investing in these factors or maintaining these attributes can enhance the FRQ in Nigerian deposit money banks.

This study results also indicate that audit specialization lacks a significant impact on financial reporting quality, as evidenced by t-statistics and p-values of (-0.0244, 0.848). This finding aligns with Dijeh et al.'s (2022) research, which similarly concluded that audit specialization has an insignificant effect on FRQ. Conversely, the non-significant relationship between audit specialization and financial reporting quality suggests that audit specialization may not play a substantial role in determining the quality of financial reporting in the selected banks. In contrast, Alsughayer (2021) and Ibrahim (2017) found that audit specialization has a positive and significant impact on FRQ, conflicting with the findings of this study. Additionally, the study includes two control variables: firm size and leverage. Firm size exhibits a positive and significant relationship with FRQ, implying that larger firms are more likely to implement internal control measures, ensuring higher quality financial reporting. On the other hand, leverage does not show any significant impact on the quality of financial reporting.

Additionally, in this study, the concept of going concern serves as a moderating variable, indicating its role in examining the relationship between two other variables. The findings suggest that the moderating impact of going concern on financial reporting quality indicates a positive, yet statistically insignificant effect ($\beta = 0.878$, $t = 0.885$, $p > 0.634$). Essentially, while going concern appears to positively influence financial reporting quality, this influence lacks statistical significance. This implies that, although going concern may exert some influence on financial reporting quality, it is not robust enough to be deemed a significant factor. In contrast, Anugerah, Toni, and Sitepu (2022) argue that corporate mechanisms and audit features effectively moderate the impact of financial reporting quality on going concern. Furthermore, the study reveals a positive and significant effect of going concern ($\beta = 0.052$, $t = 2.092$, $p < 0.028$) on the audit attributes of deposit money banks in Nigeria. This result highlights the pivotal role of audit attributes in determining the continuity of selected Nigerian banks. The assessment of going concern holds significant importance in the banking sector, given the potential systemic repercussions of bank failures. These findings align with Arens et al.'s (2015) study, underscoring that the effectiveness of going concern assessment is influenced by various factors, including attributes of audit firms. When companies face financial difficulties, auditors issue going concern opinions, a detection possible only with maintained effective audit attributes and financial reporting quality (Guo et al., 2020). Alareeni (2019) emphasizes that large audit firms are more

likely to disclose going concern problems due to higher litigation risks. Conversely, Geiger and Blay (2011) reported a significant negative relationship between audit attributes and going concern. In summary, this study reveals that going concern acts as a moderating factor on audit attributes and financial reporting quality.

CONCLUSION AND RECOMMENDATIONS

This research laid the groundwork for an advanced examination, focusing on how going concern moderates the impact of audit attributes on the financial reporting quality of listed money deposit banks in Nigeria. The overall findings indicate that audit attributes, represented by audit independence, audit fees, and audit size, have positive and significant influence on financial reporting quality, except for audit specialization, which lacks statistical significance. The collective impact of audit attributes (including audit independence, audit firm size, audit specialization, and audit fee) on going concern suggests that the effectiveness of organizational audit attributes significantly affects going concern. However, when assessing the impact of going concern on financial reporting quality, it was found to be positive but not statistically significant. Importantly, the study highlights that going concern significantly moderates the relationship between audit attributes and financial reporting quality. In conclusion, the research affirms that going concern plays a substantial moderating role on both audit attributes and financial reporting quality, and audit attributes independently exert a significant influence on financial reporting quality. The study recommends that banks should prioritize external audits to assess their going concern capability, so as to ensure the banks' survival and also to foster trust among investors and shareholders. Nigeria Banks are advice to adhere to laws and regulations governing financial report preparation. More so, auditors should ensure transparent disclosure of information related to going concern and conduct unbiased audit exercises. Ultimately, the study underscores that the quality of financial reporting and audit directly reflects an organization's going concern status. Banks should maintain quality audit and quality financial reports because most of the going concern problems are being solved faster if they are discovered early.

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