

COVER PAGE

**IMPACT OF AUDITORS INDEPENDENCE AND TENURE ON AGGRESSIVE
EARNINGS MANAGEMENT: A STUDY OF LISTED BANKS IN NIGERIA**

BY

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16PAA01291

**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF ACCOUNTING,
COLLEGE OF BUSINESS AND SOCIAL SCIENCES,**

**COVENANT UNIVERSITY, IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF A MASTER OF SCIENCE (M.Sc)**

DEGREE IN ACCOUNTING

COVENANT UNIVERSITY,

OTA

MAY, 2018

DECLARATION

I, Falola, Irene Yetunde hereby declare that this M. Sc dissertation is based on a study undertaken by me in the Department of Accounting, College of Development Studies, Covenant University, Ota, Ogun State. To the best of my knowledge, the work presented in this dissertation is original except as acknowledged in the text. All sources used in the study have been cited and no attempt has been made to project the contributions of others as my own. Also, the material has not been submitted, either in whole or in part for a degree in this or any other university.

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CERTIFICATION

This is to certify that this study is an original research work carried out by Falola Irene Yetunde of the Department of Accounting, College of Development Studies, Covenant University, Ota, as per declaration.

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DEDICATION

This study is dedicated to the Almighty God, who has given me the strength, grace, wisdom and inspiration for the successful completion of this study. Unto thy name O Lord be all the glory.

ACKNOWLEDGEMENTS

Any accomplishment in life requires the effort of many people and this work is not different. First, my special gratitude goes to the almighty God who made everything possible in His own time because His mercy is without bounds. Lord, may your Name alone be glorified.

I am deeply indebted to my supervisor—Professor U. Uwigbe whose constructive criticisms caused me to strive towards excellence. Your amiable nature of hard work has made this research work a great success. I thank you Sir for your talent, support, encouragement, feedback and creative ideas. You demonstrated a depth of love of an uncommon kind from the beginning to the end. It could not have been better. May God continue to bless the works of your hand, Amen.

I wish to deeply appreciate and acknowledge the Chancellor of Covenant University, Dr. David Oyedepo for the privilege of learning at your feet through whom God provided the

platform for me to realize my dreams. I thank you sir, for your wisdom and guidance. Thank you for creating the enabling environment of conducive learning at Covenant University. My deep sense of appreciation also goes to the Management of Covenant University. Also, I want to appreciate the Management and Board of Regent of Covenant University starting from the vice-chancellor, Professor A.A.A Atayero whose power of oratory and commitment to details is legendary. I admire you, sir. My thanks also go the Deputy Vice Chancellor; Professor Shalom Nwodo - your encouragement is greatly appreciated. I also appreciate the Registrar, Dr Olumuyiwa Oludayo thank you ma for your sincere leadership styles.

My special thanks go to my Head of Department, Prof. (Mrs) Uwuigbe Olubukunola Ranti for her outstanding and focused leadership. Thank you for your support and encouragement inspite of our busy schedule. I also thank my Lecturers in the Department of Accounting for their love and respect. They include Prof. Uwuigbe Uwalomwa, Dr. (Mrs) Adetula Dorcas, Dr. Fakile Adeniran, Dr. (Mrs) Obigbemi Imoleayo, Dr. Adeyemo Kingsley, Dr. Ben-Caleb Egbibe, Dr Faboyede Olusola, Dr. Nwobu Obiamaka, Dr. Efobi Uchenna, Mr. Ajayi Anjiesushola, Mr. Olusanmi Olamide, Miss Okougbo Peace, Mrs. Oluseyi Oyedayo, Mrs Owolabi Folashade, Mr Osariemen Asiriwa, I say thank you for your support and knowledge imparted.

I wish to express my deep thanks to the Dean of the College of Business and Social Sciences—Professor P.O Alege for his calming influence and brilliant communication ability. I have benefitted immensely from your positive attitude and willingness to help

even when things seem hectic. Thank you sir for being a coach, a powerful influence and a great mentor from afar.

I owe a debt of indescribable magnitude to my parents, Engr. and Mrs. Falola for all the time, money and prayers that they have been investing, in making me understand and appreciate the value of qualitative education. I really appreciate your genuine advice, support and undeniable love. You will live to reap the fruits of your labour. A special thanks to my mother, Ogidikpe, Ebipreye for loving me unconditionally and for all the heartaches I caused. Thank you Mummy and God bless you for me. I am especially indebted to sibling, Sese, Praise for the fun you put in my life and your continuous support. You are the best siblings anyone could ask for. My heart of gratitude also goes out to Iloh Roland for your encouragement and support throughout this work, you are the best. I pray that the Almighty God will continue to bless you and make you possess every place that the sole of your feet will tread upon in Jesus name, Amen. My sincere gratitude is also expressed to Mr Okorie Uchechukwu and Mr Omobola who assisted me in analyzing the data for this study. May God continue to bless you and keep you in good health.

Finally, special thanks to my classmates, especially those who assisted me immensely in this research work. I enjoyed working with you and thanks for all the love you have taught me. To the entire 2017/2018 set of Postgraduate student, it has been an honor being a part of you. My appreciation will be incomplete without appreciating my colleagues. Thank you all for your contribution to this work.

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ABSTRACT

Recently, there has been recurring financial issues that has dented the level of confidence and assurance placed on the quality of reported earnings as well as the ability for audit process to detect and prevent aggressive earnings management in firms around the world, especially Nigeria . The Nigeria Deposit Insurance Corporation (NDIC) embarked on an

investigation that revealed a 56% increase (from 16751 to 26182 reported fraud cases) in fraudulent activities in deposit money banks. This study in on the impact of auditor independence, audit tenure and aggressive earnings management in listed banks in Nigeria. The use of panel data regression analysis technique was employed in testing the three hypotheses which were formulated in the course of the study. Data was collected from the audited annual report of the sampled firms ranging from 2006-2016 base years analyzed using Stata statistical tool. The findings show that there is a significant relationship between audit tenure and aggressive earnings management in a firm. It was also discovered that auditor independence has a direct significant influence on aggressive earnings management in the financial statements. The result also revealed that there is a negative relationship between audit firm size and aggressive earnings management. The study conclude that there is a significant relationship between auditor independence, audit tenure, audit firm size and aggressive earnings management. The study recommends that an independent auditing regulatory body be established as wellasa specile auditing training to become a professional auditor.

CHAPTER ONE