



Investigating the Relationship between Audit Quality Metrics and Market Value of Listed Manufacturing Firms in Nigeria

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Abstract

Manufacturing firms are front sector of developing a nation but facing continuous experience of stock price volatility and loss of investors' confidence due to perceived audit failures within Nigerian context. The study adopts Signalling theory because it provides value relevance of stock market information to the investors. The study sources secondary data from the annual reports and accounts of twenty-six (26) firms out of thirty-two (32) firms in the manufacturing sector quoted on the Nigerian Exchange Group. The study adopts ex - post facto research design and multi-stage sampling techniques with e-view as a statistical tool. The findings reveal that audit firm size showed a negative significant relationship with market value ($p = 0.98$, $\beta = -0.15$), audit tenure showed a positive but insignificant relationship with market value ($p = 0.68$, $\beta = 0.09$) while audit fees has a positive significant effect on market value ($p = 0.01$, $\beta = 0.68$). The combined effect of audit quality metrics signifies joint positive significant effect on the market value (F value is 26.80; P (F-statistic) is 0.00). In conclusion, manufacturing firms may place less emphasis on the reputational signals of Big 4 but more attention on audit fees whenever engaging an audit firm. Recommendations are directed to the attention of the regulators in ensuring transparency in reporting audit fees and professional accounting bodies in Nigeria to ensure strict compliance with audit quality metrics particularly Audit fees.

Introduction

Manufacturing firms contribute a larger share of production to national and international economies by driving gross output and providing employment opportunities. However, this sector has lagged behind in the Nigerian context, raising questions about the reliability of financial information certified by audit quality metrics in the capital market, thereby reducing the country's attractiveness to foreign investors (Osevwe-Okoroyibo, et al., 2021). The capital market serves as a platform for firms to raise funds by attracting local and international investors through publicly traded stocks, whose values are reflected in closing stock quotation prices (Ogbu, et al., 2024; Erasmus & Akani, 2021). To make sound economic decisions, investors rely on financial reports. Auditing annual reports and accounts acts as a crucial control mechanism to protect users from material misstatements (Ugwunta, et al., 2018).

Audit quality indicators, such as audit firm size, audit firm tenure, professional competence, and engagement timing, determines the efficiency of an audit engagement in detecting and preventing irregularities (Awodiji, et al., 2025). High audit quality minimises financial risks, enhances



market confidence (Owolabi & Babarinde, 2020) and ensures regulatory compliance, thereby supporting business sustainability (Oyedokun, et al., 2024). Nevertheless, the stock market value of manufacturing firms continues to face serious challenges, including price volatility and a loss of investor confidence, driven by unstandardised audit quality metrics.

Existing studies highlight concerns over audit quality and financial report credibility but there is a lack of consensus and standardisation regarding specific audit quality metrics (such as audit firm size, audit tenure and audit fees) and their direct effect on market value within the Nigerian manufacturing sector.

This study aims to investigate the relationship between audit quality metrics and market value, with the following specific objectives: to examine the effects of audit firm size, audit tenure, audit fees, and combined audit quality metrics on the market value of listed manufacturing firms in Nigeria.

This study is necessary because the continuous decline and underperformance of the Nigerian manufacturing sector threaten economic growth and foreign investment inflows. By evaluating how credible audit quality metrics can mitigate stock price volatility and eliminate material misstatement, this research provides actionable insights for regulators, policymakers and corporate managers to rebuild market transparency, protect stakeholder interest, and restore investor confidence in the Nigerian capital market.

This study reviewed the concepts and terms that make up the study's title. It encompasses conceptual review, theoretical framework and model conceptualisation

Market Value

Osevwe-Okoroyibo et al. (2021) described market value as the rate at which an asset or security is valued, which is determined by market value per share. Market price per share, price-to-earnings ratio, and market capitalisation are among the measures used to determine market value. Erasmus and Akani (2021) discussed it as the value recorded in financial statements, the price of a stock in the capital market or the return price a stock fetches for investors. Habib and Jiang (2014) explained as the prevailing share value held by stockholders. Existing studies have successfully established a theoretical and foundational baseline for understanding market value but have overlooked the market value of an investor's equity. Market value was measured differently in previous studies, but the current study employed the firm's stock price per share of equity because it provides more realistic investment information.

Market Share Price

Ugwunta et al. (2018), refer to share price as the price (of the share of a firm) that is taken in the capital market. The scope covers how quickly and significantly stock prices react to new financial or market data. This study aims to validate the reaction of share prices in the post-pandemic period, as previous studies have focused on the pre-pandemic period in the Nigerian capital market.

Audit Quality Metrics

Oyedokun et al. (2024) explained that auditing is the process of verifying accounting and financial information reported in the chart of accounts and financial statements, ensuring that the information is relevant and reliable for the economic decisions made by users. Past studies have identified and set individual metrics of audit quality. This current study expanded the scope to cover the combined effect of audit quality metrics and introduced firm size as a control variable.

Audit Firm Size

The size of an audit firm is determined by the type of firm engaged in providing statutory audit services for a particular company, and is further determined by its categories, total assets, number of



employees, and the turnover of its client base. The firm size is broadly categorised as a Big 4 or a non-Big 4 audit firm. Audit quality is determined by the degree of thoroughness in the audit engagement, regardless of the type of audit firms (Alu et al., 2022). Despite the ongoing scholarly debate over the reputational signals of the Big 4, this study aims to validate the evidence.

Audit Tenure

Audit firm tenure is the number of years that an audit firm has been dealing with a company. It is merely referred to as the years of client--based engagement relationship. This is a critical period to an audit exercise because the longer or shorter the relationship, the more or less the relationship will affect such an organisation. Oladutire and Olabisi (2023) identified areas of audit quality, emphasising that poor audit quality is possible due to an unskilled workforce, an inappropriate audit programme, reduced audit fees, and the absence of a compulsory continuous professional education programme conducted by the professional accounting bodies in Nigeria. Previous studies focused on long-term audit tenure, but the current study considered a short-term relationship for statistical comparison with past studies.

Audit Fees

The fees are the amount an auditing firm negotiates with a firm for the provision of a statutory audit, which defines the extent of the audit service delivery. Many researchers have raised questions about whether audit quality depends on audit fees. The charges may depend on the type of service needed, the knowledge required, and the risk incurred (Ashibogwu & Bankole, 2018). This study validates why audit fees are so important in an audit engagement.

Firm Size

Firm size is the value of a business's assets at a given point in time. The size of the firm depends on the evaluation made by those concerned; consequently, large companies perform more effectively than small companies. Currently, the magnitude of doing business is explained on two scales that are qualitative and quantitative measures, where qualitative regards the autonomy and power of a firm, level of ownership structure, level of management pyramid and contribution of the industry in the business sector, whereas quantitative regards the position of the assets, sales and employees.

Theoretical Framework

Past studies employed agency theory and resource-based theory, but few employed signalling theory. This study is grounded in signalling theory, as the audit quality of financial disclosures in financial reports signals to users of the financial statements.

Signalling Theory

Michael Spence formerly propounded the theory in 1973 in his seminar on job market signal. The theory has its roots in economics but has since expanded into the fields of corporate finance and management accounting. The theory focuses on reducing information asymmetry between insiders' information and that of market participants, with an economic background. Emerging markets experience different degrees of information asymmetry. The theory is suitable for the current study to mitigate information asymmetry in the Nigerian capital market, thereby strengthening investors' confidence and enhancing market value. The theory explained that information disclosed in a company's financial reports signals all the business activities on which an investment decision is based (Ogbu et al., 2024). The inclusion of audit quality metrics in a company's financial statements signals to investors. Such a dependability signal conveys a message of reliability of the firm's financial disclosure to the investors.

From an investor's perspective, high audit quality reflects economic reality and is useful for decision-making, enhancing investors' confidence in the credibility of financial reports. Strong audit quality



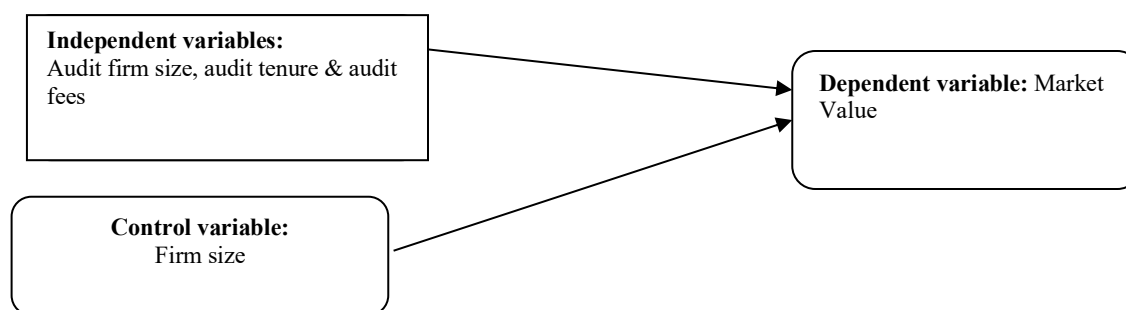
metrics signal reduced information asymmetry between companies' management and market participants.

Regulators such as the Nigerian Exchange Group (NXG) rely on audit quality metrics within the capital market to make informed decisions to protect investors and enhance market confidence. Therefore, signalling theory helped this study provide empirical evidence to investors, regulators, and professional accounting bodies in Nigeria to strengthen audit procedures related to the disclosure of stock price information in the financial reports of Nigerian manufacturing firms.

Conceptual Framework

This section focuses on the conceptualisation of the research variables, and it provides a platform for achieving the research objective. The conceptual framework is adapted from the work of Ajape and Adelowotan (2025); Oyedokun et al. (2024); Ugwunta et al. (2018).

Figure 1: The Conceptual Model



In the conceptual model of this study, audit quality metrics (audit firm size, audit tenure, and audit fee) are measured by the market value (closing market share price) of the listed manufacturing firms in Nigeria. Greater independence, combined with high expertise and rigorous methodology, makes large audit firms, usually Big 4 firms or their counterparts, more credible, reducing information asymmetry for investors and increasing stock prices. The increased audit tenure could result in a stronger firm knowledge and efficiency within the firm, which could eventually enhance audit quality and investor confidence. An increase in audit fees leads to greater effort, specialisation and rigour. These metrics are synergistic to each other.

Empirical

Empirical review represents the review of work done by previous researchers as it relates to this study. Bashir and Oladejo (2019) studied the quality of audits and earnings management behaviour of oil and gas companies listed on the Nigerian Stock Exchange, covering 2014-2018. Their findings showed a positive and significant relationship between auditor independence and earnings management, but no significant relationship between audit firm size and specialisation in the audit industry.

Baffa, et al. (2023) investigated auditor tenure, audit firm size, and the value relevance of accounting information for quoted firms in Nigeria using secondary data from the annual reports and accounts of 124 quoted firms on the Nigerian Exchange Group floor. They covered 2012 to 2021 in their research, and their findings revealed that auditor tenure and audit firm size had a positive and significant influence on market reactions in the first month after firms' annual reports and accounts were released.

Ivungu, et al. (2019) assessed audit quality and firm's performance: A review of Literature. They examined the literature on concepts, theories, and empirical studies related audit quality and firm



performance. Their study found that audit quality measures used in the literature employed different methodologies.

Awodiji et al. (2025) tested the influence of audit quality indicators on the financial outcomes of a sample of Nigeria-based listed manufacturing companies over the period 2019-2023. Their findings showed that audit quality indicators have a low impact on firms' financial performance, as indicated by their significance; Big 4 audit firms did not significantly outperform other audit firms in terms of financial performance.

In a study conducted by Habib and Jiang (2014), the quality of audit and market earnings components in China was measured. They conducted their research in the period 2002-2011, where they uncovered that the Big 4 audit firm is not a source of incremental benefit to the clients in terms of market pricing of the financial numbers of clients, and the local top10 audit firm is not a source of incremental benefit on the prices of earnings in China.

The article by Ajape and Adelowotan (2025) is devoted to the issue of earnings management in non-financial companies in Nigeria: Does audit quality holds? The study stated that its research was conducted between 2012 and 2021, and that measures of audit quality were audit fees and audit tenure, with control variables including leverage, firm size, and foreign affiliation. They found that the quality of audit stages had no significant effect on the organisations' actual earnings management practice.

Okpala and Adewumi (2024) reviewed the quality of audit attributes and the financial performance of the listed manufacturing firms in Nigeria between 2015 and 2021. According to them, the Earnings Before Interest and Taxes margin was positively related to the audit fee.

Oyedokun et al. (2024) sampled between 2017 and 2021 and examined the quality of audits and earnings per share of listed insurance companies in Nigeria, and found that audit fees significantly and positively influence earnings per share, whereas auditor independence significantly and negatively influences earnings per share. Also, earnings per share have a positive effect on audit firm size.

Ogbu et al. (2024) examined the effect of audit quality on the market values of listed financial services companies in Nigeria between 2011 and 2021. According to their findings, audit opinion and audit tenure are not significant negative factors, whereas the size of the audit firm and audit fees have a significant effect on the firm's market value.

Erasmus and Akani (2021) investigated the quality of audits and the market value of quoted banks in Nigeria, testing the effects of audit fees, audit period, and audit firm size on market price per share between 2006 and 2019. Their findings showed that audit fees and audit tenure had negative and significant effects, respectively, on the market price per share and audit firm size.

Identified Gaps and Contribution of the Present Study

Despite all that has been done, notable gaps remain. Few studies have focused on manufacturing firms without distinguishing between industrial and consumer goods firms, whose size, complexity, and systemic importance may contribute to the relationship between audit quality metrics and market value. Existing studies largely covered –the -pre-COVID-19 era, and prior research predominantly linked audit quality to financial performance and earnings, relying on purposive sampling techniques and agency theory. However, this study addresses these gaps by focusing on industrial and consumer goods firms in the manufacturing sector, reconciling conflicting evidence, and utilising rigorous multi-stage sampling techniques. This study also provides a more robust analysis by examining



individual and combined audit quality metrics and their effects on the market value of listed manufacturing firms in Nigeria.

Methodology

This study adopted an ex-post facto research design using secondary data to examine the relationship between the variables. It employed a quantitative research approach. Of the 32 consumer and industrial goods firms in the manufacturing sector on the Nigerian Exchange Group (NXG), the study selected 26 as the final sample. The study gathered data by extracting official records and documentation directly from the Nigerian Exchange Group website (as at October 15, 2025, via <https://ngxgroup.com>). Secondary data were collected from the annual reports and accounts of 26 selected manufacturing firms between 2020 and 2024.

The study adopted multi-stage (Stratified and Judgemental) sampling techniques, where stratified sampling classified the firms into distinct strata, while judgemental sampling employed specific criteria, including firms publicly quoted on the Nigerian Exchange Group during the study period and with available annual reports and accounts.

Ethical considerations

The study employed publicly available secondary data from the Nigerian Exchange Group, which represents transparent source. The study dully acknowledged all references employed, including data extraction from the annual reports and accounts of the sampled industrial and consumer goods firms in the Nigerian manufacturing sector.

Table 1: Variable Operationalisation and Measurement

<i>Variable</i>	<i>Type</i>	<i>Measurement</i>	<i>Source</i>	<i>A-Priori Expectation</i>
Market Value	Dependent	Measured as closing share price at each financial year end	Ogbu et al. (2024)	
Audit Firm Size	Independent	"1" if audited by Big4 Audit firm while "0" for non Big4	Baffa et al. (2023)	Negative (-)
Audit Tenure	Independent	"1" for Firms that used external auditor for 3 years and "0" for less than 3 years.	Ogbu, et al. (2024)	Negative (-)
Audit Fees	Independent	Measured as Logarithm of audit fees	Okpala and Adewumi (2024)	Positive (+)
Firm Size	Control	Measured as Logarithm of Total Assets	Ajape and Adelowotan (2025)	Positive (+)

Source: Researcher's Fieldwork, 2026

Data Analysis

The research data employed in this study is based on quantitative. Descriptive statistics summarised the characteristics of each variable in the study before conducting a preliminary Hausman test to differentiate between fixed- and random-effects models. The random-effects model is consistent, and each research hypothesis was tested using inferential statistics to make a statistical significance decision. The study compiled the data in tabular form using Microsoft Excel and EViews for statistical analysis.

Model Specification

We formulated a model using a multiple linear regression model. The model is adapted from the work of Oyedokun et al. (2024).

$$\text{Model 1: } MV_{it} = \beta_0 + \beta_1 AFZ_{it} + \beta_2 FMZ_{it} + U_{it}$$

$$\text{Model 2: } MV_{it} = \beta_0 + \beta_1 AUT_{it} + \beta_2 FMZ_{it} + U_{it}$$

$$\text{Model 3: } MV_{it} = \beta_0 + \beta_1 AUF_{it} + \beta_2 FMZ_{it} + U_{it}$$



$$\text{Model 4: } MV_{it} = \beta_0 + \beta_1 AFZ_{it} + \beta_2 AUT_{it} + \beta_3 AUF_{it} + \beta_4 FMZ_{it} + U_{it}$$

Where:

MV_{it} = Market Value of the i firm at time t , AFZ_{it} = Audit Firm Size of the i firm at time t , AUT_{it} = Audit Tenure of the i firm at time t , AUF_{it} = Audit Fees of the i firm at time t , FMZ_{it} = Firm Size of the i firm at time t

β_0 = Intercept term, $\beta_1 - \beta_3$ = Regression Coefficient, β_4 = Coefficient representing the control effect of firm size, $t = (2020-2024)$

Results

The data for this study covers the period from 2020 to 2024. The study focused on 26 selected manufacturing firms listed on the Nigerian Exchange Group, including notable industrial goods and consumer goods firms. Key data points extracted from their annual financial statements include Audit Firm Size (AFZ), Audit Fees (AUF), Audit Tenure (AUT), Firm Size (FMZ) and Market Value (MV).

Table 2: Descriptive Statistics

Statistic	AFZ	AUF	AUT	FMZ	MV
Mean	0.81	64.80	0.81	208.00	115.82
Median	1.00	32.51	1.00	74.19	17.25
Maximum	1.00	535.00	1.00	1,310.00	1,556.00
Minimum	0.00	557.00	0.00	780.50	0.51
Std Dev.	0.39	100.32	0.39	296.00	305.18
Skewness	-1.60	3.11	-1.60	1.83	3.59
Kurtosis	3.56	12.67	3.56	5.68	15.16
Jarque-Bera	35.25	439.99	35.25	68.49	664.40
p -value	0.00	0.00	0.00	0.01	0.01
Observation	130	130	130	130	130

Source: Researcher's Result, 2026

Table 2 provides descriptive statistics that provide a comprehensive overview of key variables in the study of the effect of audit quality metrics on the market value of listed manufacturing companies in Nigeria. The audit firm size and audit tenure showed a negative skewness (-1.60 with a kurtosis of 3.56, suggesting that the distribution is marginally leptokurtic. It indicates that the distributions lean toward higher values, reflecting a prevalence of extended auditor- client relationships with a mix of

large and small audit firms. The median and mean values of audit firm size and audit tenure are 1.00 and 0.81, respectively, indicating an almost equal distribution of audit tenure lengths among reputable audit firms. The standard deviation of 0.39 also indicates a 39% variation in service relationships between shorter and longer ones with clients. The audit fees and firm size showed substantial variation and positive skewness of 3.11 and 1.83, respectively. Audit fees peaked at 535. The mean value of 64.80 shows that, on average, Auditors charged fees of 64.8. The market value exhibited the highest volatility and concentration, with a massive standard deviation of 305.18. There is a variation of 100.32 in the Audit fees. The positive skewness (3.11) and the high- value of kurtosis (12.67) depict the strong right-skew, which is a right-skewed distribution. The market value has a large positive skewness (3.59) and a high kurtosis (15.16), indicating that the distribution is concentrated among a few high-value firms. This high variance is further highlighted by the standard deviation (305.18) and the market's maximum value of 1,556.00. This information is highly skewed, with a few firms capturing the majority of market value.



Diagnostic Test

Table 3: Correlation Matrix (Multicollinearity Test)

Variable	AFZ	AUF	AUT	FMZ	MV
AFZ	1.000	0.396	0.024	0.181	0.201
AUF	0.396	1.000	-0.001	0.224	0.091
AUT	0.024	-0.001	1.000	0.096	-0.198
FMZ	0.181	0.224	0.096	1.000	0.137
MV	0.201	0.091	-0.198	0.137	1.000

Source: Researcher's Result, 2026

In Table 3, the correlation indicates the relationships among the driving variables in this research on the effect of audit quality measures on the market value of listed manufacturing firms in Nigeria.

The correlation matrix reveals that all inter-variable correlations are weak to moderate. The strongest association exists between Audit Firm Size and Audit Fees ($r = 0.396$), suggesting larger audit firms command higher fees. Audit Tenure exhibits near-zero correlations with ($r = -0.001$) and AFZ ($r = 0.024$), indicating near-independence. Market Value shows a negative relationship with AUT ($r = -0.198$), implying that longer auditor tenure is marginally associated with lower market value. Firm Size maintains weak positive correlations across all variables.

Multicollinearity Implication: Since no inter-predictor correlation exceeds 0.80, the threshold conventionally accepted in regression diagnostics, multicollinearity is absent. The independent variables are sufficiently distinct.

Table 4: Hausman Test

Test Summary	χ^2 Statistic	Df	p-value
Cross-section random	7.13	4	0.13

Source: Researcher's Computation, 2026

The Hausman test assessed whether the random-effects estimator was consistent by checking whether the unobserved cross-sectional effects were correlated with the regressors. Here, the test statistic is $\chi^2(4) = 7.13$ with $p = 0.13$, which is above the conventional 5% significance level. Therefore, the null hypothesis is accepted, showing that the random-effects model is appropriate in this study.

Model Estimation for Hypothesis One

Table 4: Regression Result

Variable	Coefficient	SE	T	p-value
C	-2.12	2.17	-0.98	0.33
AFZ	-0.02	0.60	-0.03	0.98
FMZ	0.26	0.12	2.17	0.03

Source: Researcher's Computation, 2026

Table 4 shows that audit firm size has a negative coefficient of -0.02, meaning that this effect is not statistically significant because the p-value is 0.98, which is above the 0.05 level. This implies that changes in audit firm size do not meaningfully explain variations in market value in the sampled firms. The control variable, firm size, has a positive coefficient of 0.26, and it is statistically significant. Its p-value is 0.03. Therefore, the null hypothesis is accepted, which shows that audit firm size has no significant effect on the market value of listed manufacturing firms in Nigeria.

**Model Estimation for Hypothesis Two***Table 5: Regression Result*

Variable	Coefficient	SE	T	p-value
C	-2.18	2.11	-1.03	0.30
AUT	0.09	0.22	0.41	0.68
FMZ	0.26	0.12	2.16	0.03

Source: Researcher's Result, 2026

The regression result shows that audit tenure has a positive coefficient of 0.09, indicating a positive association with market value. However, this effect is not statistically significant because the p-value of 0.68 exceeds the 5% significance level. For the control variable, firm size has a coefficient of 0.26, implying a positive relationship with market value. This effect is statistically significant at the 5% level since its p-value is 0.03. Thus, firm size plays an important role in explaining variations in market value. Therefore, the null hypothesis is accepted, which show that audit tenure has no significant effect on market value.

Model Estimation for Hypothesis Three*Table 6: Regression Result*

Variable	Coefficient	SE	T	p-value
C	-6.52	2.59	-2.51	0.01
AUF	0.69	0.25	2.72	0.01
FMZ	0.12	0.13	0.97	0.34

Source: Researcher's Result, 2026

Table 6 shows that audit fees have a positive and statistically significant effect on market value. The coefficient on audit fees is 0.69, indicating a positive relationship, holding other factors constant. The p-value of 0.01 is less than 0.05, indicating that this effect is significant. This suggests that higher audit fees may reflect better audit quality, greater credibility of financial reports, and stronger investor confidence. Firm size, which is the control variable, has a coefficient of 0.12. This also exhibits a positive relationship. However, the p-value of 0.34 is greater than 0.05, showing that the effect is positive but not statistically significant. Therefore, firm size does not meaningfully explain changes in market value in this model. Therefore, the null hypothesis is rejected.

Table 7: Hausman Test

Test Summary	χ^2 Statistic	Df	p-value
Cross-section random	7.13	4	.13

Source: Researcher's Computation, 2026

The Hausman test assessed whether the random-effects estimator was consistent by checking whether the unobserved cross-sectional effects were correlated with the regressors. Here, the test statistic is $\chi^2(4) = 7.13$ with $p = 0.13$, which is above the conventional 5% significance level. Therefore, the null hypothesis is accepted, implying the random-effects model is appropriate in this study.



Model Estimation for Hypothesis Four

Table 7 : Regression Result

Dependent Variable: MV				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.555270	2.650019	-2.469896	0.02
AFZ	-0.127132	0.590423	-0.215323	0.83
AUT	0.113063	0.215006	0.525858	0.60
AUF	0.696712	0.255478	2.727095	0.01
FMZ	0.118579	0.129255	0.917403	0.36
R-squared	0.885995	Mean dependent var		2.447818
Adjusted R-squared	0.852934	S.D. dependent var		1.931696
S.E. of regression	0.740790	Akaike info criterion		2.436976
Sum squared resid	54.87703	Schwarz criterion		3.098715
Log likelihood	-128.4034	Hannan-Quinn criter.		2.705863
F-statistic	26.79848	Durbin-Watson stat		1.900350
Prob(F-statistic)	0.00			

Source: Researcher's Result, 2026

The regression results shows the combined effect of audit quality metrics on the market value of listed manufacturing firms in Nigeria. Audit firm size has a negative relationship with market value and an insignificant effect (-0.127132; $p = 0.83$). Audit tenure showed a positive relationship but an insignificant effect on market value (0.113063; $p = 0.60$). Audit fees depicted a positive relationship and significant effect on market value (0.696712; $p = 0.01$). The control variable, firm size, has a positive relationship with market value but an insignificant effect (0.118579; $p = 0.36$). Therefore, hypothesis four supports individual significance results in models one to three. The overall significant result reveals that hypothesis four is rejected because the F-statistic ($p=0.00$) is less than the 5% significance level, meaning that audit quality metrics have an overall significant combined effect on the market value of listed manufacturing firms in Nigeria.

Discussion

The findings of this study provide important insights into the relationship between audit quality metrics and the market value of listed manufacturing firms in Nigeria, in relation to prior empirical evidence. The study showed that audit firm size has no statistically significant effect on the market value of manufacturing firms in Nigeria. This may result from investors placing less importance on the Big 4's reputational signals. This finding aligns with the results of Bashir and Oladejo (2019); and Habib and Jiang (2014), who reported that audit firm size had an insignificant relationship with earnings management among Nigerian oil and gas companies and Big 4 audit firms did not provide incremental market pricing benefits to firms in China, respectively. The study also found that audit tenure has a positive relationship but an insignificant effect on the market value of listed manufacturing firms during the study period. This outcome is consistent with Ajape and Adelowotan (2025), who reported that auditor tenure did not significantly constrain earnings management in Nigerian non-financial firms. It also aligns with Ogbu et al. (2024), who found a positive but insignificant relationship between audit tenure and market value. This may be attributable to differences in the information signal received by regulatory enforcement, and investor sensitivity to auditor-client familiarity.

The study established that audit fees have a statistically significant positive effect on market value. This finding supports Osevwe-Okoroyibo et al. (2021), who documented that higher audit fees enhance firm value among consumer goods companies in Nigeria, and Oyedokun et al. (2024), who



found audit fees to be positively associated with earnings per share. This may be the result of firms prioritising audit fees over the Big 4's brand reputation in Nigeria.

Finally, the study revealed that audit quality metrics, when combined, significantly influence market value. This holistic result aligns with Ivungu et al. (2019), who emphasised that audit quality proxies jointly affect firm performance, though individual measures may yield mixed effects. It also supports Ogbu et al. (2024), who found that multiple audit quality attributes collectively drive market value.

Limitations

There is difficulty accessing some information related to management representations and financial disclosures in the financial statements, even though the study would have been extended to the 2025 period; some of the firms' annual reports and accounts are unaudited as at the time of this study. There is also a high degree of secrecy concerning the disclosures of financial information in the accounts.

Conclusion

Drawing on the empirical evidence, the conclusions presented here go beyond a mere restatement of the findings in the Nigerian capital market. The results suggest that the market does not automatically assign higher value to manufacturing firms based solely on the size of their audit firm or the length of the auditor-client relationship. This indicates that investors in Nigeria may be increasingly sophisticated in their assessment of audit quality, placing less emphasis on reputational signals such as "big" audit firms or extended audit tenure. In contrast, the positive association between audit fees and market value points to the importance of perceived audit effort and depth. Higher audit fees may signal more extensive audit procedures, stronger professional judgement, and greater assurance regarding the reliability of financial statements. More importantly, the combined effect of audit quality metrics underscores the multidimensional role in shaping market value. While individual audit attributes may appear weak in isolation. Overall, audit quality remains relevant to market value in Nigeria, but in a more nuanced and composite manner. For regulators, firms, and investors, the implication is clear: strengthening audit quality requires balanced attention to multiple audit dimensions, rather than reliance on conventional proxies alone.

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