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DO FINANCIAL AUDITORS' INDEPENDENCE INFLUENCE THE PORTFOLIO PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA?

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Abstract
The study examines the impact of financial auditors' independence on the portfolio performance of Deposit Money Banks (DMBs) in Nigeria. The study uses financial audit fees, financial auditor's rotation and financial auditor's tenure as measures of financial auditors' independence while Return on Assets (ROA) was used as a measure of performance of Deposit Money Banks (DMBs) in Nigeria. The population of the study comprises all the listed Deposit Money Banks (DMBs) in Nigeria. Using a purposive sampling technique, ten (10) Deposit Money Banks (DMBs) eventually became the sampled size. Secondary Data was used and data were sourced from the audited annual financial statement of the sampled banks. Using descriptive statistics, correlation coefficient and the Ordinary Least Square (OLS) regression, the study revealed that there is a positive and not significant relationship or impact between financial audit fees, financial audit firm tenure on deposit money banks performance. It was found that there was no significant and negative impact or relationship between financial audit firm rotations on deposit money banks performance. Resulting from the above findings, the study concludes and recommends that financial auditors' independence should be encouraged by taking different and drastic measures which includes, but not limited to; adequate financial audit fees, regular rotation of financial auditors and reduction in the tenure of auditors in order to address the various issues militating against financial auditors' independence and the portfolio performance of deposit money banks in Nigeria.

Keywords: *Financial Auditors Independence, Deposit Money Banks, Portfolio Performance.*

1. Introduction

The collapse of banks and other corporations in Nigeria has drawn the attention of the public and the various regulatory agencies to question the independence and quality of their audit report. The banking industry is one of the most regulated industries in Nigeria because of the crucial role it plays in the development of the various sectors of the national economy. Banks in Nigeria are regulated by different agencies like: the Central Bank of Nigeria (CBN), the Nigerian Deposit Insurance Corporation (NDIC) as well as the Financial Reporting Council of Nigeria (FRCN). The strength of the regulation is drawn from the Banks and Other Financial Institution Act (BOFIA). Recently, the intensity of research about the independence of auditors and the quality of audit report emanating from banks has increased tremendously. Several factors are responsible for this, which includes but not limited to the growing significance of good corporate governance codes resulting from highly publicized accounting frauds in Nigeria and across the globe. Many high profile corporate collapses, such as the case of WorldCom and Enron in the United States, have been traced poor and lack of good corporate governance. Recent reports of questionable accounting practices adopted by some companies in Nigeria have brought the issue of auditor's independence to the forefront, and putting the auditing profession credibility in doubt (Otusanya & Lauwo, 2010). As a result of all these questionable accounting practices engaged in by companies, auditors have been put under pressure to ensure that their reports give assurance to investors whose funds are invested in those companies and are properly accounted for.

Audited financial statements are formal records of the financial activities of a business concern or any entity. Financial statement provides an overview of a business or person's financial condition in both short and long term. According to Grewal (2008), financial statement refers to all the relevant financial information of a business enterprise presented in a structured manner and in a form easy to understand. The said financial statement is often prepared by accountants or auditors. Audit quality is therefore the credibility of the audited financial statements within the reporting regime in which they have been prepared. According to Duff (2004), firms need to attract high quality individuals with the necessary technical and interpersonal skills to improve audit quality.

There are two recognized accounting bodies in Nigeria which are: the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountant of Nigeria (ANAN). These professional bodies are saddled with the responsibility of regulating accounting practices in Nigeria. As stipulated by Company and Allied Matters Act (CAMA, 2004), it is pertinent that every incorporated companies in Nigeria appoints an external auditor, who is required by law to carry out an independent audit on the state of affairs of the said companies, whether or not they show a true and fair view of the financial health of the said companies. It is imperative at this juncture to consider some relationships between internal auditing and external auditing though the study dwells mainly on the external auditing. The coordination of internal audit activity with external audit activity is very important. While the external auditors have the possibility to raise the efficiency of financial statements audit reports; the internal auditors are assured by the fact that this coordination assures for the internal audit a plus of essential information in the assessment of risks control (Dobroţeanu & Dobroţeanu , 2002).

The Company and Allied Matters Act (CAMA, 2004) states that every auditor shall have the right of access, at all times, to the books, accounts and vouchers of the company and to such information and explanation as may be deemed necessary in the course of carrying out the audit work. As enunciated by Knechel (2009), financial auditing and the audit process provide an evaluation of the probability of material misstatement and reduce the possibility of undetected misstatement to a reasonable or appropriate assurance level. Financial auditor's independence has been of serious concern not only to the end users of financial information but to the generality of people in the society. The need to ensure audit quality report from the various deposit money banks in Nigeria has largely focused on financial auditor's independence. This is to avoid over familiarity of a financial auditor with his client, because over familiarity will jeopardize the integrity of the audit report thereby compromising the financial health of their client companies. As noted by Arrunda (2000), the demand for financial auditing services arose from the need to facilitate dealings between the parties involved in business relationships- shareholders, creditors, public authorities, employees and customers. It is against this background that the study seeks to examine the impact of financial auditors' independence on the portfolio performance of listed Deposit Money Banks (DMBs) in Nigeria.

2. Literature Review

The concept 'audit' has been defined by several authors and institutes. The Institute of Chartered Accountants of India defines audit as an independent examination of an entity whether profit oriented or not and irrespective of its size or legal form, when such examination is conducted with a view to expressing an opinion thereon. The International Audit and Assurance Standard Board (IAASB), a sub-committee of the International Federation of Accountant (IFAC) defined audit as an independent examination of, and expression of opinion on the financial statements of a business enterprise by an appointed auditor in accordance with his terms of appointment and in compliance with the relevant statutory and performance requirement. The audit report is the end product of every audit assignment that the auditor issues to its client company expressing his opinion on the true and fair view regarding an enterprise financial statement.

The statutory audit of companies is coded in the Companies and Allied Matters Act (CAMA), 2004, section 357 which deal with the appointment of an auditor by members at the annual general meeting (AGM). Section 359 of CAMA, 2004 outlined the statutory duties of an auditor to include: (i) the primary duty of the auditors of a company is to make a report to its members on the accounts examined by them, and on every statement of financial position and statement of comprehensive income, and on all group financial statements, copies of which are to be laid before the company in a general meeting during the auditors tenure of office; (ii) Schedule 6 of CAMA 2004 sets out those matters that must be expressly stated in the auditor's report.

Financial auditor's independence may be defined as an auditor's unbiased mental attitude in making decisions throughout the audit and financial reporting process. An auditor's lack of independence increases the possibility of being perceived as not being objective. This means that the auditor will not likely report a discovered breach (DeAngelo, 1981). The major threats to auditor independence are the fees perceived by the auditor for audit and non-audit services and the length of the auditor – client relationship. The impaired independence of an auditor result in poor audit quality and allows for greater earnings management and lower earnings quality (Okolie, 2014). Auditor's independence may be impaired by auditor tenure. As the auditor client relationship lengthens, the auditor may develop close relationship with the client and become more likely to act in favor of management, resulting in reduced objectivity and audit quality.

2.2 Empirical Review

Johnson and Waidi (2013) investigated how mandatory audit firm rotation rule could affect the audit quality in Nigerian Deposit Money Banks (DMBs). The Binary Logit Model (BLM) estimation technique was used to analyze the relationship between the mandatory audit firm rotation and audit quality. The study's results show that mandatory audit firm rotation rule does not affect the audit quality of Deposit Money Banks (DMBs) in Nigeria. In addition, most banks have complied with the directives of Central Bank of Nigeria with respect to mandatory rotation of audit firm after ten years.

Ilaboya and Ohiokha (2014) conducted a study that empirically examined the impact of audit firms' characteristics on audit quality. They proxied the dependent variable by audit quality using the usual dichotomous variable of 1 if big 4 audit firm and 0 if otherwise. Data for the study were sourced from the financial statements of 18 food and beverage companies listed on the Nigerian Stock Exchange within the period studied (2007-2012). They adopted multivariate regression technique with emphasis on Logit and Probit method in analyzing their data for the study. Their study revealed there is a positive relationship between firm size, board independence and audit quality whereas there is a negative relationship between auditor's independence, audit firm size, audit tenure and audit quality.

Chijoke, Emmanuel and Nosakhare (2012), examined the relationship between audit partner tenure and audit quality. They used Binary Logit Model (BLM) estimation technique in analyzing the relationship between the tenure of an auditor and audit quality. Their findings reveal that there is a negative relationship between auditor tenure and audit quality though the variable was not significant. The other explanatory variables (ROA, Board Independence, and Director Ownership and Board size) considered alongside auditor tenure were found to be inversely related to audit quality aside from Returns on Assets which exhibited a positive effect.

Similarly, Ojeka, Iyoha and Asaolu (2015), conducted a study which empirically investigated the impact of audit committee financial expertise on the quality of financial reporting. The financial reporting quality was measured by reliability (total accrual quality) and relevance (audit report lag). Analyses were carried out using Correlation, Ordinary Least Square and Panel Least Square. The study found, after controlling for firm size, audit type, age of firm, audit committee meeting and audit committee size, that, audit committee financial expertise showed a negative coefficient for total accrual quality and audit report lag. This means financial expertise has a positive significant impact on financial reporting quality in Nigeria.

Another study by Dopuch, King and Schwartz (2001) also examined the impact of auditor tenure on audit quality. The result is consistent with the hypothesis that the auditor compromises his independence most often in a long term auditor contract and suggests that after all auditor tenure may have significant effect on the audit quality and it was tested with regression analysis model.

Vanstraelen (2000) examined the effect of long-term audit client relationship on audit quality. The external user's perception of the audit report was used as the indicator for quality. Utilizing the logistic regression model, the study's findings show that long-term auditor client relationship is positively related with the increased likelihood of the auditor issuing an unqualified opinion. A significant difference was also found between the auditor's reporting behaviors in the first two years versus the last year of the audit mandate. This implies that auditors are more willing to issue an unqualified audit report in the first two years of their official mandate than in the last year of their mandate. The policy implications of Vanstraelen (2000) support mandatory auditor rotation to maintain the value of an audit for the external users.

Adeniyi and Mieseigha (2013) examined the effect of audit tenure on Audit Quality in Nigeria. A dummy value of 1 was used if a firm employ the services of any of the big 4 auditors and 0 if otherwise, tenure measured in terms of number of years spent as auditor for sample company. Ordinary Least Square was used and their study revealed that the relationship between tenure and audit quality was observed to be inverse and this could stimulate the discourse on the wisdom of changing auditors after a period of time as it may be effective at increasing the level of audit quality. For the other variables examined alongside tenure such as board size, board independence and director ownership which are all proxy of the corporate governance were found to be inversely related with audit quality. Their study further revealed that return on assets have also be seen to be in line with prior studies while that of company size is at variance with prior study.

Also, Apedzan (2013) investigated mandatory audit firm rotation and auditor independence: empirical evidence from Nigerian listed banks. The research employs cross sectional research design to gather panel data from mega money deposit banks in Nigeria using multivariate logistic regression as method of analysis. The research found that there is no significant relationship between audit firm rotation and auditor independence.

Dandago and Rufai (2014) investigagted the quality of audited financial statements of Deposit Money Banks (DMBs) in Nigeria, with a view to assessing the independence of an auditor and the level of compliance to audit guidelines and how those guidelines affect the quality of audited financial statements of Deposit Money Banks in Nigeria. Simple percentage was used for data analysis, while analysis of variance (ANOVA) was employed to test the hypotheses. The study concludes that consistency and reliability can be absolutely achieved if external auditors are independently auditing financial statements of Money Deposit Banks based purely on the established auditing standards and guidelines.

Finally, Onyekwelu and Ugwuanyi (2014) examined the effects of external auditing in the growth of banking business in Nigeria with special emphasis on his relevance to deposit mobilization. Data were analyzed using the Chi- square and Z-test and findings of the study indicate that external auditors contribute significantly to the growth of the deposits as their assurance functions and reports encourage the depositors and other stakeholders to grow their deposits in the banking sector. However, any report that is negative usually triggers off panic among depositors.

The study considers three major theoretical strands of arguments to either substantiate or refute the rationale for auditors' independence and audit quality of Deposit Money Banks in Nigeria, namely; the policeman theory, theory of inspired confidence and the lending credibility theory.

The Policeman Theory was the most widely held theory on auditing until the 1940s. It is theory based on public perception and suggests that the auditor's work is similar to a policeman's work, because the auditor focuses on preventing and detecting frauds (Hayes, Schilder, Dassen & Wallage, 1999). This way of thinking led to an expectation gap regarding the work tasks of the auditor. However, in the 1940s the new line of thinking was that an auditor's job was to verify if the financial statements submitted was disclosed in a true and fair way, which leads to a rejection of the policeman theory. However, recent accounting frauds, such as the Enron scandal, have resulted in careful reconsideration of this theory. Nowadays, it is debated what the auditor's responsibility is when it comes to accounting frauds; which yet again has lead back to the policeman theory because it is based on basic public perception and also a simple explanation of the demand for audit services (Hayes, Wallage & Görtemaker 2014).

The Theory of Inspired Confidence was developed by the Dutch Professor Theodore Limperg in the late 1920s. Unlike the preceding theories, this theory also considers the supply side of audit services, and not only the demand for audit services (Limperg Institute, 1985). According to Limperg, the outside stakeholders (third parties) demand management to be accountable in return for their contribution to the company. The participation of third parties is the reason for demand for audit services. Limperg argues that the information given by management might be biased, because of conflict of interest between management and third parties, and therefore is an audit of the information required.

Furthermore, the supply side of audit services is taken into consideration by Limperg's theory and it adopts a normative approach. The auditors should provide an audit that does not disappoint the expectations of a rational third party, but at the same time, the auditor should not provide greater expectations than the auditing justifies. According to the theory, the auditor should therefore do enough to meet reasonable public expectations (Limperg Institute, 1985).

The lending credibility theory states that the audited financial statements are used by management to enhance the stakeholders‟ faith in management's stewardship (Hayes, Dassen, Schilder, & Wallage, 2005). This theory regards the primary function of auditing to be the addition of credibility to the financial statements. Audited financial statements are used by management (agents) in order to increase the principal's faith in the functioning of the agent and to reduce the information asymmetry. Audited financial statements are seen to have elements that increase the financial statement users' confidence in the figures presented by the management. The users are perceived to gain benefits from the increased credibility, these benefits are typically considered to be that the quality of investment decisions improve when they are based on reliable information.

The theory upon which this study rests is Lending Credibility theory. The theory is suitable for the study given that it can explain auditor's incentive, audit firm rotation and audit firm tenure to change to a higher audit quality. The company's owners are always seeking the services of "better quality" auditors, so that the monitoring of management's stewardship will be more effective (Mari & Baldacchino, 2004). It is based on this lending credibility theory that provides the main theoretical underpinning for the study and determines to a great extent the approach to be used in the study. It influences the formulation of the study hypotheses, forms the research methodology and statistical techniques to be used in the study.

3. Methodology and Data

The study adopted correlation research design because the design is that which linked independent and dependent variables. The population of the study comprises all the 14 listed Deposit Money Banks (DMBs) in Nigeria between the periods of 2010 to 2018. Purposive sampling technique was used to select the sample size of ten (10) banks. Secondary data were extracted from the (10) years audited annual financial statement reports of the sampled Deposit Money Banks in Nigeria. For the purpose of testing the hypotheses stated, the data analysis techniques that the study adopted was multiple regressions using Ordinary Least Square method of estimation (OLS).

Model Specification

The econometric model of the study is specified as follows:

$$ROA_{it}=\alpha_0+\alpha_1 FAF_{it}+\alpha_2\, FAR_{it}+\alpha_3\, FAT_{it}+e_{it}$$

Where;
ROA = Return on Asset
FAI = Financial Auditor Independence
FAF = Financial Audit Fee
FAR = Financial Audit Rotation
FAT = Financial Audit Tenure
e_t= Error Term
α_0 = Intercept

4. Results and Discussion

Table1: Descriptive Statistics

	Maximum	Minimum	Mean
ROA	1.6721	1.4	1.523698
FAF	13.0103	9.9035	11.925133
FAR	1	0	.05
FAT	1	0	.60

Source: Authors' computation, 2020

Table 1 contains the descriptive statistics of the study variables. The financial audit fee does not disperse too much away from the average audit fee of 11.925133, as indicated by the standard deviation of 0.7230246, meaning that the quality of the audit and portfolio performance of DMBs is highly dependent on the financial audit fee i.e the higher the audit fee the more the performance of DMBs will be and vice versa. There is no regular Financial audit firm rotation, as the mean is 0.05, and the standard deviation is low at 0.216, when there is a regular rotation of audit firm it enhances the quality of portfolio performance because regular rotation of auditors will help checkmate some of the threats to the independence of auditors which could negatively affect the performance of the banks.

The average audit tenure stands at 0.60, with a standard deviation of 0.497. Whenever there is a shorter audit firm tenure, it will enhance the quality of the audit. Shorter audit firm's tenure through constant rotation of auditors helps in checkmating some of the threats that could negatively affect the audit quality which in turn impacts on the portfolio performance. Overall, all variables are well represented, with the computation of the mean and standard deviation.

Table 2: Correlation Analysis

		ROA	FAF	FAR	FAT
Pearson Correlation	FAF	.020	1.000	.098	.113
	FAR	-.191	.098	1.000	.103
	FAT	.113	.103	-.271	-.271
					1.000
Sig. (1-tailed)	ROA		.450	.113	.239
	FAF	.450	.	.269	.257
	FAR	.113	.269	.	.041
	FAT	.239	.257	.041	.
N	ROA	60	60	60	60
	FAF	60	60	60	60
	FAR	60	60	60	60
	FAT	60	60	60	60

Source: Authors'computation, 2020

** Correlation is significant at the 0.05 (2-tailed), *Correlation is significant at the 0.01 (2-tailed)

Table 2 shows the correlation between Return on Asset and audit fee is positive but weaker and not statistically significant ($r=0.020$, $p \leq 0.450$). The positive relationship means that the portfolio performance of DMBs is dependent on the financial audit fee; the higher the financial audit fee, the more the portfolio performance. There is also a 2.0% relationship between the two variables. The relationship is significant at 1%, meaning we are 99% confident about the asserted nature of relationship between the quality of the portfolio performance and audit fee.

The correlation between return on asset and financial audit firm rotation is negative but somewhat weak and not statistically significant at 5% level of significance (r = -0.191, p ≤ 0.113).The negative relationship means that when the rotation of financial audit firm is not on a regular basis, it engenders low financial performance and audit quality, because regular rotation of auditors will help checkmate some of the threats to the independence of auditors which could adversely affect or jeopardize the quality of audit. There is also a 19.1% relationship between the two variables.

The relationship between performance and audit tenure is positive but weak and not statistically significant at 5% level of significance (r = 0.113, p ≤ 0.239). The positive relationship means that the shorter the tenure of the auditor, the more qualitative the performance of the portfolio. Short audit tenure via regular rotation of auditors should help checkmate some of the threats to the independence of an auditor, thereby enhancing the audit quality. There is 11.3% weaker relationship between the two variables - audit quality and audit tenure.

Table3: Model Summary

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std Error of the Estimate	R Square Change	F Change	df1	df2	Sig.F Change	Durbin Watson
1	.841[a]	.707	.699	.0450625	.707	96.422	1	40	.000	.731
a. Predictors: (Constant), Financial Audit Fee, Financial Audit Rotation, Financial Audit Tenure,										
b. Dependent Variable: Return on Asset										

Source: Authors' Computation, 2020

The summary of the model is presented in table 3. The coefficient of determination (R square) of 0.707 means that 70.7% of the audit quality is dependent on the combination of company size, audit tenure, leverage of client's company, rotation of audit firm, and audit fee, while the remaining 29.3% is the error term which is traceable to other factors that determine quality of audit, aside the variables specified in the model. The adjusted R-square of 0.699 is high, implying that the model has 69.9% predictive ability. The Durbin Watson (DW) statistic is within the acceptable range.

Collinearity was tested using the tolerance and VIF statistics. The regressors each had tolerance coefficient less than 1.0; and a VIF coefficient less than 10.0. Collinearity between a dependent and independent variables will exist if the tolerance and VIF coefficients exceed 1.0 and 10.0 respectively. Since the coefficient for all the regressors are within the specified limits, the study concludes that there is no collinearity between audit quality and each of the independent variables.

Hypothesis Testing

H_{01}: Financial audit fee does not have significant impact on the portfolio performance of listed Deposit Money Banks (DMBs) in Nigeria.

The result of the correlation matrix or analysis as shown in table 2 reveals the correlation coefficient of ($r=0.020$, $p \leq 0.450$) which is positive but weak and not statistically significant at 5% level, representing the relationship between audit fee and audit quality. Hence, the study accepts the null hypothesis and concludes that there is no significant impact of financial audit fee on portfolio performance of Deposit Money Banks in Nigeria.

H_{02}: Financial audit firm rotation does not have significant impact on the portfolio performance of listed Deposit Money Banks (DMBs) in Nigeria.

The result of correlation analysis in table 2 shows there is statistically not significant negative relationship between financial audit firm rotation and portfolio performance ($r= -0.191$, $p \leq 0.113$). The regression coefficient of financial audit firm rotation (FAR) in table 2 is not statistically significant α_2, of 0.017 (p value $\leq$ 0.849), The null hypothesis is therefore retained and conclude that there is no significant impact of financial audit firm rotation on portfolio performance and quality of listed Deposit Money Banks (DMBs) in Nigeria.

H_{03}: There is no significant impact of financial audit firm tenure on portfolio performance.

The result of correlation analysis in table 2 shows there is no statistically significant relationship between financial audit firm tenure and portfolio performance of listed Deposit Money Banks (DMBs) ($r = 0.113$, $p \leq 0.239$). The regressor coefficient of financial audit firm tenure (FAT) in the table confirms non statistically significant ($\boldsymbol{\alpha_3}$, $= 0.019$, p value ≤ 0.832), The null hypothesis is therefore retained and concludes that there is no significant impact of financial audit firm tenure on portfolio performance and audit quality of listed Deposit Money Banks (DMBs) in Nigeria.

Arising from the analysis of the result of the study, the findings revealed that there is positive but weaker and not significant relationship between financial audit fee and portfolio performance and audit quality and this indicates that portfolio performance and audit quality is dependent on financial audit fee; the higher the audit fee, the more qualitative the audit work and portfolio performance. The finding is in consonance with Craswel *et al* (2002), and Frankel, John and Nelson (2002).

The relationship between financial audit firm rotation and portfolio performance is negative and not statistically significant and this signifies that when the rotation of audit firms is not on a regular basis, it results in low portfolio performance and audit quality of DMBs, because regular rotation of auditors will help checkmate some of the threats to the independence of financial auditors which could adversely affect their portfolio performance and quality of financial audit. This is also consistent with the findings of Healey and Kim (2003), Carcello *et al* (2004), who submitted that audit firms' rotation is a way of improving audit quality. This is because over familiarity with the financial auditor's clients has the negative effect of reducing the freshness of opinion the financial auditors had in the early years of engagement.

The findings also reveal the existence of a positive but not significant relationship between financial audit firm tenure and portfolio performance of DMBs and this implies that the shorter the tenure of the financial auditor, the more qualitative the audit and portfolio performance is likely to be. This finding is also in tandem with the findings of previous studies such as that of Chijoke *et al* (2012), and Carcello *et al* (2004).

5. Conclusion and Recommendations

One of the obvious conclusions drawn from the study is that the positive and not statistically significant impact of the financial audit fee on the portfolio performance and audit quality of the listed Deposit Money Banks (DMBs) in Nigeria as indicated by the result implies that the banks had not adequately remunerated the financial auditors so as to have quality audit work which will impact on the portfolio performance. Secondly, the financial audit firm rotation has statistically not significant negative impact or relationship on the portfolio performance and audit quality of DMBs, meaning that the rotation of the audit firm was not on regular basis which led to low audit quality and poor portfolio performance because regular rotation of auditors help in checkmating some of the threats to the independence of auditors which could adversely affect the quality of the audit work and portfolio performance.

Finally, the result also revealed that financial audit firm tenure has a positive but statistically not significant impact or relationship on the portfolio performance and audit quality indicating that there was audit firm tenure in the DMBs but not statistically significant, the shorter the tenure of financial auditors the more qualitative the audit work the performance of their portfolio will be. In the light of the foregoing conclusion and findings of the study, the following recommendations are made:

i. The Deposit Money Banks (DMBs) in Nigeria should adequately remunerate their independent auditors so as to engender qualitative performance of their various portfolios of assets and quality of audit work. The payment of adequate fee will encourage the auditors to do the assurance engagement assignment according to the high degree of standardization expected.

ii. The government through the Central Bank of Nigeria (CBN) and other relevant financial institutions should raise alarm on policies that could hinder smooth discharge of auditors' responsibility such as regular rotation of auditors, reduction in the tenure of auditors especially in the audit of Deposit Money Banks (DMBs) in Nigeria.

iii. The two recognized professional accounting bodies in Nigeria, the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN) should ensure that auditors of Deposit Money Banks (DMBs) in Nigeria should live up to the expectations of their clients, their professional bodies, the laws of the land and the general public. These can be achieved by upholding high degree of integrity and objectivity which form part of the ethics and ethos of their profession.

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