Audit Quality and Market Value of Quoted Banks in Nigeria

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ABSTRACT
The rise in corporate failure of recent has necessitated the emphasis on audit quality. This study empirically investigated the relationship between audit quality and market value of quoted banks in Nigeria. To achieve this objective, theoretical, conceptual and empirical literatures on audit quality and market value were reviewed. Audit quality was proxied by audit fees, audit tenure and audit firm size while market value was proxied by market price per share. The population of this study consists of fourteen quoted banks in Nigeria. The study adopts judgmental sampling techniques to select twelve banks as sample size. Secondary data were obtained from audited annual financial report of quoted banks in Nigeria from 2006-2019. Hypotheses were tested using panel least squares regression through pooled effect, fixed effect and random effect determined by Hausman test, fixed effect was accepted, with the aid of E-views 10 econometric statistical software. Findings shows that audit fees have negative and insignificant impact on market price per shares. Empirical evidence indicates that audit tenure had negative and significant impact on market price per shares. Empirical evidence suggests that audit firm size had negative and insignificant impact on market price per shares. The study concludes that audit quality improved market value of quoted banks in Nigeria. The study recommends among others that banks management should adopt audit fees, audit tenure and audit firm size as audit quality strategies and optimally utilize the best option that improve market value. Banks management should ensure sound audit quality through corporate governance, audit committee's oversight, strengthen accountability to reinforce trust and confidence in financial reports, reduce agency cost and information asymmetry leading to improve market value.
Keywords: Audit Quality, Market Value, Nigeria

INTRODUCTION
Audit quality is fundamental to effectiveness and efficient financial reporting system. External audit provide confidence to investor in the quality of financial reports and improve trust in corporate reporting. The objective of external auditing is to provide reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditors to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework, report and communicate auditor's findings in accordance with generally accepted accounting practice and standards. Kiabel (2016) highlighted that independent auditor has a duty of reporting to the shareholders and other user of financial statement that the accounts examined by them shows a true and fair or not. Okoli (2014) stated that the investors and other stakeholders or users rely on the audited financial statement reports to determine the firm value and financial performance of the banks. The external or independent auditors is expected to comply with relevant and procedure in auditing the financial statement of banks. The rise in corporate failure of recent time has necessitated the emphasis on audit quality. Audit quality increase investor's confidence in a going concern audited reports and lead to improve firm value. Skinner and Snnivasan (2012) noted that audit quality is a central component that improves market value. Audit quality provides guarantee for the credibility of

information presented in the financial statement. Ajekwe and Ibiamke (2017) assert that audit quality is vital for banks to achieved efficient and effective resource management because it can lead to rapid improvement of firm value. The function of external auditing reflects on the quality of financial report or information that banks maintain to create confidence among the stakeholders and reflect the efficiency and credibility of audit firms (Kwabena, 2017). Financial statement users and investor need reliable financial information for investment decision purposes. When investor have confidence and trust in the audited financial statement of banks, it encourage investors to invest more in the banks believing that their investment is safe and secure, which in turn lead to increase in market value of the banks. Miettinen (2011) suggest that audit quality arouses the interest of internal financial reports users such as management, shareholders, audit committees and board of directors because they believe that it help in reducing cost of capital and lead to improved market value of banks. Audit services have been critical to financial reporting quality and firm's value since industrial revolution (Hassan & Farouk, 2014).

Aliyu, Musa, and Zachariah (2016) reported that external auditing is a corporate governance mechanism that reduce information mismatch and protects the interest of investors, user and stakeholders. High audit quality report implies lower risk on misstatement thereby improved confidence in the capital market which in turn lead to reduction of cost of capital and enhance market value. Audit quality encourage bank to maintained and adopt high quality accounting standard to ensure that their financial reports are credible and reliable. Abdul Rasid and Elhabib (2015) reported that audit quality encourage sound corporate governance, good accounting practice, efficient financial management and reduce debt service interest leading to improved market value of the banks. Okolie and Izedonmi (2014) suggested that high audit quality on audited reports is deemed fundamental to the functioning of banks because a going concerning opinion on the financial statement of a banks increase the firm value of the banks. Olabisi, Agbatogun, and Akinriola (2007) reported that high confidence, trust and credibility because of quality audit in banks business environment solve the problem of information asymmetry between management and users of financial reports. The market share price of bank has been shown to represent the value its future earnings. This is the reason why banks investors show high interest in reported earnings of the banks. Healy and Wahleh (1999) reported that bank management adopts different earnings management strategies to deliberately manipulate banks earnings target and achieve high shares price or value. Earnings management may weaken the credibility of financial reporting. Adeyemi and Fagbemi (2010) argued that the fundamental functions of the external auditor is to lend credibility to financial reports and reduce information risk that financial reports are biased, misleading, macerates, incomplete, and certain material misstatement that were not prevented to detected.

DeAngelo (1981) defined audit quality as the market assessed joint probability that a given auditor will both discover a breach in the clients accounting system and report the breach. This definition contains two aspects of audit quality, the competence of auditors for detecting misstatement and the independence for reporting such misstatement. Audit quality of firm ultimately depends on integrity, objectivity, intelligence, competence, experience and motivation of personnel who perform, supervise and review the work. DeAngelo definition of audit quality connects audit quality one to one with financial reporting quality. Financial reports where all accounting breaches have been detected and reported by the auditor represent high quality. The level of assurance that no material error remains undetected and unreported is the metric of audit quality. Audit quality can be seem as the probability that the auditors will detects and reports misstatement on the financial statement of a company, audit quality can be viewed as the accuracy of information provided by the auditors to investors and judgment capacity, judgment freedom, proper judgment development, competence and independence of the auditors to achieved assurance level. Government accountability office (2006) reported that high quality audit are performed in accordance with generally accepted auditing standard to provide reasonable assurance that the audited financial statements and related disclosures are presented in accordance with generally accepted accounting principles and are not materially misstated whether due to errors or fraud. Francis (2011) stated that there are six dimensions, which affect audit quality such as audit inputs, audit process, accounting firms, audit industry and audit markets, institutions and economic consequences of audit outcomes. Kigore, Radich, and Horrision (2011) reported that audit quality determinant are audit firm size, audit partner tenure, provision of non audit services, audit firm industry experience, audit quality assurance review. Bedard, Johnstone, and Smith (2010) suggested

that audit quality indicators are accrual quality, accounting restatement, discretionary accruals, going concern report, audit fees, audit tenure, audit firm size, earnings management. The current study adopts quality firm size, audit fees and audit tenure as a measure or indicators of audit quality due to the popularity and significant impact on audit quality. The most commonly used indirect measure of audit quality is audit firm size (Big4). DeAngelo (1981) furnished the theoretical foundation, for the use of this measure, which is based on the relationship between auditor size and cost related to loss of reputation. Audit firms with greater number of clients have more to lose by failing to report a discovered breach. This collateral aspect increases the audit quality supplied by larger audit firms. The argument in support of audit firm size as an indicator of audit quality is based on independence.

Kilgore et al. (2011) reported that audit fees are agency cost for the principal according to the agency theory. The essence of the agency theory is the principal, the shareholders employs the auditor as an agent for an annual fee to protect his interest. These principal interests trigger the demand for audit services, which explain the demand for audit services and for determining the pricing of audit fees. Sumunic (1980) argued that audit fees are determined based on the cost structure, by the quantity of resources utilized by the auditor in performing the audit and the per unit factor cost of external audit resource to the auditor and all opportunity cost. An auditor rotation brings fresh eyes at company financial statement and strengthens skepticism which possibly increases the likelihood that the auditor will detect misstatement and challenge questionable accounting practices. Crabtrac, Kordestani, and Majdi (2006) argued that a mandatory audit firm rotation is considered as a means to prevent opinion shopping. Therefore a mandatory auditor rotation has frequently been suggested as an instrument of reinforcing independence and reducing the incidence of audit failure. Meyer, Rigsby and Boone (2007) stated that audit tenure relationship between auditor and client would lead to a decline in audit quality because the auditors do not acquire sufficient client specific knowledge. Lin and Wang (2017) reported that market value is the price at which an asset would trade in a competitive market. It is the price an asset would fetch in the market price or the value that the investment community gives to a particular equity or business. Miettinen (2011) noted that market value is total share outstanding multiply by the current price per share. Market value is commonly used to refer to the market capitalization of publicly traded companies. A company market value is a good indication of investors' perceptions about its business prospects. Market value give an indication of whether a company shares are over or undervalued depending on the difference because market value and fair value. The researcher adopts market price per share as a measures or indicators of market value. Aliyu et al. (2016) suggest that market price per share is the most recent price of a single share in a publicly traded stock. Market price per share is a influenced by supply and demand, when more people are trying to buy a stock than sell it the market price will rise. Heil (2012) stated that when more people are trying to sell a stock than buy it, the market price will fall. The market price per share is used to determine a company market capitalization. Market price per share is the recent share price of a company divide by the total number of outstanding shares. Market price per share is the price that a stock can be readily purchased or sold in the current market place (Nehe & Bajaj, 2017). It is the going price of a share of stock. The market price per share may vary everyday due to changes and fluctuations in the stock market and economy. Market price per share is affected by not only the economy as a whole but also investors' perceptions and expectations (Hemadivya & Rama, 2013). Banks and other financial intermediaries are the hubs of the world's recent financial crises. The drop in value of their asset portfolios, together with fraudulent acts of presenting fictitious financial statements and lack of non-compliance with corporate governance principles mainly as a result of distorted credit management, were some of the core structural sources of the crises (Sanusi, 2010). The questionable role of auditors in enhancing the quality, reliability, and credibility of financial performance and firm value has been controversial. This is because auditor's independence from their clients can be tampered with through poor regulation and supervision of the auditing practice, provision of non audit services to the client, auditor's personal interest in the client's business among others. Basically, the quality of reported earnings and the ability of audit quality to effectively constrain earnings misrepresentation and financial statement manipulations of companies across the world and Nigeria in particular, have become considerably questionable due to recent corporate accounting scandals (Badawi, 2008; Enofe, 2010).

Empirical studies associating audit quality and financial performance have mixed conclusion. For example (Chinedu & Chidoziem 2017; Motoke & Omwenga 2016; Ogbodo 2017; Farouk & Hassan,

2014) reported a positive relationship between audit quality and financial performance of manufacturing firms. However, the studies of Chikwemma & Nwadialor, 2019; Isah & Muhammed, 2019 on audit quality and financial performance of manufacturing firm reported mixed result of significant and no significant relationship between audit quality and financial performance of manufacturing firms. Empirical evidence indicate that much of the studies on audit quality and financial performance and audit quality and firm value are carryout in developed countries such as (Monametsi & Agasha, 2020; Wijaya 2019; Ani & Mohammed, 2015; Elewa & El-Haddad, 2019; Paydarmansh, Salehi, Moradi & Khorrami 2014; Tambun, Manurung, & Murwaningsari 2018; Sayyar, Basiruddin, Abdul Rasid & Elhabib 2016 Rahimi & Amini 2015; Baffa & Yeor 2017; Thipham, Itzenverger, & Mcenally 2020; Jorjam & Gerayeli 2018; Ching, San, & Hoe 2015; Talat & Nazir 2014; Ado, Rashid & Mustapha 2020; Barzegarnezhad 2017; Ahmad, Suhara, & Ilyas 2016; Halim 2017). Empirical evidence suggests that few studies have been conducted on audit quality and market share price in manufacturing firm in Nigeria. (see Okoli & Izedonmi, 2014; Okoli, 2014; Ugwunta, Ugwuanyi, & Ngwa 2018; Felix & Chinyere, 2020; Abba & Sudah, 2020; Morufu & Oluwasenu 2020). However all of these studies focused on manufacturing firms and none was on banking. But the current study focused on audit quality and market value of quoted banks in Nigeria. The results of these studies mention above are mixed, inconsistent an often contradictory. The previous studies mention above adopt earnings management, accrual quality, discretionary accruals, going concern report, audit firm size, audit quality, auditor independence, audit firm industrial experience, audit team attribute, audit firm rotation as a measure of audit quality while this current study adopt audit firm size, audit tenure, audit fee as a measure of audit quality which is different from previous studies. Market value was proxies by dividend yield, dividend per share, price earnings ratio, book dividend cover, book value per share, net assets by past studies mention above while this current study adopt, market price per share as a measure of market value. It is widely believed that audit quality lead to improved firm value in an organization. Hence, this study intends to investigate the relationships between audit quality and market value of quoted banks in Nigeria.

Statement of the Problem

The financial crises and collapse of a number of industries which prompted accounting regulators to examine carefully, as never before, the reporting practices and accounting standards have helped in generating pressures that motivated changes in the audit quality reporting in the financial statements in the country. The financial scandals have shown the incapacity of these concepts auditor's competence and independence to guarantee audit quality on their own. These have created a revolution in the design and evaluation of the audit quality which needs total reinforcement in order to solve this problem. The need for high quality external audit has become a global concern following corporate scandals involving Enron; World Com; Global Crossing; Cendant; Sunbeam; Independent Insurance; Equitable Life; Lever Brothers; African Petroleum; Cadbury; some fail banks in Nigeria are: Savanna Bank, Allstates Trust Bank, Assurance Banks of Nigeria, City Express Bank, Hallmark Bank, Metropolitan Bank, Liberty Bank, Eagle Bank, Republic Bank, Premier Bank, Intercontinental Bank, Intercontinental Bank, Cooperate Commercial Bank, Gulf Bank, Highland Bank, Lead Bank, pan African Bank, Progress Bank, Trade Bank, United Commercial Bank. The persistent banks and firms failures all over the world have raised some fundamental issues on the quality of audit, independence of the external auditors, among others. The poor audit reports from banks and companies have made attraction of quality and sustainable foreign investments in Nigeria elusive. Studies have shown that the confidence of users of financial statements has been increasingly destroyed by the poor quality of audit reports presented in the financial statements issued in Nigeria (Enekwe, Onyekwelu, Nwoha, & Okwo 2016). The spate of audit failure in the world, especially in Nigeria, has brought great disappointment to the user of financial report. The bane of the problem has been linked to long term of audit firm tenure which has also been linked with creative accounting. In Nigeria audit setting, the challenge of audit tenure and audit quality reporting has not attracted much empirical study beyond mere anecdotal opinions (Mgbame, Eragbhe, & Osazuwa 2012). Auditor tenure has become the focus of much debate. Should a firm replace its auditors on a regular basis, or should the auditor be allowed to build a long term relation with the client? The production of a quality audit report is perceived to foster confidence in financial reports by the users of those reports. Investors in particular tend to place better trust in financial statements that are audited; as the expected independence of the auditor boosts the assurance that important investment decisions can be made on

the thrust of those statements. The increased confidence of these set of financial users tend to attract the inflow of capital which has the long-run effect of creating growth and development in the business environment.

Conceptual Framework
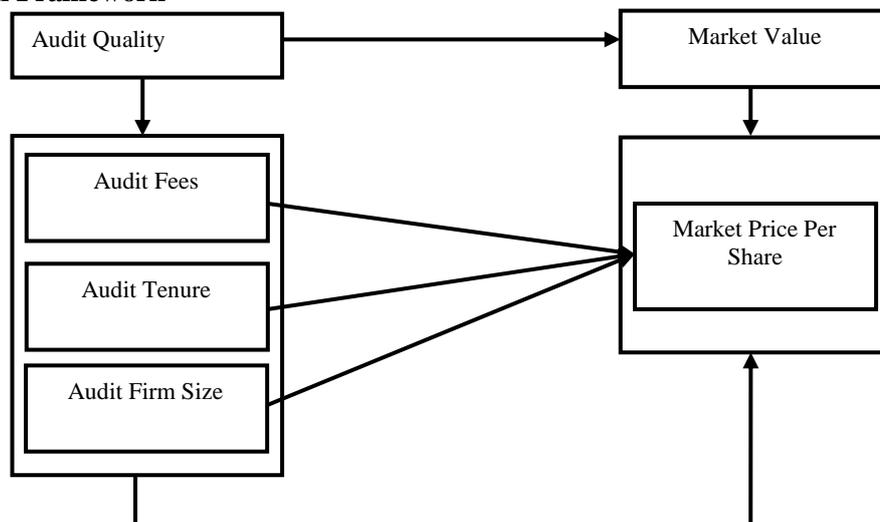
Figure 1.1: Conceptual Framework showing the relationship between Audit Quality and Market Value

Conceptual framework is a system of concepts, assumptions, expectations, beliefs and theories that support and informs your research. It is a network or a plane of interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena. Conceptual framework is a pictorial representation of the assumed relationship among study variables. Conceptual framework represents the research synthesis of the literature on how to explain a phenomenon. It maps out the actions required in the course of the study. Hence, the above conceptual framework shows the relationship between the dimension of the independent variable and the measure of the dependent variable of the study. The explanatory variable of this study is audit quality proxy by audit fees, audit tenure, audit firm size as indicated in the conceptual framework while the explained variable of this study is market value measure by market price per share. The researcher in this study aims to ascertain the extent and degree to which the dimensions of the predictor variable enhance the measure of the criterion variable.

Objectives of the Study

The objective of this study is to investigate the relationship between audit quality and market value of quoted banks in Nigeria. The specific objectives are to;

1.   Determine the relationship between audit fees and market price per share of quoted banks in Nigeria.
2.   Investigate of relationship between audit tenure and market value per share of quoted banks in Nigeria.
3.   Ascertain the relationship between audit firm size and market value per share of quoted banks in Nigeria.

Research Hypothesis

This study guided by the following research hypothesis

H_{01}:   There is no significant relationship between audit fees and market price per share of quoted banks in Nigeria.

H_{02}:   There is no significant relationship between audit tenure and market value per share   of quoted banks in Nigeria.

H_{03}:   There is no significant relationship between audit firm size and market price per share   of quoted banks in Nigeria.

LITERATURE REVIEW
Theoretical Review
Agency Theory

Agency theory was propounded by Jensen and Meckling in 1976. The agency theory state that there is a relationship between principals and agent (e.g. an owner) engage another person as their agent (or steward) to perform a service on their behalf. Performance of this service results in the delegation of some decision-making authority to the agent. This delegation of responsibility by the principal and the resulting division of labour are helpful in promoting an efficient and productive economy. However, such delegation also means that the principal needs to place trust in an agent to act in the principal's best interests. Estitemi and Omwenga (2016) stated that since the principals do not have access to all the available information as at the time the agent makes his decision, the principals are unable to determine whether the decision made by the agent is favorable or unfavorable for the interest of the firm. In order to avoid the moral hazard, the principals decide to establish a monitoring process such as auditing to control the action of the agent in making some decisions for the firm. They describe auditing as a bonding cost paid by agent to a third party to satisfy the principals' demand for accountability. Any other cost incurred in running the business is borne by principals to protect their economic interests. Auditing is a bonding cost paid by agents to a third party to satisfy the principals' demand for accountability. The audits serve as a basic purpose in promoting confidence and reinforcing trust in financial information by the users and general public. The principal agent relationship as depicted in agency theory is important to understand the role of an auditor in the development of high quality report in the business. This is because the principals place their trust in their agents to act in the best interest of principals but the results of information asymmetries between principals and agents have different motives. Principals may lack trust in their agents and need to put in place some measures or mechanisms, such as the audit, to reinforce the trust. The agency theory is a useful economic theory of accountability which helps to explain the development of audit quality in general. The reason why our study is based on agency theory is that the agency theory is a useful theory of accountability that helps to explain the development of audit practices.

Random Walk Theory

Random walk theory was propounded by Burton Malkiel in 1973. The random walk theory stated that stock market prices evolve according to a random walk (so price changes are random) and thus cannot be predicted. Random walk theory suggests that changes in stock prices have the same distribution and are independent of each other. Therefore, it assumes the past movement or trend of a stock price or market cannot be used to predict its future movement. In short, random walk theory proclaims that stocks take a random and unpredictable path that makes all methods of predicting stock prices futile in the long run. Random walk theory believes it's impossible to outperform the market without assuming additional risk. It considers technical analysis undependable because chartists only buy or sell a security after an established trend has developed. Random walk is a stock market theory that states that the past movement or direction of the price of a stock or overall market cannot be used to predict its future movement. Originally examined by Maurice Kendall in 1953, the theory states that stock price fluctuations are independent of each other and have the same probability distribution, but that over a period of time, prices maintain an upward trend. In short, random walk says that stocks take a random and unpredictable path. The chance of a stock's future price going up is the same as it going down. Our study was based on the random walk theory because we believed that investors can rely on the principles and ideology of random walk theory to invest in bank shares and in the capital market

Conceptual Review
Audit Quality

According to Kiabel (2016) auditing is concerned with the verification of accounting data, with determining the accuracy and reliability of accounting statements and reports. Audit is defined as an independent examination of an expression of opinion on the financial statement of an enterprise by an appointed auditor, in pursuance of that appointment and in compliance with any relevant statutory obligation. To this end, audit is expected to improve the value of information presented in the financial statements and as a result of this, audit quality has to do with a display of professionalism, diligence and care by auditor in audit process which should lead to a true and fair view of financial statement The auditing of financial statements refers to conducting an objective evaluation of the

financial statements of a company by an independent auditor. Limited liability company's annual accounts are by law required to be audited, in order to ensure that the financial statements give a true and fair view to the users of these statements (European Commission, 2010). Although it is acknowledged that it is not reasonable to expect that the audited accounts are entirely free of misstatements, the European Commission (2010) argues that the goal of auditors is to minimize the risk that financial information is misstated. By performing the audit of companies' financial statements, the auditor will provide stakeholders such as investors and shareholders with an opinion on the extent to which the companies' financial statements are accurately presented. Porter, Simon, and Hatherly (2008) describes an external audit as an examination of an entity's financial statements to provide evidence supporting the information contained in those statements. Bahram (2007) asserts that to carry out an audit in a manner that meets the reasonable expectations of users of audited financial statements, it is essential that work is performed with due regard for audit quality. The audit firm must not compromise quality to achieve financial benefits. It is on record that several efforts have been made to conceptualize audit quality in the past, however, none has achieved recognition and acceptance on a universal basis (International Auditing and Assurance Standards Board, 2014). The starting point in defining audit quality that is cited by most audit researchers is that of DeAngelo (1981) who defines audit quality as the market-assessed joint probability that an auditor will discover a breach in the client's accounting system and be able to report the breach. The definition emphasizes two important aspects of audit quality viz: the professional competence of the auditor firm that determines the likelihood of detecting misstatement and the independence and objectivity of the auditor that determines the decision about a detected misstatement. Audit quality, in this context, is perceived as a function of both auditor competence and auditor independence. That is, discovering misstatements and reporting them. The most well-known definition of audit quality, which has been broadly accepted by scholars, is the one by DeAngelo (1981) which states that the quality of audit services is defined to be the market-assessed joint probability that a given auditor will both discover a breach in the client's accounting system and report the breach. This definition broadly means that audit quality depends on the probability that the auditor discovers a misstatement in a financial statement and actually reports the misstatement. Many researcher and authors have written about the dimension of audit quality. According to DeAngelo (1981) audit quality dimension or proxy accrual quality, discretionary accruals, accounting reinstatement, audit reinstatement, going concern report.

Audit Fees
Audit Fees can be defined as the amount charged to a client to conduct specific services by the accountant. The fees may vary by size or based on the type of service provided but there have been many questions from researchers whether it affects audit quality. The amount of audit fee can vary depending on the assignment risk, the service complexity, the level of expertise required, the cost structure of Public Accountant Firm and other professional considerations (Rahmina & Agoes, 2014). Audit fees can be explained to be the amount charged by the auditor for an audit assignment carried out. That is, the amount charged by the auditor for any work done in order to express opinion on the true and fair state of affairs or position of the client's enterprise. Suharli and Nurlaelah (2008) described audit fee as the fee charged by a public accountant to the client for the financial audit services. Yuniarti (2011) that the audit fee is the fees paid for annual audits and reviews of financial statements for the most recent fiscal year. The amount of audit fee can vary depending on the complexity of services, assignment risk; the cost structure of Public Accountants Firm, the required level of expertise, and other professional considerations.

Audit Tenure
An audit firm's tenure can be defined as the length of time an auditor performs services for a client. Risk associated with the loss of independence is increased once client relationships are maintained for a long period of time. On the other hand, other individuals believe having a lasting and faithful relationship will augment independence. Auditor tenure is described as the length of time between auditor and client relationships (Okolie, 2015). A lengthy tenure between the audit firm and her client may weaken the audit strength and less caution and compromise on the part of the auditor in the face of prevailing familiarity. Moreover, a lengthy engagement may result in less effort on the part of the auditor to signal internal control failures and risk profiles. This is because the extent to which the auditor is objective in the detection of irregularities intensifies in the first years of audit engagement,

but begins to wane with time, until it reaches its lowest ebb after many years of audit service. In recent times, there has been substantial decrease in number of years for auditor tenure in advance countries. In the US, auditor tenure has been reduced from seven to four years. Europe recommends an engagement period of five years. Audit tenure is the agreed period of engagement between the auditor and client (Hartadi, 2009). The issue of audit tenure is usually linked to auditor independence. Research conducted by Ghosh and Moon (2003) shows that audit quality increases as audit tenure increases. This result is however contrary to the results of a research conducted by Indah (2010), which reveals that as the length of auditor-client relationship increases; there could be decrease in the level of audit quality, because too long auditor-client relationship impairs auditor's independence. Furthermore, the audit quality decreases as the auditor-client relationship lengthen (Deis & Giroux, 1992). However, the study involving going-concern report in the US suggest that audit reporting failures are significantly higher in the first few years of auditor-client relationship (Geiger & Raghunandan, 2002). According to Chen (2008) audit firm tenure as well as audit partner tenure, affects quality of reported earnings. Audit tenure is the agreed period of engagement between the auditor and client (Hartadi, 2009). There are two opposing views on the effects of auditor tenure on audit quality. One states that as the auditor client relationship lengthens, the auditor may develop a close relationship with the client and become more likely to act in favor of management, thus reducing audit quality. This view supports mandatory audit partner rotation. The other view is that as auditor tenure lengthens, auditors increase their understanding of their clients' business and develop their expertise during the audit, resulting in higher audit quality. The literature on auditor tenure has generally concluded that long auditor tenure does not impair audit quality.

Audit Firm Size
The size of audit firm has been used as a surrogate for audit quality, that is, large audit firms have a reputation to safeguard and therefore will ensure an independent quality audit service. Larger audit firms have better financial resources and research facilities, superior technology and more talented employees to undertake large company audits than do smaller audit firms. Their larger client portfolios enable them to resist management pressure, whereas smaller firms provide more personalized services due to limited client portfolios and are expected to succumb to management requirements (Mahdi & Ali, 2009). Therefore, the size of audit firm is an important characteristic that reflects auditor independence. Thus, the issue of maintaining auditor independence is more crucial for smaller firms than larger firms. A large body of research examines the relationship between audit firm size and audit quality. Large audit firms are motivated to perform better audits because they have a high reputation and do not want to risk losing their reputation. They also have substantial material and human resources to attract more specialized and skilled personnel. Large audit firms earn more revenue because they reduce their clients' exposure to prosecution because of having more experience. The size of the audit firm is one of the most important factors affecting the measurement of audit quality, as it is positively related to the quality of audit, where audit firms often provide better audit quality than other audit firms do. According to Dang (2004) the audit firm size limitation, as an alternative to measuring audit quality, is based on two main assumptions: Audit firm reputation: Carcello and Nagy (2004) believe that the reputation of the audit firm means the circulation of the audit firms name in the market as it provides quality audit services by giving credibility to the audited financial reports, and the auditor must act in a manner consistent with the reputation of the profession and refrain from any misconduct that negatively affects the audit firm reputation. Moreover, the audit firm reputation is measured by the increasing the number index of clients and the size of the audit firm.

Market Value
Lin and Wang (2017) reported that market value is the price at which an asset would trade in a competitive market. It is the price an asset would fetch in the market price or the value that the investment community gives to a particular equity or business. Miettinen (2011) noted that market value is total share outstanding multiply by the current price per share. Market value is commonly used to refer to the market capitalization of publicly traded companies. A company market value is a good indication of investors' perceptions about its business prospects. Market value give an indication of whether a company shares are over or undervalued depending on the difference because market value and fair value. Market value is the value of an asset/security as determined by the forces of

demand for and supply of the assets. It is the perceived or observed value of an asset on the market. It is also known as current value. It is in fact the mutually accepted worth (cost or price depending on the individual) of the asset after negotiation. Most assets that have market values have their values determined by specialized markets such as the stock exchange. The acceptance of any asset depends on the perception of the potential investor after comparing the market value to the intrinsic value. An asset is undervalued or under-priced or favorably priced if the market value of the asset is less than the intrinsic value. If the intrinsic value of the asset is less the market value, then the asset is overvalued, over-priced or favorably priced. Where the latter occurs, the investor would ordinarily be acquiring an asset at more expensive value than he would ordinarily have paid. An investor would acquire an overpriced asset if he expects the asset to record a bullish price movement such that if the anticipated price movement crystallizes, the investor can make capital gain.

Market Price Per Share

Market price per share is the most recent price of a single share in a publicly traded stock market price per share is a influenced by supply and demand when more people are trying to buy a stock than sell it the market price will rise. Market price per share is the price that a stock can be readily purchased or sold in the current market place (Nehe & Bajaj, 2017). It is the going price of a share of stock. The market price per share may vary everyday due to changes and fluctuations in the stock market and economy. Market price per share is affected by not only the economy as a whole but also investors' perceptions and expectations (Hemadivya & Rama, 2013). Hery (2017) stated that the price of a stock is strongly influenced by the law of demand and supply. The price of the stock tends to rise when a stock experiencing excess demand and tends to fall if the case of excess offer. When more people are trying to sell a stock than buy it, the market price will fall. These actions may be driven by company assets, such as good or bad news released about earnings reports. Supply and demand can driven non financial factors such as new laws, government regulations, chief executive, officer controversy. The market price per share is used to determine a company market capitalization. Market price per share is the recent share price of a company divide by the total number of outstanding shares. Market price per share of common stock is the amount of money investors are willing to pay for each shares. The price of shares rises and falls in responses to investor demand. The market price tend to move toward an equilibrium point at which the number of sellers or supply equals the number of buyers or demand if the number of buyers should increase, the price will trend upward. Conversely, if the number of buyers fails or the number of sellers increases the price tends to fall. There are factors that influence market price per share or market value per share such as reported income, reported cash flows, existence of a stock buyback program, investor perceptions of the future prospect of an issuing entity's industry and of the economy as a whole. The price of the stock is the value of current or present value of the stream of cash that is expected to be accepted. Stock price on the capital market is determined by the strength of demand and offer supply. Increasingly many investors who bought the stock, the more high- priced stocks such. The price of shares in the trade and investment is the price that refers to the price of the stock the latest in trading stock. Sartono (2015) defines the price of the stock is at a value now or the present value of a stream of cash expected to be received. It can be concluded that the stock price is the present value which is expected to be accepted and determined by supply and demand.

Empirical Review

Ugwunta and Ugwuanyl (2018) examined the effect of audit quality on share prices of Nigerian oil and gas firms using the regression and covariance analyses. Findings from the regression analysis suggest that the composition of the audit committee and auditor type has significant effect on the market prices of quoted firms. There is a positive and significant relationship between audit committee composition and share prices. The covariance analysis suggests that while auditor type (BIG4/NONBIG4), auditor independence, and composition of the audit committee have a positive and significant relationship with market price of shares, tenure of external auditors has a negative relationship with the market price of shares. The study recommends that firms should strive to associate with the BIG4 external auditors in Nigeria as such an association could enhance the credibility of the audit process and by extension their share prices; regulatory authorities should discourage joint audit and non-audit services to firms because it could threaten the independence of

external auditors. Regulatory agencies should also present distinct statements on the tenure of the external auditors to be clearly stated in annual reports.

Wijaya (2019) examine the effect of audit quality on firm value in manufacturing companies listed on the Indonesian Stock Exchange in 2013 to 2017. Population of the study is all manufacturing companies listed on the Indonesian Stock Exchange. Sampling was carried out using a purposive sampling method. Research data were tested using multiple regression analysis. Findings: The results from this study show that audit quality has a positive effect on firm value in manufacturing companies on the Indonesian Stock Exchange. Practical Implications: The Indonesian capital market gives a positive appreciation to companies that have higher quality audits. Higher audit quality is expected to reduce agency costs, reduce information asymmetry and increase firm value. Companies are advised to use higher quality auditors in order to increase firm value in the Indonesian capital market. Audit quality which is proxied by Big 4 and non-big 4 auditors has been proven to have a positive influence on firm value in manufacturing companies on the Indonesia Stock Exchange.

Abba and Sadah (2020) examined the impact of audit quality on firm value of listed deposit money banks in Nigeria. Firm value was the dependent variable proxy by Tobin's Q and audit quality the independent variable proxy by audit size and industry specialized audit. The study adopted correlational research design and data were extracted from the published annual reports and accounts of the 13 banks that represent the sample of the study for the period of 6 years covering 2013 to 2018. The study employed pool multiple regression as a technique of data analysis. The result shows that industry specialized auditor has a significant positive influence on firm value of listed deposit money banks in Nigeria. Audit size has no significant influence on firm value of the banks. This finding implies that the more deposit money banks in Nigeria are audited by industry specialize auditor the higher the firm value of the banks. Therefore the study conclude that industry specialized auditors have better understanding of the complexity in the banking industry thereby improving the firm value by providing quality audit service. The study recommends that the managers of deposit money banks in Nigeria should employ more service of industry specialized audit in other to increase investors' confidence and thereby improve the firm value.

RESEARCH METHODOLOGY

This study adopts ex-post facto as well as descriptive research design using panel data for thirteen years, 2006-2019. This type of research design is used where the phenomenon under investigation has already taken place. The population of this study comprises all the fourteen quoted banks on the Nigeria Stock Exchange. The purposive and judgmental sampling technique was adopted in this study to select twelve of the quoted banks to represents the sample size. This study adopts secondary data method of data collection. Secondary data were obtained from audited annual financial reports of quoted banks from 2006-2019. The study adopt the use of panel least square regression through pooled effect, fixed effect, random effect determined by Hausman test to test the formulated hypothesis at 0.05 level of significance, with the aid of Eviews 10 econometric statistical software. The study also carryout unit root test, co-integration test, granger causality test, vector error correctional estimates, error correction model test. Audit fees is measured as Natural log of the audit fees paid by the company, Audit Tenure Length of auditor-client relationship '1' if 3 years plus '0' if otherwise. Audit Firm Size '1' if the audit firm used by the bank within the period of study is the Big4 such as PWC, KPMG Deloitte and Ernst & Young otherwise '0'. Market Price Per share obtained directly from CSCS at www.cashcraft.com, price earnings ratio are measured as market price per share divide by earnings per share at the end of the year.

Model Specification

MKV$= f$(AQP)   i

MKV $=$ $\alpha_0 - \alpha_1 AQP + \varepsilon_{it}$ ii

Functional Relationship

MPS $= f$(AFS, ATE, AFZ)   iii

MPS$_{it} = \beta_0 + \beta_1 AFS_{it} + \beta_2 ATE_{it} + \beta_3 AFZ_{it} + \varepsilon_{it}$ iv

Where

AQ   =   Audit Quality
MKV   =   Market Value
AFS   =   Audit Fees
ATE   =   Audit Tenure
AFZ   =   Audit Firm Size
MPS   =   Market Price Per share
$it_1 - it_4 =$ Slope
$\beta_1 - \beta_4 =$ Regression Coefficient
α =   Regression Constant
ε_{it} =   Error Term

DATA ANALYSIS AND INTERPRETATION
Table 4.1: Summary of Unit Root Test at First Difference Level One for All Variables

Variables	Methods of Test	Coefficient	Probability	Level	Discovery	Decision
DAFS	Levin, Lin & Chu t*	-7.25178	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	Im, Pesaran and Shin W-stat	-7.65827	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	ADF - Fisher Chi-square	99.4386	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	PP - Fisher Chi-square	138.484	0.0000	1(1)	No Unit Root	Stationary at 1st difference
DATE	Levin, Lin & Chu t*	-14.5466	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	Im, Pesaran and Shin W-stat	-12.2940	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	ADF - Fisher Chi-square	61.7400	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	PP - Fisher Chi-square	56.3506	0.0000	1(1)	No Unit Root	Stationary at 1st difference
DAFZ	Levin, Lin & Chu t*	-4.96306	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	Im, Pesaran and Shin W-stat	-4.37766	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	ADF - Fisher Chi-square	14.3213	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	PP - Fisher Chi-square	14.3213	0.0000	1(1)	No Unit Root	Stationary at 1st difference
DMPS	Levin, Lin & Chu t*	-13.7699	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	Im, Pesaran and Shin W-stat	-13.1817	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	ADF - Fisher Chi-square	164.916	0.0000	1(1)	No Unit Root	Stationary at 1st difference
	PP - Fisher Chi-square	187.189	0.0000	1(1)	No Unit Root	Stationary at 1st difference

Source: Extract from Unit Root Test Result E-view 10 2021

Table 4.1 shows unit root test for stationary or non stationary for all variables adopted for this study. The result of the Levin, Lin and Chu test, 1m pesaran ADF-fisher chi-square and PP-fisher chi-square shows that all variable are stationary at first differences and the probability values is less than 0.05 percent level of significance. The null hypothesis is rejected on the basis that the absolute value of the calculated ADF test is larger than the absolute value of the Mackinnon critical value. Therefore, the variables adopted for this study are stationary at first difference.

Table 4.2: Pooled Ordinary Least Square for Market Price Per Shares

Dependent Variable: MPS
Method: Panel Least Squares
Date: 07/19/21   Time: 12:28
Sample: 2006 2019
Periods included: 14
Cross-sections included: 13
Total panel (balanced) observations: 182

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-13.19525	16.81008	-0.784961	0.4335
AFS	1.321083	0.872134	1.514770	0.1316
ATE	-6.617126	3.461832	-1.911452	0.0576
AFZ	6.488908	3.093802	2.097390	0.0374
R-squared	0.949297	Mean dependent var		11.09192
Adjusted R-squared	0.833274	S.D. dependent var		11.11301
S.E. of regression	10.92656	Akaike info criterion		7.642003
Sum squared resid	21251.37	Schwarz criterion		7.712421
Log likelihood	-691.4223	Hannan-Quinn criter.		7.670549
F-statistic	3.076607	Durbin-Watson stat		2.030830
Prob(F-statistic)	0.028979			

Table 4.2: show the pooled ordinary least square regression result for the joint 1mp act of the relationship between audit fees, audit tenure and audit firm size on market price per share of quoted banks in Nigeria. The pooled ordinary least square regression estimate pooled all the one hundred and eighty-two observations together neglecting the cross section and series nature of the data, the major problem with the pooled regression estimate is that it does not allow for heterogeneity or individuality of the sectors considered in the model. The result shows audit fees had positive and insignificant impact on market price per share of quoted banks in Nigeria. The result also indicate that audit tenure had negative and significant impact on market price per share while audit firm size had positive and significant impact on market price per share of quoted banks in Nigeria.   The coefficient of determination which measure goodness of fit as indicated by R-square is 0.949297. This means that 94% of the variation observed in the explained variable (market price per share) was explained by variation in the explanatory variables (audit fees, audit tenure and audit firm size) while 6% of the changes were explained by unknown variable. The test of goodness of fit of the model as indicated by the R^2 was properly adjusted by the tax adjusted R square of 83%. The probability value of the f-statistic of market price per share is 3.076607 and the probability of the f-statistic which is value at 0.028979 is less than 0.05 at 5% level of significance. This suggest that audit fees, audit tenure and audit firm size jointly had a significant impact on market price per share of quoted banks in Nigeria. The Durbin Waton statistics test result of the model which is valued at 2.030830. This implies that there is no serial auto-correlation in the model since the Durbin Waton result is within the accepted limit.

Table 4.3: Fixed Effect Model for Market Price Per Shares
Dependent Variable: MPS
Method: Panel Least Squares
Date: 07/19/21   Time: 12:30
Sample: 2006 2019
Periods included: 14
Cross-sections included: 13
Total panel (balanced) observations: 182

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	27.16730	17.19924	1.579565	0.1161
AFS	-0.211899	0.834324	-0.253977	0.7998
ATE	-8.946238	2.740670	-3.264252	0.0013
AFZ	-4.049233	3.769188	-1.074298	0.2842

Effects Specification				

Cross-section fixed (dummy variables)

R-squared	0.822888	Mean dependent var	11.09192
Adjusted R-squared	0.779775	S.D. dependent var	11.11301
S.E. of regression	8.015438	Akaike info criterion	7.084421
Sum squared resid	10665.04	Schwarz criterion	7.366092
Log likelihood	-628.6823	Hannan-Quinn criter.	7.198607
F-statistic	12.12842	Durbin-Watson stat	2.069385
Prob(F-statistic)	0.000000		

Table 4.3: Shows the panel fixed effect model one result indicating that audit quality is measured by audit fees, audit tenure and audit firm size while market value is measured by market price per share. The result indicates that audit fees has a negative and insignificant impact on market price per share and audit tenure had a negative and significant impact on market price per share while audit firm size had a negative and insignificant impact on market price per share of quoted banks in Nigeria. The R^2 of the regression model which indicate 0.822888 implies that 82% variations in dependent variables (market price per share) can be attributed to the changes or influences of our explanatory variables while the remaining 8% variations were cause by others factor not included in the model.   However, the overall f-statistics is 12.12842 with a probability value of 0.000000 which indicates that the explanatory variables of audit fees, audit tenure and audit firm size have statistically significant impact on the dependent variable (market price per share) because the probability of f-statistics is less than 5%, the level of significance adopted for this study. The probability value of the f-statistic test is 0.00000 which is less than 0.05 significance level. Hence, reject H_0 and accept H_1 Therefore we conclude that audit fees, audit tenure and audit firm size had significant impact on market price per share of quoted banks in Nigeria.

Table 4.4: Random Effect for Market Price Per Shares

Dependent Variable: MPS
Method: Panel EGLS (Cross-section random effects)
Date: 07/19/21   Time: 12:31
Sample: 2006 2019
Periods included: 14
Cross-sections included: 13
Total panel (balanced) observations: 182
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20.70634	16.76774	1.234892	0.2185
AFS	0.036056	0.812459	0.044379	0.9647
ATE	-8.737851	2.725686	-3.205744	0.0016
AFZ	-2.246568	3.568240	-0.629601	0.5298

Effects Specification				
			S.D.	Rho
Cross-section random			8.375491	0.5220
Idiosyncratic random			8.015438	0.4780

Weighted Statistics				
R-squared	0.762802	Mean dependent var		2.748524
Adjusted R-squared	0.647006	S.D. dependent var		8.202879
S.E. of regression	8.007766	Sum squared resid		11414.13
F-statistic	3.975927	Durbin-Watson stat		1.992565
Prob(F-statistic)	0.008981			

Unweighted Statistics				
R-squared	-0.010980	Mean dependent var		11.09192
Sum squared resid	22598.75	Durbin-Watson stat		0.501322

Table 4.4: Described the panel fixed effect ordinary least square regression for model one result indicating that audit quality is measured by audit fees, audit tenure and audit firm size while market value is measured by market price per share. The result reviewed that audit fees has a positive and insignificant impact on market price per share and audit tenure had a negative and significant impact on market price per share while audit firm size had a negative and insignificant impact on market price per share of quoted banks in Nigeria. The R^2 of the regression model which indicate 0.762802 implies that 76% variations in dependent variables (market price per share) can be attributed to the changes or influences of our explanatory variables while the remaining 24% variations were cause by others factor not included in the model. However, the overall f-statistics is 3.975927 with a probability value of 0.008981 which indicates that the explanatory variables of audit fees, audit tenure and audit firm size have statistically significant impact on the dependent variable (market price per share) because the probability of f-statistics is less than 5%, the level of significance adopted for this study. The probability value of the f-statistic test is 0.008981 which is less than 0.05 significance level. Hence, reject H_0 and accept H_1 Therefore we conclude that audit fees, audit tenure and audit firm size had a significant impact jointly on market price per share of quoted banks in Nigeria.

Table 4.5: Redundant Fixed Effects Tests for Market Price Per Shares

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	13.731227	(12,166)	0.0000
Cross-section Chi-square	125.479857	12	0.0000

Table 4.5: Explained the panel redundant fixed effects tests or the likelihood ratio test that evaluate the best fit or superior model between the panel pooled effect model and the panel fit effect regression model. The cross section f-statistics result shows 13.731227 with a probability value of 0.0000 which is less than 0.05 significance level. The hypothesis of the redundant fixed effect model test or likelihood ratio test state that if the cross section f-statistics probability is greater than 0.05 significance level then the panel pooled regression effect model is appropriate (null hypothesis) while if the cross section f-statistic probability value is less than 0.05 significance level the panel fixed effect model is appropriate (the alternate hypothesis). Based on the result of our redundant fixed effect test which the cross section f-statistics probability is 0.0000 which is less than 0.05 significance level. We therefore accept the fixed effect model. Based on our result we proceed to determine our evaluate between fixed effect and random effect model using the Hausman specification test.

Table 4.6: Hausman Specification Test for Market Price Per Shares

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.659384	3	0.0472

Table 4.6: Described the Hausman specification tests which compare between the fixed effect model and the random effect model the best fit for analysis. The hypothesis of the Hausman specification test state that if the cross section random probability value is greater than 0.05 significance level then (random effect is appropriate) (null hypothesis) while if the cross section probability is less than 0.05 significance level then (fixed effect model is appropriate) (alternate hypothesis). Based on the result of our Hausman specification test which the cross section random chi-square statistics indicates 2.659384 with a probability value of 0.0472 which is less than 0.05 significance level. Therefore the validity and reliability of the empirical result of fixed effect of upheld.

Table 4.7: Pedroni Residual Cointegration Test for Market Price Per Shares

Pedroni Residual Cointegration Test
Series: MPS AFS ATE AFZ
Date: 07/19/21   Time: 13:01
Sample: 2006 2019
Included observations: 182
Cross-sections included: 1 (12 dropped)
Null Hypothesis: No cointegration
Trend assumption: No deterministic trend
Automatic lag length selection based on SIC with a max lag of 1
Newey-West automatic bandwidth selection and Bartlett kernel

Alternative hypothesis: common AR coefs. (within-dimension)

	Statistic	Prob.	Weighted Statistic	Prob.
Panel v-Statistic	-0.472845	0.6818	-0.472845	0.6818
Panel rho-Statistic	0.059831	0.5239	0.059831	0.5239
Panel PP-Statistic	-4.797320	0.0000	-4.797320	0.0000
Panel ADF-Statistic	-3.845822	0.0001	-3.845822	0.0001

Alternative hypothesis: individual AR coefs. (between-dimension)

	Statistic	Prob.
Group rho-Statistic	0.509350	0.6947
Group PP-Statistic	-5.697728	0.0000
Group ADF-Statistic	-4.502555	0.0000

Cross section specific results

Table 4.7: Described panel pedroni residual cointegration test on the relationship between dependent and independent variable of the model. Macro time series may contain a unit root has spurred the development of the theory of non stationary time series analysis. The linear combination of two or more stationary series may be stationary. If such a stationary linear combination exists, the non stationary time series are said to be cointegrated. The stationary linear combination is called the cointegrating equation and maybe interpreted as a long run equilibrium relationship among the variables. Pedroni panel cointegration test statistics evaluate the null against both the homogenous and the heterogeneous alternatives. The pedroni residual cointegration test adopt different panel method in establishing cointegration or not such as panel v-statistics method, panel rho-statistical method, panel pp-statsitical method and the panel ADF- statistical method. Based on the findings of our pedroni residual cointegration test it is observed that the variables are cointegrated as the probability coefficient of the variables are lesser than 0.05 conventional and significant level. Thus, we reject the alternate hypothesis, thus there is a long run relationship between the dependent and the dependence variables. The present of a long run between the dependent and independent variables play predominant roles in stimulating the activities of the dependent and independent variables in their different forms. Therefore, the present of the long run relationship between the dependent and independent variables signify the needs to carryout errors correctional model.

Table 4.8: Granger Causality Tests for Market Price Per Shares
Pairwise Granger Causality Tests
Date: 07/19/21   Time: 13:07
Sample: 2006 2019
Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
AFS does not Granger Cause MPS	156	9.76701	0.0001
MPS does not Granger Cause AFS		0.26034	0.7711
ATE does not Granger Cause MPS	156	3.04513	0.0505
MPS does not Granger Cause ATE		0.40080	0.6705
AFZ does not Granger Cause MPS	156	1.78297	0.1717
MPS does not Granger Cause AFZ		2.43297	0.0912
ATE does not Granger Cause AFS	156	0.87377	0.4195
AFS does not Granger Cause ATE		0.00213	0.9979
AFZ does not Granger Cause AFS	156	2.74445	0.0675
AFS does not Granger Cause AFZ		1.30997	0.2729
AFZ does not Granger Cause ATE	156	0.67851	0.5089
ATE does not Granger Cause AFZ		0.49324	0.6116

Table 4.8 described pairwise granger causality tests between dependent and independent variables of the study. Audit quality was proxied by audit fees, audit tenure and audit firm size while market value was proxied by market price per share. The pairwise granger causality test shows the direction of casual relationship between two variables. A variables granger cause another if it help to make accurate prediction of the other variables than if the past data of the data was used as the prediction The pairwise granger shows that audit fees granger cause market price per share but market price per share does not granger cause audit fees. This shows that there is a uni-directional relationship between audit fees and market price per share quoted banks in Nigeria. The result also indicates that there is a uni-directional relationship between market price per share and audit tenure of quoted banks in Nigeria. The result shows that there is a uni-directional relationship between audit firm size and market price per share of quoted banks. This shows that there is no causal relationship between the independent and dependent variables. This implies that increase in the activities of audit fees, audit tenure and audit firm size will lead to improved market value of quoted banks in Nigeria.

Table 4.9: Vector Error Correctional Model for Market Price Per Shares
Vector Error Correction Estimates
Date: 07/19/21   Time: 13:11
Sample (adjusted): 2009 2019
Included observations: 143 after adjustments
Standard errors in ( ) & t-statistics in [ ]

Cointegrating Eq:	CointEq1
MPS(-1)	1.000000
AFS(-1)	-8.325932
	(5.25707)
	[-1.58376]
ATE(-1)	-165.5615
	(29.5537)
	[-5.60206]
AFZ(-1)	-14.13222
	(15.8065)
	[-0.89408]
C	321.0535

Table 4.9: Described the relationship between rate or speed of adjustment between the independent and dependent variables the error correction model is a statistical relationship that demonstrates the speed of adjustment, i.e. the rate at which the dependent variable adjusts to changes in the independent variables. We consequently, test for the speed of adjustment using the short run dynamism of error correction model (ECM). The result indicates that 1% change in audit fees, audit tenure and audit firm size will result to 8.325932, 165.5615 and 14.13222 percentage increase in market price per share. The result shows that there is presence of long run relationship between the series.

Table 4.10: Eviews Extract of Error Correction Model for Market Price Per Shares model One

Variables	Coefficient	Std. Error	t-Statistic	Prob.
ECM (-)	-0.046733	0.015779	-2.961709	0.0032
D(MPS (-1)	-0.036566	0.060114	-0.608269	0.5433
D(MPS (-2)	-0.208376	0.047511	-4.385887	0.0000
D(AFS (-1)	-0.593719	1.136076	-0.522605	0.6015
D(AFS (-2)	-0.947390	1.056687	-0.896566	0.3704
D(ATE (-1)	-6.104740	2.370259	-2.575559	0.0103
D(ATE (-2)	-2.033347	2.510508	-0.809934	0.4183
D(AFZ(-1)	-10.69475	3.333593	-3.208175	0.0014
D(AFZ(-2)	-0.874164	3.020832	-0.289378	0.7724
C	-0.011620	0.430192	-0.027011	0.9785

Table 4.10: Shows error correction mechanism result indicating the speed at which the dependent variable market price per shares returns to equilibrium after change in other independent variables audit fees, audit tenure and audit firm size. The error correction mechanism first result has a negative coefficient of -0.046733. The rate or speed of adjustment between the dependent and independent variables from short run disequilibrium or dynamics to long run equilibrium is forty six percent and statistically significant at 0.05 conventional and significance level since it probability value of 0.0032 is less than 0.05. The coefficient of current and past lag one and two values of audit fees is negative indicating that increases in audit fees lead to decreases in market price per share and their t-statistic

are insignificant at 0.05 significance level. Also their probability value is insignificant at 0.05 significance level. The coefficient of the current and past lag one and two of audit tenure are negative, which suggest that as audit tenure increase it bring about decrease in market price per share and their t-statistics are insignificant at 0.05 significance level. Their probability is significant at lag one and insignificant at lag two. The coefficient of current and past lag one and two of audit firm size value is negative. Which indicate that as audit firm size increase it lead to decrease in the activities of market price per share and their t-statistics is insignificant at 0.05 significance level.

DISCUSSION OF FINDINGS
H$_{01}$: **Audit Fees has no Significant Effect on Market Price Per Share of Quoted Banks in Nigeria**
Based on the result of our Hausman test in table 4.6 with a p.value of 0.0472 less than 0.05 significance level. We accepted the assumption that fixed effect model is the most appropriate in evaluating the relationship between audit fees and market price per shares of quoted banks in Nigeria. Hence, fixed effect model was used in ascertaining the relationship between audit fees and market price per shares. Based on our result in table 4.3 with a coefficient of -0.211899 and the probability value of 0.7998 which is greater than 0.05 significance level. Thus, we conclude that audit fees had a negative and insignificant impact on market price per shares of quoted banks in Nigeria. Therefore, there is no significant relationship between audit fees and market price per shares of quoted banks in Nigeria. The outcome of our empirical investigation is in conformity with the study of Fasua et al. (2020) who examined the effect of audit quality on market price per shares of quoted deposit money banks in Nigeria. Their findings indicate that audit fees had insignificant effect on market price per shares of quoted banks in Nigeria.

H$_{02}$: **Audit Tenure has no Significant Effect on Market Price Per Share of Quoted Banks in Nigeria**
Based on the result of our Hausman test in table 4.6 with a p.value of 0.0472 less than 0.05 significance level. We accepted the postulate that fixed effect model is the most appropriate in evaluating the relationship between audit tenure and market price per share of quoted banks in Nigeria. Hence, fixed effect model was used in determining the relationship between audit tenure and market price per shares. Based on our result in table 4.3 with a coefficient of -8.946238 and the probability value of 0.0013 which is less than 0.05 significance level. Thus, we conclude that audit tenure had a negative and significant impact on market price per shares of quoted banks in Nigeria. Therefore, there is a significant relationship between audit tenure and market price per shares of quoted banks in Nigeria. The outcome of our study is in line with the findings of Ugwunta and Ugwuanyl (2018) who examined the effect of audit quality on share price of Nigerian oil and gas firms. The findings revealed that the big4 audit firm, auditor's independence and composition of audit committee had a positive and significant relationship with market price of shares of oil and gas companies in Nigeria. The outcome of our empirical investigation is in consistent with the findings of Okoli and Izedonmi (2014) who examined the impact of audit quality on share prices of quoted companies in Nigeria. Their findings show that audit quality proxied by audit firm size, audit fees, audit tenure and audit clients importance exerts significant positive influence on market price per shares of quoted companies in Nigeria.

H$_{03}$: **Audit Firm Size has no Significant Effect on Market Price Per Share of Quoted Banks in Nigeria**
Based on the result of our Hausman test in table 4.6 with a p.value of 0.0472 less than 0.05 significance level. We accepted the assertion that fixed effect model is the most appropriate in evaluating the relationship between audit firm size and market price per shares of quoted banks in Nigeria. Hence, fixed effect model was used in ascertaining the relationship between audit firm size and market price per shares. Based on our result in table 4.3 with a coefficient of -4.049233 and the probability value of 0.2842, which is greater than 0.05 significance level. Thus, we conclude that audit firm size had a positive and insignificant impact on market price per shares of quoted banks in Nigeria. Therefore, there is no significant relationship between audit fees and market price per shares of quoted banks in Nigeria. The finding of our study is contradictory to the study of Okoli (2014) who examined the influence of audit firm size on market value per share of companies in Nigeria. Their findings showed that audit firm size exerts significant relationship and significantly influences market

price per share of companies in Nigeria but our study indicate that there is no significant relationship between audit firm size and market price per shares. The result of the overall model reviewed that market price per shares has positive and significant impact jointly on audit fees, audit tenure and audit firm size of listed deposit money banks in Nigeria. Audit quality have a long run relationship with market value of listed deposit money banks in Nigeria. There is uni-directional relationship between audit quality and market value of listed deposit money banks in Nigeria.

CONCLUSION

Audit quality serves a vital economic purpose and plays an important role in serving the public interest to strengthen accountability and reinforce trust and confidence in financial reporting leading to improved market performance. Audit quality enhance economic prosperity; expand the varieties and value of transaction but high level corporate scandals in recent years has lead to the demand for improvement in audit quality. Thus, this study seek to ascertained the relationship between audit quality proxied by audit fees, audit tenure, audit firm size and market value proxied by market price per shares of quoted banks in Nigeria. The study concludes that audit fees had negative and insignificant impact on market price per shares of quoted banks in Nigeria. Audit tenure had negative and significant impact on market price per shares of quoted banks in Nigeria. Audit firm size had negative and insignificant impact on market price per shares of quoted banks in Nigeria. Audit fees, audit tenure and audit firm size has positive and significant impact jointly on market price per shares of quoted banks in Nigeria. Audit quality have a long run relationship with market value of quoted banks in Nigeria. There is uni-directional relationship between audit quality and market value of quoted banks in Nigeria.

RECOMMENDATIONS

Audit quality should be enhanced by ensuring the using of the Big4 audit firm such as pricewaterhousecoopers, KPMG, Deloitte and Ernst & Young. Bank management and regulatory agencies should ensure mandatory rotation of audit firm to safeguarding auditor independence and improving the quality of audit. Regulatory authorities should establish audit tenure benchmark of seven years because longer audit tenure equates to increase over familiarity result in lower audit quality. Regulatory agencies should establish auditor's remuneration based on work experience, qualification, duration of the audit assignment. Bank management should employ the services of big 4 audit firms who audit at least one third of the bank in the industry. Bank management should adopt the policy of joint audit using the Big4 audit firm because their activities tend to positively impact market value of banks. Audit practices regulators should create audit pricing process to strike a balance and reduce over and under charging which could impair independence of the auditor. The use of joint audit firms is encouraged as the volume of transaction in most Nigeria banks is constantly increasing, the possibility of efficiency and effectiveness in audit quality might be eroded, and thus this phenomenon can be curbed through the use of joint audit firms. Banks management should adopt audit fees, audit tenure and audit firm size as audit quality strategies and optimally utilize the best option that improve market value.

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