The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

DETERMINANTS OF PROVISION OF NON-AUDIT SERVICE IN SELECTED LISTED INSURANCE FIRMS IN NIGERIA

MICHAEL ROTIMI SANNI [1], EMMANUEL ABIODUN ALAGBE [2], MORUFU OLADEHINDE OLADEJO [3] and BABATUNDE MOSES OLOLADE [4]

[1] Lead Author, Department of Accounting, Redeemer's University, Ede, Osun State, Nigeria.
Email: sannir@run.edu.ng, ORCID ID: 0000-0002-9552-2332
[2, 3] Department of Accounting, Ladoke Akintola University of Technology, Ogbomoso, Oyo State, Nigeria.
Email: [2]eaalagbe@lautech.edu.ng, [3]mooladejo@lautech.edu.ng
[4] Department of Accounting, Redeemer's University, Ede, Osun State, Nigeria. Email: loladebabs@gmail.com

Abstract

Various factors influence accounting companies' supply of Non-Audit Services (NAS) beyond routine audits. Internal controls, risk assessment, and customized guidance for risks unique to the insurance business are all covered by NAS to improve risk management in insurance organizations. This study used financial data to assess NAS variables in ten listed insurance businesses in Nigeria. Significant NAS factors, such as audit fee, auditor firm size, cash flow, and auditor tenure, were found by regression analysis. The study stresses the need of preserving auditor independence and integrity and recommends that giving priority to these factors is essential.

Keywords: Auditors' Fee; Auditors' Tenure, Determinants; Leverage; Non-Audit Service.

1. INTRODUCTION

A common term for management consulting services is "Non-Audit Services" (NAS). The employment of an external organization (or individual) to provide advice to executives and/or to develop and implement a corporate management plan is the definition of it. Notwithstanding the standard financial statement audit, auditing firms also offer extra services to their audit clients, known as NAS. Osarugue et al, (2021) stated that these services may include tax advising, internal auditing, outsourcing, and other advisory services.

Insurance companies make up the second-largest segment of Nigeria's financial services market. In Nigeria, there are over a hundred insurance companies. The symbiotic relationship between the financial sector and the rest of the economy underscores the sector's importance in any given economy. In this age of globalization, having an efficient financial sector is crucial to making money on the global market and protecting the home economy from external shocks. Additionally, the financial system could adjust to meet the demand resulting from the expansion of the country's economy (Otto, 2012).

Nigeria's accounting associations and the auditing profession gained prominence as a result of the recapitalization plan and financial industry consolidation process, particularly in the insurance subsector. This is because the financial crisis, which was caused by unethical actions by board members and executives of banks and insurance companies, raised many questions about the moral standards of the accounting profession and the veracity of financial reports prepared by certified accountants (Dikko &, Alifiah, 2020).

ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

The insurance industry in Nigeria is still growing, and it is obvious that stronger industry regulation will benefit the nation's economy more. Nigeria is believed to have one of the least developed insurance markets. Furthermore, among well-known African countries, Nigeria has the lowest insurance penetration rate (0.3%). This is contrasted with other figures such as Kenya at 2.8% and South Africa at 14.0%. Similarly, the industry continues to have one of the lowest insurance densities (Chiejina, 2020). It is evident that the industry may require non-audit services in addition to traditional auditing if it is to appropriately establish itself locally, regionally, and globally.

Insurance businesses in Nigeria require NAS for a number of reasons. Insurance firms in Nigeria are subject to regulations set forth by the National Insurance Commission (NAICOM), which is the industry's regulatory authority. Insurance companies can utilize NAS to ensure adherence to legislative requirements pertaining to corporate governance, risk management, and internal controls (NAICOM, 2022). Insurance businesses can benefit from NAS by gaining the specialized knowledge necessary for effective risk assessment and management. This might involve evaluating internal controls, conducting risk analysis, and developing strategies for risk mitigation (Ernst & Young, 2019).

Insurance businesses may engage non-audit services to provide strategic advice and help. Assistance with budgeting, investment strategies, mergers and acquisitions, and corporate restructuring may be part of this (KPMG, 2022). It is vital to safeguard the private client information that insurance companies handle on a regular basis. According to Deloitte (2020), NAS can help insurance businesses assess and enhance their cybersecurity measures, data protection protocols, and IT systems. Insurance businesses rely on actuarial services to accurately assess risk and set premium rates. These services aim to use statistical analysis, modeling, and forecasting to determine appropriate insurance price and reserve levels (PwC, 2022).

Despite the value of the service to the insurance business, a number of issues affect the supply of NAS and, to the best of the authors' knowledge, these have not been adequately examined in Nigeria. Determinants and the provision of non-audit services are related, and it is important to comprehend how certain circumstances influence the decisions made by audit firms and their clients. It is important to keep in mind that deciding whether to offer non-audit services is a difficult decision influenced by many different circumstances. Current research on auditing in Nigeria focuses on other topics rather than the NAS determinants directly. Examples: Factors Affecting Audit Quality: (Okoye et al., 2023: Ayoola 2022 John & Abimbola, 2022; Ibrahim & Ali, 2018; Chukwunedu et al. 2017; Ilechukwu, 2017; Okaro et al., 2016; Adeyemi et al. 2012). Auditors' independence (Onulaka, 2019; Akpom & Dimkpah, 2013; Adeyemi & Olowookere, 2012a; Adeyemi & Olowookere, 2012b; Embimobowe, 2011). Audit regulation (Ojo, 2009). Auditors' responsibility (Akinjobi & Omowumi, 2010). This investigation was driven by the need to close this perceived gap.

There are several knowledge gaps that may be filled by looking into the variables affecting the provision of non-audit services. By highlighting significant variables, the study advances the current understanding of the dynamics influencing the decisions made by audit firms and their

The Seybold REPORT
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

clients about non-audit services. By understanding the variables that affect the provision of non-audit services, audit firms can more effectively modify their service offerings and marketing plans to meet the needs of their clientele. It might also assist clients in determining whether to use audit companies for further services. The study's findings may have implications for governments and authorities that are concerned with maintaining audit quality and auditor independence. In the specific context of Nigerian insurance companies, the study adds value by providing an empirical understanding of the variables influencing non-audit services. It may be helpful to comprehend other comparable contexts around the world by comprehending the dynamics and factors that affect the demand for such services in developing economies. Our theoretical understanding of auditing methods may be advanced by the research by shedding light on challenges that go beyond traditional audit services. The improvement or expansion of auditing concepts to encompass non-audit services may arise from this. By focusing on a specific context, like Nigeria, the research can increase people's understanding of non-audit services. It can illustrate how audit methods are impacted by societal, economic, and legal challenges, which may have implications beyond Nigeria. The study's conclusions may be expanded upon in related future research works.

2. LITERATURE REVIEW

2.1. Hypotheses Development

2.1.1 Audit Firm Size

It has been noted that the delivery of NAS is significantly impacted by the size of the audit company. Clients searching for NAS may find larger audit companies more alluring because of their advantages, which include greater resources, experience, and a greater selection of services. Larger companies may also have more established client relationships and a better reputation, which lends them more credibility when providing NAS. The size of the audit company has a big impact on the audit quality (Akhor et al., 2023). They are able to offer a greater variety of NAS by utilizing their resources and size. (Arruñada, 1999).

If clients think larger audit companies can deliver high-quality advising services with greater dependability; they might be more inclined to select non-audit services. Larger companies may be able to provide more services at a lower cost than smaller audit firms because of economies of scale and scope.

This feature might persuade customers to select bigger audit companies for NAS, which might lead to an increase in the number of these services available (Akhor et al, 2023).

It is possible however, that audit firm size alone does not adequately represent the industry specialty and competitive climate. If smaller audit firms concentrate on a specific industry or niche, they might provide a more constrained range of NAS.

Their unique knowledge and customized solutions may be highly valued by their clientele. In certain situations, an audit firm's size might not be a reliable indicator of NAS provision. (Akhor et al. 2023)

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

Preferences of clients and previous relationships with audit firms play a major role in the selection of NAS providers. Smaller audit firms may be preferred by clients because to their familiarity, personalized attention, and self-assurance in their knowledge, even though larger firms may possess greater resources and capabilities.

Large audit firms may purposefully restrict the availability of NAS in order to preserve their independence. The degree to which audit companies pay attention to NAS can be significantly influenced by their company culture, attitudes, and strategic objectives. Some organizations, regardless of size, may place a strong focus on the independence and quality of their audits, which leads them to restrict the number of NAS services they provide. Patel and Prasad (2013) found that Big 4 auditors offer fewer non-audit services than non-Big 4 auditors.

On the other hand, a few smaller audit companies might use their flexibility and area of specialty to leverage a broad range of NAS as part of their business model. Firm culture and strategic orientation matter more in these circumstances than audit firm size. (Zhou & Elder, 2002)

Ho_1 Audit firm size is not a significant determinant of non-audit service

2.1.2. Leverage

The level of leverage that exists inside a company may have an effect on the demand for and supply of NAS. Excessive leverage may indicate financial distress or the need for specialist expertise to manage complex financial arrangements. Because of this, businesses that have a lot of leverage might be more likely to employ NAS to address their particular financial problems. Given that leverage has a favorable correlation with earning management, this indicates that the need for NAS is driven by financial risk and the requirement for expert assistance (Khurram, et al., 2023).

However, in order to manage financial risks, companies with greater debt levels might prioritize cost management more (Juan, 2022) and limit the availability of NAS.

Ho_2: Leverage is not a significant determinant of non-audit service.

2.1.3. Cash Flow from Operations

Cash flow from operations is a crucial indicator of a business's viability and overall health. It evaluates an organization's ability to generate cash from its core operations, which is essential for paying ongoing expenses and financing potential growth. According to a study by Dechow et al. (2016), cash flow from operations can be a helpful predictor of a company's financial success and a useful tool for analyzing its resistance to economic downturns.

Companies with stronger cash flow are more likely to hire audit firms for NAS because of their financial stability and ability to pay for extra professional services (Francis & Wilson, 1988). They are able to pay audit firms for additional advisory services. (Khairul et al,, 2019). Businesses' decisions on using NAS are heavily influenced by their cash flow from operations. Companies with higher liquidity typically buy more NAS from their international subsidiaries and auditors, according to Habib and Islam (2007).

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

However, because they have fewer financial constraints and are less motivated to seek outside expert advice, businesses with higher cash flow from operations are less likely to hire audit firms for NAS (Francis et al., 1999).

Increased cash flow enables companies to develop their own knowledge base, reducing the need for outside consultation (Francis et al., 1999). Businesses that have higher cash flows are less likely to request NAS since they can invest more in internal resources and expertise.

Ho_3: Cash flow from Operations is not a significant determinant of non-audit service.

2.1.4. Loss Reporting

In the fast-paced business world, companies face a range of risks and uncertainties that could cause them to suffer financial losses. Accurate and truthful reporting of such losses is crucial for stakeholders to assess a company's financial health. In addition to aiding in decision-making, efficient loss reporting affects the need for non-audit services.

A company's financial losses during a specific period of time are summarized in a loss report. A key component of maintaining the integrity of financial statements and winning over stakeholders is accurate and reliable loss reporting.

According to (Domenico & Ray (2016), assurance services, such as audit services, significantly increase the dependability of loss reporting. Businesses can utilize NAS to improve their processes for reporting losses and to add to the assurance process.

Businesses that properly and openly report losses frequently employ NAS to address risk concerns such as internal control evaluation, forensic accounting, and risk management. Effective loss reporting demonstrates a company's dedication to risk mitigation and improved financial control, which could increase demand for specialized NAS (Quick et al., 2023).

On the other side, businesses that disclose losses in a more truthful and open manner tend to employ NAS less frequently (Zhu et al., 2022). Stakeholders may believe that additional services are unnecessary if loss reporting shows that the company is already managing risks well (Faisa and associates, 2019) Businesses may save money by employing external NAS providers if they invest in developing internal capabilities to improve the caliber of loss reporting. Instead of hiring non-audit services, businesses might focus on using their own internal knowledge to handle risk management and other related concerns.

Organizations may feel less of a need for expensive NAS if their risk exposure is adequately managed (Faisa et al, 2019). Strict regulatory requirements and reporting standards may cause companies to prioritize transparency and accuracy when reporting losses in order to comply with regulations.

The companies believe that their present reporting techniques suffice to meet regulatory requirements, therefore the increased emphasis on compliance may result in a decrease in the need for NAS. Companies with high levels of debt purchase less NAS (Zhu et al., 2022).

Ho_4: Loss reporting is not a significant determinant of non-audit service.

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

2.1.5 Audit Fee

Businesses' need for NAS has been found to be influenced by audit fees, among other factors. Companies paying higher audit fees often use auditors that have greater familiarity and understanding of their clients' corporate operations, systems, and financial reporting procedures (Patel & Prasad, 2013). With this client-specific knowledge, auditors can strengthen their ability to collaborate and provide more non-audit services. Relational capital and confidence between the client and the auditor are strengthened when the same audit firm handles both the audit and NAS. Higher audit fees could be a sign of the client's faith in the audit company's competence and could influence the client's choice to select the same firm for NAS. Patel & Prasad (2013) claim that audit price low-balling boosts the availability of non-audit services.

Businesses that outsource their NAS and audit to the same audit firm may save money and benefit from enhanced coordination, knowledge sharing, and communication. Offering NAS might be financially advantageous due to the client's cost savings (Wigglesworth et al., 2023). If companies are faced with higher levels of complexity, risk, or regulatory duties, they might be more likely to hire auditors for both audit and NAS. Higher audit fees can be a reflection of the specialized knowledge and resources required to handle these complex risks and follow regulations (Wigglesworth et al, 2023).

Owing to the different degrees of customization and complexity that different clients require, there may not be a direct correlation between audit fees and NAS. The level of audit charge may not necessarily correspond with the complexity and kind of NAS. Businesses may want highly specific NAS; the audit pricing structure may not necessarily reflect these services (Nam, 2023).

The services that NAS audit firms provide to their audit clients may be influenced by regulations and independence criteria. Concerns about possible conflicts of interest may lead to regulations restricting the kind or quantity of NAS that auditors can provide. Therefore, the need for NAS may be impacted by regulatory limitations other than only audit expenses (Krishnan & Visvanathan, 2008).

Whether or not to appoint auditors for NAS may depend on the client's preferences and pre-existing relationships. When selecting NAS service providers, companies may prioritize ease of use, past performance, or existing connections. These factors might have a greater influence on selecting whether to employ non-audit services than audit fees, according to Pedro et al. (2015).

Ho_5: Audit fee is not a significant determinant of non-audit service.

2.1.6. Auditors' Tenure

A longer stay as an auditor may result in increased productivity and cost savings for both the customer and the auditor. As auditors gain more familiarity with the client's operations, they can perform NAS more effectively, saving both time and money. Ghosh et al. found that there is a positive correlation between auditor tenure and NAS, and that clients purchase more NAS from industry-specialist auditors.

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

These results suggest that there is a relationship between NAS purchases and traits associated with economic efficiency. It reduces the disparity in information that exists between the customer and the auditor. This lower knowledge asymmetry may increase the client's desire to work with the auditor for NAS because of a perceived reduction in agency costs and risks.

One of the primary problems with auditor tenure is the possibility of losing independence. Auditors may develop close relationships and get too familiar with the client's management over time, which could compromise their objectivity and skepticism. Long auditor tenure has been associated with research suggesting that it could potentially reduce the objectivity and quality of NAS provided, raise the likelihood of bias, and undermine auditor independence (Zhu et al., 2022).

Ye (2005) discovered that auditees' association with alumni and length of service with the audit company may have an impact on their decision to purchase NAS from their current auditors. This combo audit and NAS purchase should be avoided, nevertheless, if the client has substantial agency expenses.

Long-term contracts that restrict competition and exposure to new ideas may be exacerbated by auditor longevity, especially when combined with onerous contracts. The potential benefits that different professional experience can offer may be limited if the same auditors are hired again and time again for both the financial statement audit and NAS. This could hinder the introduction of novel ideas, innovative approaches, and opposing viewpoints. Patel and Prasad (2013) found that the longer an auditor worked for an organisation, the fewer non-audit services they provided.

2.2 Theoretical Review

This work is based on two theories: Resource-Based Theory and Institutional Theory.

2.2.1. Resource-Based Theory

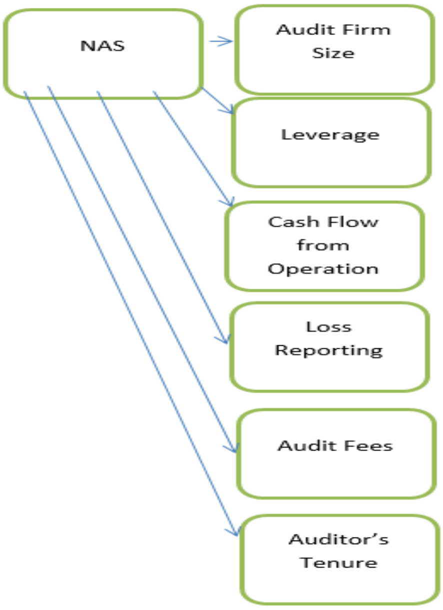
According to this view, auditors possess unique resources and abilities that enable them to provide clients with valuable non-audit support. It is hypothesized that because auditors have access to information about their clients' activities and possess specialized knowledge and skills, they can offer non-audit services that enhance client value and performance (Dierkes et al., 2003). Auditors can maximize their resources and differentiate themselves from rivals by providing NAS.

2.2.2. Institutional Theory

This theory examines the social and cultural norms that influence the behavior of auditors and organizations. This theory states that the way NAS is delivered is influenced by institutional factors such as industry norms, professional standards, and regulatory restrictions (DiMaggio & Powell, 1983 GOOD). By offering NAS, auditors can respect these institutional rules and meet client needs while maintaining their credibility and enhancing their professional standing.

ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

2.3. Conceptual Framework



Source: Authors (2023)

2.4. Empirical Review

Studies suggest that longer audit tenures increase auditor skill and knowledge with the client's operations, which in turn increases demand for NAS. The impact of audit quality on the connection between auditor tenure and the provision of NAS was considered in a study by (Zhu et al, 2022). A sample of Belgian enterprises and panel data analysis were employed in the study. The findings indicated a positive correlation between the auditor's tenure and the availability of NAS. Using comparable methodology, identical results were obtained by Ye et al. (2011), Ghosh & Kallapur (2006), and Svanström & Sundgren (2012).

Ilaboya & Okoye (2015) looked at the relationship between audit quality, non-audit services, and audit firm size in Nigeria. The study's population consists of the commercial banks listed in the Nigeria Exchange Group, from which a sample of eighteen banks was selected using scientific methods.

The instrument (questionnaire), which was administered in 200 well-structured copies to the respondents, was selected using purposeful random sampling. Conventional least squares regression analysis was carried out. There were positive and statistically significant connections between larger audit companies and non-audit services. The results align with Zhu et al. (2022) the relationship between audit firm tenure and non-audit services supplied by auditors and earnings management in Malaysian public listed companies was examined by Hasan & Wan (2015). To quantify the degree of earnings management, two metrics were used: discretionary current accruals based on the performance-adjusted model. For the 2009 fiscal year, 525 companies make up the sample. Two of the variables were the acquisition of non-

ISSN 1533-9211

DOI: 10.5281/zenodo.10559732

audit services and the reporting of losses. Results indicated a negative relationship between them.

Ahsan and Ainul (2007) provided initial evidence regarding the factors influencing the provision of non-audit services in the context of Bangladesh and if doing so jeopardizes the independence of auditors. Regression analysis using both univariate and multivariate methods is used to assess the hypotheses. Outcomes Results showed that businesses purchase more non-audit services when they have greater liquidity, as indicated by cash flow from operations.

Zhu et al.'s (2022) research, which used the generalization of Tobit, looked at the variables that influence non-audit services that auditors perform in a non-profit organization. They found a substantial negative association between leverage and NAS.

The question of whether audit fees and non-audit services are positively correlated was examined by Larry et al. (1983). The idea behind this test was to see if the observed increase in audit fees and effort could be explained by the possibility that, in the event that the demand for auditing is elastic, buyers of non-audit services (like those that replace internal control) may have demanded more auditing because auditors were passing on cost savings from knowledge spillovers. Results should indicate a strong positive correlation between non-audit and audit fees for a given level of audit labor if auditors are permitted to retain a portion of the cost savings and obtain economic rents in the form of higher fees. However, the findings did not point to a significant connection. These results suggest that, despite the fact that non-audit service buyers pay higher audit fees than non-buyers, a corresponding increase in audit work is associated with the higher pricing, according to regression analysis.

3. MATERIALS AND METHODS

3.1 Research Design

For this investigation, a quantitative research methodology was deemed most appropriate since it provides a clear perspective of the research conclusion through the use of numbers for more understandable interpretations (Adebayo, 2022).

3.2 Population of the Study

All twenty-three (23) insurance companies that were trading on the Nigerian Exchange Group as of December 31, 2019, comprised the population for this study.

3.3 Sampling Techniques and Sample Size

The sample size was determined using a non-probability method and a judgmental sampling strategy based on the availability of the most current year financial information. Over the course of the 10-year research period (2010-2019), it was expected that the sampled firms would have access to fairly, reasonably, reliably, and current financial data. Aiico Insurance, Cornerstone Insurance, Lasaco Assurance, Mutual Benefits Assurance, N.E.M. Insurance, Niger Insurance, Standard Alliance Insurance, Veritas Kapital Assurance, Wapic Insurance, and African Alliance Insurance are the ten (10) sampled organizations.

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

3.4 Data Collection Techniques

The published annual reports of the selected companies were the primary source of data, obtained both directly from the companies and via Nigeria Exchange Group. The Nigeria Exchange Group's "Factbook," the National Insurance Commission's (NAICOM). Statistical bulletins, and economic and financial assessments were some other sources.

3.5 Model Specification

The following variables, which were found in the literature research, affect non-audit services: leverage, loss reporting, audit fee, tenure of the auditors, size of the audit firm, and operating cash flow. They are shown in the equation that follows:

$$NAS = \beta_0 + \beta_1 LEV + \beta_2 LOSS + \beta_3 AUDITFEE + \beta_4 AUDTEN + \beta_5 AUDFSZ + \beta_6 CFO + e$$

Where:

LEV= total liabilities / total assets

LOSS = loss during the period

AUDFEE= fee paid to external auditors

TENURE= No. of years spent by incumbent auditors

AUDFSZ = Big 4 or otherwise

CFO=cash flow from operation lagged total assets

NAS = Non-audit service, proxy with the amount paid for consultancy.

ε = error term.

Measurement of Variable

Table 1: Measurement of Variables and expected signs of apriori expectation

S/N	Variables	Variable Labels/Types	Measurements	Expected Sign	Sources
(a)	Auditor size	AUDFSZ Independent	1 if the firm is audited by the Big 4 0 if otherwise	+/-	**Zhu et al, (2022); Ilaboya & Okoye (2015)**
(b)	Non Audit Services	NAS Independent	Total amount paid for consultancy	+/-	Zhu et al, (2022);
(c)	Leverage	LEV Independent	Total Debts Equity	+/-	Zhu et al, (2022); Lancksweerdt et al., (2021) Reheul et al, (2017)
(d)	TENURE	TENURE Independent	Auditors' tenure in years.	+/-	Zhu et al, (2022); Lancksweerdt et al., (2021) Reheul et al, (2017)
(e)	LOSS	LOSS Independent	Loss reported during the period.	+/-	Hasan & Wan (2015
(f)	Audit fees	AUDFEE Independent	Audit fees paid to the auditor;	+/-	Larry et al. (1983)
(g)	Cash flow from Operations	CFO Independent	Cash flow generated from operations	+/-	Ahsan and Ainul (2007)

Source: Compilation by the authors (2023)

Measurement of the variables used is presented in Table 1.

ISSN 1533-9211

DOI: 10.5281/zenodo.10559732

4. RESULTS

Table 2: Descriptive Statistics

Variables	Mean	Max	Median	Min	Std Dev	Kurtosis	Skewness
LEV	4.682491	157.4851	0.947320	0.109602	17.2369	64.47291	7.47575
CFO	39690885	1.66E+08	665998.0	165.0000	2E+07	53.57168	7.12428
AUDITFEE	14071.38	60000.00	12000.00	2000.000	9680.180	1.667925	7.476102
CONSFEE	33533.8	1235630	34291.80	719.6500	1736798	47.12816	6.776923
AUDFSZ	0.33333	1.000000	0.000000	0.000000	0.4738	1.500000	0.707107
AUDTEN	3.3222	6.000000	3.000000	1.000000	1.67715	1.729337	0.055119
LOSS	0.21212	1.000000	0.000000	0.000000	0.41089	2.983516	1.408374

Source: Author's Computation (2023)

Throughout the study period, the studied insurance companies' average leverage (LEV) was N46.872 million (Table 2). While the average audit fee was N14.071 million, the average cash flow from operations (CFO) was N3.969 billion. An average of N335.338 million was paid for consultant services, however the sampled enterprises reported an average loss of N212 million. Only 3 out of the studied firms used the Big 4 audit firms, according to the auditors' size (AUDFSZ) of 0.33333. The average auditor (AUDTEN) tenure was three years.

Table 3: Correlation

	CONSFEE	AUDITFEE	AUDITFSZ	CFO	LEV	LOSS	AUDTEN
CONSFEE	1.000000	-0.159841	-0.077805	0.078179	-0.036191	-0.067637	0.099141
AUDITFEE	-0.159841	1.000000	0.562200	-0.173768	0.013082	0.184407	0.084653
AUDITFSZ	-0.077805	0.562200	1.000000	-0.102689	0.114374	0.209657	-0.008561
CFO	0.078179	-0.173768	-0.102689	1.000000	-0.022614	-0.065089	0.102261
LEV	-0.036191	0.013082	0.114374	-0.022614	1.000000	0.268105	-0.118114
LOSS	-0.067637	0.184407	0.209657	-0.065089	0.268105	1.000000	0.032756
AUDTEN	0.099141	0.084653	-0.008561	0.102261	-0.118114	0.032756	1.000000

Source: Author's Computation (2023).

The correlation between the variables is displayed in Table 3. Some have a negative correlation, while others have a positive correlation. Since none of the correlations are more than 0.7, multicollinearity is not present.

Table 4: Variance Inflation Factor Results

Variable	Variance Inflation Factor (VIF)	Tolerance (1/VIF)
LEV	2.98	0.335870
CONSFEE	1.33	0.751564
AUDFSZ	1.32	0.757758
AUDITFEE	1.28	0.778710
LOSS	1.24	0.804940
CFO	1.16	0.864478
AUDTEN	1.03	0.970874
Mean VIF	1.68	

Source: Author's Computation (2023).

ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

Multicollinearity was avoided by using the Variance Inflation Factor (VIF) (Table 4). There can be multicollinearity in the model when VIF is exactly 1, which is the ideal situation. VIF values range from 1 to infinity. The model is appropriate if the VIF value is less than 10; if the VIF value is 10 or above, multicollinearity is present and one of the collinear variables must be removed from the model. As a result, the mean VIF is 1.68, below the threshold of 10. Consequently, the calculated models do not exhibit multicollinearity.

Table 5: Multiple Regression Results

	OLS **Coefficient ( )** **Std. Dev { }** **P- Value [ ]**	**FIXED EFFECT** **Coefficient ( )** **Std. Dev { }** **P- Value [ ]**	**RANDOM EFFECT** **Coefficient ( )** **Std. Dev { }** **P- Value [ ]**
LEV	(-1633.705) {2273.34} [0.4742]	(-14.242359) {2461.758} [0.8622]	(-1633.705) {62295.556} [0.4785]
AUDFEE	(-0.713606) {4.762073} [0.0246]	(-1.380567) {7.777635} [0.03142]	(-0.713606) {4.808606} [0.0268]
AUDFSZ	(102069.6) {96532.54} [0.0421]	(156598.5) {140300.8} [0.0267]	(102069.6) {97475812} [0.0432]
CFO	(0.084879) {0.001901} [0.0000]	(0848156) {0.002081} [0.0000]	(0.084879) (0.054870) [0.0000]
LOSS	(-19187.38) {96522.58} [0.8444]	(57818.30) {104750.2} [0.5825]	(-19187.38) {97465.75} [0.8444]
AUDTEN	(-233.551) {22686} [0,0016]	(-6358.409) {23414.35} [0.0036]	(-2338.551) {22907.84} [0.0016]
C	(-13153.49) {68923.64} [0.9513]	(-225232.77) {129428.7} [0.8622]	(-6045.560) {98710.79} [0.9513]
R^2 **Adjusted R^2** **Durbin – Watson** **p-value**	0.957673 0.954913 2.15251 0.0000	0.961064 0.954027 2.221320 0.0000	0.957673 0.954913 2.152051 0.0000

Source: Author's Computation (2023)

Table 5 displays the findings from the three regression analyses that were conducted. The best model between the fixed effect model and the random effect model was determined using a Hausman test.

Table 6: Hausman's Test

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	6.132343	6	0.4085

Source: Author's Computation (2023)

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

The random effect model was confirmed as the appropriate model for this investigation by the Hausman's test result with probability value of 0.4085 (Table 6), which is not statistically significant at 0.05.

A Durbin-Watson value of 2.152051 is displayed in Table 5 as a consequence of the random effect model. The Durbin-Watson statistic is used in statistical analysis to identify whether autocorrelation, often referred to as serial correlation, is present in regression model residuals. It takes numbers between 0 and 4. There is no autocorrelation when the value is close to 2, positive autocorrelation when it is less than 2, and negative autocorrelation when it is greater than 2.

There is no detectable autocorrelation in the study's residuals of the regression model, as indicated by the Durbin-Watson score of 2.152051. Based on these data, the number is reasonably supported by the premise of no autocorrelation because it is quite close to 2.

With an adjusted R2 of 0.954913 and a coefficient of determination (R2) of 0.9576773, all the independent variables included in this study can explain for up to 95.49% of the differences in NAS. The other 4.51%, which this study did not examine and which is shown by the error term, makes up the remainder.

5. DISCUSSION

There are four separate variables that significantly influence NAS. These include the following: Cash Flow from Operations (CFO) (Coefficient 0.084879, p-value 0.0000); Audit Firm Size (AUDFSZ) (Coefficient 102069.6, p-value 0.04321); Audit Fee (Coefficient -0.713606, p-value 0 0268); and Auditors' Tenure (AUDTEN) (Coefficient -2338.551, p-value 0.0016).

There is no statistical significance between Leverage (LEV) (coefficient -1633.05, p-value 0.4785) and Loss Disclosure (LOSS) (coefficient -19187.38, p-value 0.844).

Audit fee: Higher audit fee paying organizations typically hire auditors with more in-depth knowledge of the systems, processes, and financial reporting practices used by their clients. Due to their experience working with individual clients, auditors are well-positioned to offer additional non-audit services and foster collaboration. However, hiring auditors for non-audit services could be contingent upon the client's choices and existing relationships. When choosing service providers for non-audit services, businesses may prioritize convenience, past performance, or existing ties. When it comes to deciding whether to hire non-audit services, these considerations might have a bigger impact than audit fees.

The relationship between audit fees and the supply of non-audit services highlights how important the resource requirement hypothesis is in understanding the expansion of services provided by auditing firms. As audit engagements become more complicated and resource-intensive, higher audit fees seem to enable auditing firms to diversify their services, improving their overall capabilities and meeting the growing needs of their clients. Achieving a balance between providing non-audit services and maintaining the integrity of financial reporting is crucial in order to safeguard the independence of the auditors. This study refutes Larry et al.

ISSN 1533-9211

DOI: 10.5281/zenodo.10559732

(1983) by establishing audit charge as a significant driver of non-audit service.

Audit firm size: Using their scale and resources, large audit companies can provide a wider range of non-audit services. Clients may choose non-audit services more frequently if they believe larger audit firms are more trustworthy and capable of providing excellent advisory services. This makes the size of the audit firm a reliable indicator of non-audit services. This study lends support to the Resource Need Theory since larger auditing firms can better address the expanding service needs of their clientele. The study's findings are consistent with those of Zhu et al. (2022); Ilaboya & Okoye (2015), who found that audit size was a strong predictor of non-audit service.

Cash flow from operations: Due to their financial stability and capacity to pay for additional professional services, companies with higher cash flow are more likely to engage audit firms for non-audit services (Francis & Wilson, 1988). This supports the hypothesis of resource need. Karamanou et al. (2017) assert that cash flow from operations plays a crucial role in influencing an organization's decision to use non-audit services. The study's conclusion supports Ahsan and Ainul's (2007) assertion that a key factor influencing non-audit services is cash flow from operations.

Auditors' Tenure: For both the customer and the auditor, a longer audit tenure may result in higher output and cost savings. As auditors get more company familiarity, they may complete non-audit services more swiftly and efficiently. The study's conclusion validates institutional theory by demonstrating how institutional norms and forces that promote the provision of non-audit services are a product of long-standing relationships between auditors and clients. When auditors become more fully integrated into their clients' organizational environments, they may be more equipped to understand the unique needs and preferences of those clients. This could lead to the provision of tailored non-audit services. The possible lack of independence in an auditor's term is one of the main issues. Long audit tenure has been linked to studies that suggest it could weaken auditor independence, increase the risk of bias, and perhaps change the caliber and objectivity of non-audit services rendered. These could have an impact on auditor tenure, which is a useful indicator of non-audit service. The results of this study corroborate those of Zhu et al. (2022); Svanström & Sundgren, (2012); Ye et al., 2011; Ghosh & Kallapur, (2006), who found that auditor tenure was a substantial, albeit negative, predictor of non-audit service.

Leverage: High leverage businesses may be more inclined to use non-audit services to address their specific financial issues. Higher-debt businesses may, however, prioritize cost management and limit the availability of non-audit services in order to manage financial risks. This would limit the use of leverage as a criterion for the provision of non-audit services. This fits the principle of resource-based theory. This study's findings regarding leverage's non-significant role in determining non-audit services are consistent with those of Zhu et al. (2022).

Loss reporting: A company's commitment to risk reduction and enhanced financial management is demonstrated by effective loss reporting, which may lead to a rise in the demand for specialist non-audit services. However, companies that invest in building internal skills to

ISSN 1533-9211

DOI: 10.5281/zenodo.10559732

enhance the caliber of loss reporting may find that hiring outside non-audit service providers is less expensive. Rather than outsourcing non-audit services, they might instead concentrate on employing their own internal knowledge to handle risk management and other relevant matters. This aligns with the principle of resource-based theory. The results of this investigation are consistent with those of Hasan & Wan (2015), who discovered a negative correlation between loss reporting and NAS provision.

6. CONCLUSION AND POLICY ISSUES/ RECOMMENDATIONS

6.1 Conclusion

In conclusion, the study discovers that the audit fee, audit firm size, operating cash flow, and auditor tenure all have a major impact on the provision of non-audit services. That being said, there is minimal correlation between loss reporting and leverage and the provision of non-audit services.

More non-audit services may be rendered as a result of increased audit costs, indicating that clients who can afford to pay more for their auditors' services are more likely to utilize them for purposes other than the audit. Larger audit firms are perhaps more likely to offer non-audit services since they may have the resources and capacity to offer a greater range of services to their clients. If a company has more cash flow from operations, it can be able to pay for extra services from auditors outside of the audit engagement. Longer audit tenures may boost client familiarity and trust, which raises the possibility of non-audit services being provided. The study's conclusions suggest that non-audit service provision is not much influenced by loss reporting or leverage. This implies that using auditors for non-audit purposes is not more common among organizations that are losing money or have higher leverage ratios.

6.2. Policy Implications /Recommendations

For those in the auditing profession, the research findings about the factors influencing non-audit services have significant policy ramifications. These insights can be used by regulators and standard-setting organizations to develop recommendations that take into account various aspects such as business complexity and size in order to determine suitable audit fee structures. By minimizing conflicts of interest associated with non-audit services, this strategy seeks to improve audit objectivity and transparency.

The study emphasizes how important it is to keep auditor independence and professionalism. In order to avoid jeopardizing their independence during audits, regulators might emphasize how crucial it is for auditors to remain neutral and unbiased when rendering non-audit services. The report also recommends looking into auditor rotation as a way to steer clear of long-term alliances that can compromise independence and impartiality.

It is recommended that companies offering non-audit services enhance their policies for transparency and disclosure, including comprehensive details about the nature, scope, and expenses of these services in their annual reports or financial statements. It is recommended that oversight bodies and regulators step up their oversight and control, particularly for larger

DOI: 10.5281/zenodo.10559732

audit firms that provide a range of non-audit services, in order to maintain independence, maintain ethical standards, and reduce conflicts of interest.

It is stressed that professional education and training are essential components in managing the risks related to offering non-audit services. According to the research, professional development programs are essential for producing knowledgeable auditors who are competent and aware of independence criteria and potential conflicts. In summary, by addressing potential risks and conflicts connected to non-audit services, the policy implications seek to maintain audit quality, independence, and public confidence in the auditing profession.

Acknowledgement: The authors acknowledge the immense contributions of Abiodun Adekunle ADEBAYO to this research work.

References

1) Adebayo, A. (2022). Relationship between provision of non-audit service (NAS), auditors' characteristics and quality of accounting earnings in Nigerian insurance firms. MSc Dissertation, LAUTHECH, Ogbomoso.

2) Adeyemi S., B, Okpala O & Dabor EL, (2012). Factors affecting audit quality in Nigeria. *International Journal of Business and Social Science 3 (20), 2012.* https://www.scirp.org/reference/referencespapers?referenceid=2678614

3) Adeyemi, S. B., & Olowokere, J. K. (2012a). Non-Audit Services and Auditor independence. *Business and Management Review,* 2(5), 89–97. http://www.businessjournalz.org/bmr

4) Adeyemi, S. B., & Olowokere, J. K. (2012b). Non-Audit Services and Auditor Independence –Inveastors Perspectives in Nigeria. *Business and Management Review,* 2(5), 89–97. https://api.semanticscholar.org/CorpusID:167731827

5) Ahsan, H. & Ainul, I. (2007). Determinants and consequences of non-audit service fees : Preliminary evidence from Bangladesh. *Managerial Auditing Journal* 22(5):446-469 DOI: 10.1108/02686900710750748

6) Akhor, S, Orobo, U. J., Otuedon,, A.M.& Ohiokha, G. (2023). The effect of non-audit services on audit quality. *Corporate Governance and Organizational Behavior Review* 7(4, special issue):326-333. DOI:10.22495/cgobrv7i4sip10

7) Akinjobi O, & Omowumi (2010). The changing responsibilities of auditors in detection and prevention of business frauds within a challenging environment in Nigeria. *Journal of emerging Trends in Economics and Management Sciences* 1 (2), 71-75, 2010. https://www.scirp.org/reference/referencespapers?referenceid=2678616

8) Akpom UN & Dimkpah YO. (2013). Determinants of auditor independence: a comparison of the perceptions of auditors and non-auditors in Lagos, Nigeria. *Journal of finance and Accountancy* 14, 1, 2013. https://www.aabri.com/manuscripts/131506.pdf

9) Arruñada, B. (1999). The provision of non-audit services by auditors.: Let the market evolve and decide. *International Review of Law and Economics,* 19(4), 513-31,: **https://ssrn.com/abstract=224744** or **http://dx.doi.org/10.2139/ssrn.224744**

10) Ayoola, T.J. (2022). Audit fees, audit seasonality and audit quality in Nigeria: a mediation analysis. *Journal of Financial Reporting and Accounting*, 8 (6), 174 – 192. https://www.scilit.net/publications/880ab6c5f6ce13bbc242f38594ad0114

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

11) Beasley, M. S., Branson, B. C., & Hancock, B. P. (2016). An empirical analysis of the relation between the board of director composition and financial statement fraud. *Accounting Review,* 91(5), 1375-1402.

12) Beasley, M.S. (1996) An empirical analysis of the relation between the board of director composition and financial statement fraud. *The Accounting Review,* 71, 443-465. https://www.jstor.org/stable/248566

13) Chiejina, N. (2020). Nigeria's insurance industry and its untapped potential. *Financial Nigeria Magazine.* Retrieved from https://www.financialnigeria.com/nigerias-insurance-industry-and-its-untapped-potential-feature-336.html

14) Chukwunedu, Okaro Sunday & Okafor, Gloria Ogochukwu and Okoye, Emmanuel Ikechukwu, Non-Auditing Services and Audit Quality in Nigeria-Perspectives and Issues (November 8, 2016). Chapter 56 in Managing Diversification for Sustainable Development in Sub-Saharan Africa: Proceedings of 2016 International Conference of the Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, 8th-10th November, 2016, https://ssrn.com/abstract=3039488

15) Dechow, P. M., Ge, W., & Schrand, C. (2016). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics,* 50(2-3), 344-401. http://www.sciencedirect.com/science/article/pii/S0165-4101(10)00033-9

16) Deloitte. (2020). Cyber risk services for insurance companies. Retrieved from https://www2.deloitte.com/ng/en/pages/risk/solutions/cyber-risk-services-for-insurance-companies.html

17) Dierkes, M., Antal, A. B., Child, J., & Nonaka, I. (Eds.). (2003). Handbook of Organizational Learning and Knowledge. Oxford University Press. https://global.oup.com/academic/product/handbook-of-organizational-learning-and-knowledge-9780198295822?cc=us&lang=en&

18) Dikko, U. M &, Alifiah, M. N. (2020). The Effect of Bank Recapitalization and Corporate Governance on Performance of Banking Sector: A Proposed Conceptual Framework. International Journal of Economics and Financial Issues. 0(1), 138-149. www.econjournals.com DOI: 10.32479/ijefi.8976

19) DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48(2), 147-160. https://scirp.org/reference/referencespapers?referenceid=2494584

20) Domenico, C. & Ray, D. (2016). Non-audit services provided to audit clients, independence of mind and independence in appearance: latest evidence from large UK listed companies. *Accounting and Business Research*, 46:4, 422-449, DOI: 10.1080/00014788.2015.1048772

21) **Elder**, B. J. **&** **Zhou**, J. (2002). Audit firm size, industry specialization and earnings management by initial public offering firms. **url={https://api.semanticscholar.org/CorpusID:167117774}**

22) Embimobowe, A. (2011). Non audit services and the impairment of auditors independence: A further examination. *Pakistani Journal of Social Sciences,* 8 (1), 100 – 107. DOI:10.3923/pjssci.2011.100.107

23) Ernst & Young. (2019). Insurance in Nigeria. Retrieved from https://www.ey.com/en_ng/insurance/insurance-in-nigeria

24) Faisal, S., Ijaz U. R., Waqas, H. & Ghazanfar, A. A. (2019). The influence of financial reporting quality and audit quality on investment efficiency: Evidence from Pakistan. ***International Journal of Accounting and Information Management*** 27(4):600-614 DOI:**10.1108/IJAIM-08-2018-0097**

25) Francis, J. R., & Wilson, E. R. (1988). Auditor changes: A joint test of theories relating to agency costs and auditor differentiation. *The Accounting Review,* 63(4), 663-682. https://www.scirp.org/reference/referencespapers?referenceid=1853283

26) Francis, J. R., Maydew, E. L., & Sparks, H. C. (1999). The role of Big 6 auditors in the credible reporting of accruals. Auditing: *A Journal of Practice & Theory,* 18(2), 17-34. doi:10.2308/aud.1999.18.2.17

DOI: 10.5281/zenodo.10559732

27) Ghosh, A., & Kallapur, S. (2006). Provision of non-audit services by auditors: economic efficiency or managerial opportunism?. Working paper https://eprints.exchange.isb.edu/id/eprint/677

28) Ghosh, A., Kallapur, S., & Moon, D. (2006). Provision of non-audit services by auditors: economic efficiency or managerial opportunism? Research Paper 01-06, Research Paper Series, Centre for Analytical Finance, Indian School of Business. https://eprints.exchange.isb.edu/id/eprint/677/1/Provision_of_Non-audit_Services_by_Auditors_Econom%20(1).pdf

29) Habib, A. & Islam, A. (2007). Determinants and consequences of non-audit service fees: Preliminary evidence from Bangladesh. *Managerial Auditing Journal*,. 22. (5),. 446-469. https://doi.org/10.1108/02686900710750748

30) Hasan, M. B. & Wan, N. W. (2015). Non-audit services, audit firm tenure and earnings management in Malaysia. *Asian Academy of Management Journal of Accounting and Finance.* 11 (1), 145–168. https://core.ac.uk/download/pdf/154383457.pdf

31) Ibrahim, M., & Ali, I. (2018). Impact of audit fees on audit quality of conglomerates companies in Nigeria. *International Journal of Service Science, Management and Engineering, 5*(1), 1-8. https://www.researchgate.net/publication/348606082_Impact_of_Audit_Fees_on_Audit_Quality_of_Conglomerates_Companies_in_Nigeria

32) Ilaboya, O. J. & Okoye, F. A. (2015). Relationship between audit firm size, non-audit services and audit quality. *DBA Africa Management Review* 5.(1), 1-10 http://journals.uonbi.ac.ke/damr/article/download/1273/1075

33) Ilechukwu, F.U. (2017). Effect of audit fee on audit quality of listed firms in Nigeria. *International Journal of Trend in Research and Development 4*(5), 319-326. https://www.ijtrd.com/papers/IJTRD12154.pdf

34) John, A.O., & Abimbola, J.A. (2022). Determinants of audit quality in nigeria: evidence from listed consumer goods sector in nigeria. *Academy of Accounting and Financial Studies Journal, 26*(1), 1-14. https://www.researchgate.net/publication/356645723_Determinants_of_audit_quality_in_nigeria_evidence_from_listed_consumer_goods_sector_in_nigeria

35) Juan, P. C.(2022). 4 types of financial risks. https://www.piranirisk.com/blog/4-types-of-financial-risks

36) Kajola, S. O., Sanyaolu, W. A & Adeyemi, A. A (2021). Audit firm characteristics and financial reporting quality: evidence from Nigerian listed deposit money banks. *Journal of Humanities, Social Science and Creative Arts,* 16(1), 16-30. https://www.researchgate.net/publication/366973305_

37) Khairul, A. K., Wan, A. W. I. & Jessieca, C. (2019). Non-audit services and the corporate governance of audit clients. *Accounting Review* 18(1):32 DOI:10.24191/mar.v18i1.824

38) Khurram, Ashfaq, Adil Riaz, & Ilyas, S. (2023). Non-audit services and audit quality: Moderating role of audit partner attributes. *Contemporary Issues in Social Sciences and Management Practices* 2(1), 1-10. https://www.cissmp.com/index.php/CISSMP/article/view/26/15

39) KPMG. (2022). Insurance. Retrieved from https://home.kpmg/ng/en/home/industries/insurance.html

40) Krishnan, G. V., & Visvanathan, G. (2008). Does the SOX definition of an accounting expert matter? The association between audit committee directors' accounting expertise and accounting conservatism. *Journal of Accounting and Public Policy*, 27(4), 301-327. https://doi.org/10.1506/car.25.3.7

41) Krishnan, J., & Schauer, P. C. (2000). The effect of auditor reputation, reporting lag, and clients' litigation experience on non-audit service fees. Auditing: *A Journal of Practice & Theory, 19(2), 1-24.* DOI:10.2308/aud.2000.19.2.9https://www.researchgate.net/publication/240303177_The_Differentiation_of_Quality_Among_Auditors_Evidence_From_the_Not-For-Profit_Sector

42) Lancksweerdt, L., Van Caneghem, T., & Reheul, A. M. (2021). Accruals management to avoid the current ratio falling below one: An empirical analysis among nonprofits. *Nonprofit and Voluntary Sector Quarterly*, *50*(3), 578-597. DOI:10.1177/0899764020977677

DOI: 10.5281/zenodo.10559732

43) Larry, R.B, David, N. R. & Greg, T. (1983).Audit efforts, audit fees and the provision of nonaudit services to clients. *The Accounting Review,* 68 (1), 135-150. https://www.jstor.org/stable/248370

44) Nam, H. (2023). Local competition and auditors' provision of non-audit services, Advances in Accounting, 63,100678,https://doi.org/10.1016/j.adiac.2023.100678.

45) National Insurance Commission (NAICOM). (2022). Retrieved from https://www.naicom.gov.ng/

46) Ojo, M. (2009).Regulating non audit services: Towards a principles based approach to regulation. MPRA paper, https://ideas.repee.org/p/pra/mprapa/19408

47) Okaro, S.C, Okafor, G.O & Okoye, E. (2016), Non- Auditing Services and Audit Quality in Nigeria-Perspectives and Issues. *African Banking and Finance Review Journa*l (ABFRJ) International Open Access Journal, 1(1) www.abfrjournal.com

48) Okoye, E. I. Ajala, A.M &Adeniyi, S.I (2023). Impact of auditor's specialization and non-audit services on audit quality: Nigeria experience. *African Banking and Finance Review Journal (ABFRJ)* International Open Access Journal, 1(1), 1-12.| www.abfrjournal.com

49) Onulaka, P.N., Shubita, M.F. and Combs, A. (2019). Non-audit fees and auditor independence: Nigerian evidence. *Managerial Auditing Journal*,. 34 (8),. 1029-1049. DOI: https://doi.org/10.1108/MAJ-06-2017-1576 Link to Leeds Beckett Repository record: https://eprints.leedsbeckett.ac.uk/id/eprint/5865/

50) Osarugue, E. S., Mathias, O. U. Simon, O. P.,& Nwachukwu, M. (2021). Impact of non-audit fees on financial reporting quality of listed deposit money banks in Nigeria. *Journal of Accounting and Management Sciences* 2 (1), 65-75 Https://Lbrucepublications.Com/Wp-Content/Uploads/2023/06/Impact-Of-Non.Pdf

51) Otto G, (2012). Financial Sector performance and economic growth in Nigeria. African Journal of Business Management 6 (6), 2202-2210,2012. https://www.researchgate.net/publication/261673138_Financial_sector_performance_and_economic_growth_in_Nigeria

52) Patel, A. & Prasad, P. (2013). Auditor independence, audit fees lowballing, and non-audit services: Evidence from Fiji. *Global Journal of Business Research,* 5 (2), 103-120, 2013, https://ssrn.com/abstract=2323693

53) Pedro C., Alexandre, M. & Carlos, L. (2015). The relationship between non-audit fees and audit quality: dealing with the endogeneity issue ***Journal of Service Theory and Practice*** 25(6):777-795 DOI:**10.1108/JSTP-07-2014-0163**

54) PWC. (2021). Non-audit services: An opportunity for transformation. Retrieved from https://www.pwc.com/us/en/services/

55) PwC. (2022). Actuarial services. Retrieved from https://www.pwc.com/ng/en/services/actuarial-services.html

56) Quick, R., Sánchez Toledano, D., & Sánchez Toledano, J. (2023). The impact of auditor-provided nonaudit services on audit quality: A review of the archival literature. *Corporate Ownership & Contro*l, 20(2), 93–112. https://doi.org/10.22495/cocv20i2art8

57) Reheul, A. M., Van Caneghem, T., Van den Bogaerd, M., & Verbruggen, S. (2017). Auditor gender, experience and reporting in nonprofit organizations. *Managerial Auditing Journal*. DOI:10.1108/MAJ-01-2016-1296

58) Svanström, T., & Sundgren, S. (2012). The demand for non-audit services and auditor-client relationships: Evidence from Swedish small and medium-sized enterprises. *International Journal of Auditing,* 16(1), 54-78. DOI:10.1111/j.1099-1123.2011.00441.x

ISSN 1533-9211
DOI: 10.5281/zenodo.10559732

59) Wigglesworth, M.J., Shubita, M. & Combs, A. (2023), Audit committee characteristics as determinants of non-audit fees in UK FTSE 350 companies, *International Journal of Organizational Analysis*, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/IJOA-11-2022-3488

60) Ye, P. (2005). Determinants of non-audit services and threats to auditor independence. A thesis submitted in partial fulfilment of the requirements for the degree of Master of Commerce (Honours) of the University of New South Wales. DOI: https://doi.org/10.26190/unsworks/11121

61) Ye, P., Carson, E., & Simnett, R. (2011). Threats to auditor independence: The impact of relationship and economic bonds. *Auditing: A Journal of Practice & Theory,* 30(1), 121-148. https://doi.org/10.2308/aud.2011.30.1.121

62) Zhu, Y., Van C, T., & Simac, I. (2022). Determinants of auditor-provided non-audit services in the non-profit sector. *Working paper*. PDF] kuleuven.be.