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Audit quality and the financial performance of multinational companies in Nigeria

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Abstract
This research focused on assessing how audit quality influence the financial performance of multinational companies in Nigeria. The study used secondary data which were obtained from the financial accounts of 10 listed multinational companies in Nigeria. Two performance indices (Return on Assets - ROA and Return on Equity - ROE) were considered in this study while audit quality was measured with 4 variables (Audit Report Timeliness - ART, Joint Audit - JAU, Audit Tenure - ATE and Audit Fees - AUF). Two hypotheses were advanced and tested with the robust regression technique. Findings indicate that the financial performance of firms as measured by ROA and ROE is not significantly influenced by audit fees and tenure respectively. Contrary to this, it was further observed that audit report timeliness and joint audit exert significant influence on the trend of ROA and ROE of multinational companies operating in Nigeria over time. In view of this outcome, we recommend amongst others that multinational companies should be deliberate in achieving progressive reduction in audit time lag for future years. This can be achieved by making the tasks of external auditors easier through improvement in the systems of internal controls and maintaining high compliance levels with established standards and relevant reporting frameworks.

Keywords: Return on assets, return on equity, audit fees, audit tenure, joint audit, audit report timeliness

1. Introduction

Auditing is one aspect of the accountancy profession that guarantees the extent of credibility and reliability of financial information upon which critical decisions of users hinge on. This accounts for why Amahalu and Obi (2020) [4] notes that auditors are gatekeepers that protects investors and other stakeholders from financial statements that may possibly have material misstatements which could distort their perception of a company's financial health. Adenle, Anyanwu, Okafor and Oyaleke (2022) [1], identified multiple factors that had continuously driven the demand for audit services. Significant among them are issues relating to the presence of information asymmetry between investors and management, conflicts of interest, and the ever-growing complexity of business transactions. Consequently, high-quality audits have become essential, not only for fair and transparent financial reporting, but is presumed to be relevant in fostering investor confidence.

In the works of De Angelo (1981) [12] a crucial link was established between audit quality and earnings management. It was copiously argued that high-quality audits effectively deter and detect financial manipulations, thereby bolstering the integrity of financial statements. This, in turn, inspires investor confidence, thereby leading to increased demand for companies' shares and a corresponding rise in market value. The outcome of recent studies (Kaur & Kaur, 2023; Li, Liu & Wu, 2024) [29, 30] support this notion by highlighting the positive impact of robust audit practices on investor sentiment and stock prices.

Noteworthy, while corporate scandals like the cases of Enron, Worldcom, Parmalat, Global Crossing (Monye-Emina & Jeroh, 2014; Amahalu, Egolum & Obi, 2019) [32, 6] highlight the potential consequences of deficient audit practices, the concepts of performance and the quality of audits of firms remains fundamental in the sphere of corporate reporting and has attracted increased research interests (Jeroh, 2018; Jeroh, 2020; Ukolobi & Jeroh, 2020; Ozegbe & Jeroh, 2022) [28, 25, 42, 38]. Such known financial scandals have spurred renewed interests in improving financial reporting and audit quality while enhancing stakeholders' confidence.

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Nevertheless, while we note that studies on audit quality abound (Van Tendeloo & Vanstralaen, 2018; Ekwueme & Olufemi, 2020; Ozegbe & Jeroh, 2022) [43, 13, 38], it is pertinent to mention that to the best of the researchers' knowledge, existing research outcomes particularly in Nigeria have not clearly explained the influence which audit quality measures (audit fees, tenure, joint audit and audit report timeliness) have on the performance indices (ROA and ROE) of multinational companies. This creates a research gap which the current study sets out to fill by examining the statistical linkage between various measures of audit quality (audit fee, joint audit, audit tenure and audit report timeliness) and the performance indices (ROA and ROE) of multinational companies operating in Nigeria.

2. Literature and Hypotheses Development
2.1 Conceptual Review
2.1.1 Financial Performance
Financial performance is a term that describes the multifaceted indicators used in assessing the overall health of companies. Grimsley (2018) [17] describes firm performance as a reflection of managerial effectiveness in utilizing assets to generate revenue and create values for shareholders. According to Hofstrand (2018) [18] an assessment of the financial performance of firms provides requisite foundation for informed policy and strategic decisions relating to an entity.

Apparently, the performance level attained by firms in a given year plays a pivotal role in driving future policy changes. In essence, whatever performance recorded today becomes useful in assessing the efficacy of a company's policies and strategies and all efforts put in place towards actualizing set targets.

No doubt, financial statements are highly relevant in the performance evaluation process, as they offer valuable data that provides insights into a firm's operational and financial health. Hofstrand (2018) [18] believes that the evaluation of firms should begin with an examination of the extent to which an entity was able to fulfil the objectives set forth by its corporate board and management/executives. One key metric in this evaluation process is Return on Assets (ROA). ROA is a profitability ratio that reveals whether a firm has efficiently utilized its total assets in the area of income generation. Thus, higher ROA values are indicants of management's adeptness in leveraging scarce resources to maximize returns. Another useful performance metric is Return on Equity (ROE) which measures an entity's efficiency in generating profit in a particular financial year. Higher values of ROE imply that a company is effectively converting available equity financing components into profits.

2.1.2 Audit Quality Conceptualized
Defining audit quality has remained elusive given its multifaceted nature. While De Angelo (1981) [12] equates it to the probability of detecting and reporting material misstatements, emphasizing both technical capabilities and auditor independence, Alwardat (2019) [2] simplifies it to recognizing inaccuracies in financial statements. Atlass (2023) [8] highlights the importance of auditor attributes on the quality of audit and by extension, the overall financial statement quality. While previous researches have applied different metrics in quantifying audit quality as a measurable concept, the obvious is that there seem to be no

universally accepted specific measure of audit quality. Widely used in the operationalization of audit quality as evinced in the literature includes but not limited to audit fees, opinion, audit size or type, reporting lag, joint audit and audit tenure. Researches have also expanded the definition/measurement of audit quality to encompass various factors like audit plan, staff, timing, risk assessment, and accounting knowledge (Gaynor, Kelton, Mercer & Yohn, 2016; Esplin, Jamal & Sunder, 2018; Soyemi, 2020) [16, 15, 40].

Recognizing the crucial role of information quality in capital markets, Soyemi (2020) [40] emphasizes the need for timely, accurate, reliable, and relevant information, which forms the core of a quality audit. Drawing upon these diverse perspectives, this study defines audit quality as the combined ability to detect and report material misstatements, thereby influencing stakeholder assurance and confidence in the credibility and reliability of clients' financial statements as a basis for economic decisions. This ability hinges on several audit attributes like audit firm size, tenure, experience, fees, industry specialization, and audit opinion, which collectively enhance stakeholders' reliance on financial statements for informed decision-making.

2.2 Audit Quality and Financial Performance
2.2.1 Audit report timeliness and financial performance
The timeliness of annual financial reports holds paramount importance, directly impacting the usability of information presented to external users. As Amahalu, Okeke and Obi (2017) [5-7] aptly highlight, high-quality audits add significant value to investors, who often rely on such audited statements for decision-making.

Studies have operationalized audit quality with audit report lag (ARL). ARL is the time elapsed between a company's year-end and the time of issuance of its audit report. Ibrahim, Mansor and Ahmad (2020) [20] shed light on the multifaceted interplay impacting ARL, suggesting that while audit effort can extend the lag, incentives for timely reporting and structured audit strategies can effectively curtail it. Furthermore, Alzoubi (2019) [3] emphasizes the detrimental impact of audit delays on the quality of audit report, and by extension, financial reporting quality. This is because longer ARL may deprive investors of access to timely information critical for informed decision-making. While previous studies (Ayora & Ogeto, 2022; Ozegbe & Jeroh, 2022) [9, 38] provides insight on the link between selected measures of audit quality and firm performance, their findings have not provided explanation on the associated link between ARL and performance indicators (ROA and ROE) of multinational companies operating in Nigeria. This partly forms the thrust for this current study.

2.2.2 Audit Tenure and Financial Performance
Several discourse on audit quality have highlighted the importance of considering audit tenure as a measure of quality and this has sparked renewed interests in the ongoing debate on the merits of rotation versus long-term relationships (Atlass, 2023) [8]. Studies have explored this association from diverse perspectives, producing mixed results that highlights both positive and negative influences of tenure on audit quality (Cheng, Chen & Chen, 2018) [10].

Noteworthy, researchers have grappled with the optimal approach of ascertaining whether frequent rotation fosters independence and skepticism; or whether prolonged

engagement facilitates deeper client understanding and efficiency. Arguably, one major contentious argument has been on ascertaining what constitutes long or short tenure. In resolving this, some studies have defined short tenure as audit engagements that consistently lasts for a period of 2-3 years, while audit engagements for periods between 4 - 8 years are categorizes as medium tenure engagements (Sayyar, Bashiruddin, Abdul-Rasid & Elhabib, 2018) [39]. Where the tenure extends to 9 years and above, such could be categorized as long tenure (Sayyar, Bashiruddin, Abdul-Rasid & Elhabib, 2018) [39]. Recognizing that audit tenure may be long or short, studies have pointed that the length of tenure may possibly be a good measure of audit quality, and have examined how tenure (number of days/months) may have impacted on variables like financial performance, reporting quality, earnings management among others. While noting that prior research findings provides guidance to this current research by explaining how the length of tenure (number of days/months) affects performance and other measures of firm specific variables, it is clear that the influence of the nature of audit tenure (whether long or short) on financial performance measures remain unresolved particularly as it pertains to listed multinational companies operating within Nigeria. This again, partly forms this current study's thrust.

2.2.3 Audit Fees and Financial Performance
Audit fees represent the monetary compensation received by auditors for their professional services. It is the fee charged for expressing an opinion on the fairness and accuracy of a client's financial statements (Amahalu & Obi, 2020; Emma-Achomba & Emudainohwo, 2022) [4, 14]. In practice, audit fees mostly charged on the basis of the magnitude of work done in course of the audit so that the amount charged as professional fees encompass charges for annual audits and financial statement reviews (Monye-Emina & Jeroh, 2022; Miebi & Akpoveta, 2023) [33, 31].

Noteworthy, the specific amount paid by respective firms to their clients as audit fees varies depending on several factors which sometimes includes the nature and complexity of services required/rendered, the inherent risk associated with the engagement/assignment, the cost structure of the audit firm, the level of expertise needed, and various other professional considerations. In the course of this research therefore, effort was made to ascertain whether performance indices of reporting entities are significantly influenced by the magnitude of sums paid as audit fees by such firms.

2.2.4 Joint Audit and Financial Performance
In the course of audit engagement, the concept of joint audit emerges as a collaborative approach where two or more independent firms share the responsibility of examining a client's financial statements in a given (that is, the same) audit engagement. It involves the initial preparation of separate audit plans and distinct reports which are submitted by each firm and ultimately combined by a designated lead auditor who issues a single, consolidated opinion (Amahalu, Egolum & Obi, 2019) [6]. Elaborating further, Amahalu and Ezechukwu (2017) [5-7] highlight the collaborative aspects in a joint audit to include joint planning, allocated fieldwork, and interfirm review of each other's work. This allocation can be rotated periodically to mitigate familiarity risks.

Notably, critical group-level issues like consolidation are tackled jointly, culminating in a unified report presented to various stakeholders, including management, audit committees, regulatory bodies, and the public (Miebi & Akpoveta, 2023) [31].

As observed, studies that favoured the system of joint audit argue that it contributes significantly and positively to the quality of the opinion made at the end of the engagement, and by extension, the audit quality. It becomes relevant to examine whether joint audit as a measure of quality affects the performance of listed multinational companies operating in Nigeria.

2.3 Hypotheses
Given the presentations in the previous section of this paper, it is necessary to draw a conceptual underpinning that aligns the dimension of audit quality with selected measures of firm performance, while advancing relevant hypothetical postulations that guides the study.

In light of the aforementioned, since audit quality is operationalized by four dimensions (audit report timeliness, audit tenure audit fees and joint audit) and performance, by two indicators (ROA and ROE); this study however hypothesize as follows:

H$_{O1}$: Measures of audit quality do not have significant influence on the ROA of multinational companies in Nigeria.

H$_{O2}$: Audit quality measures do not have significant influence on the ROE of multinational companies in Nigeria.

3. Research Methodology
3.1 Design and Research Approach
This study adopts an *ex-post facto* research design to investigate the relationship between audit quality and financial performance in Nigerian multinationals. This choice aligns with the nature of the dataset under examination. The data were collected over a ten-year period (2013-2022) from the annual financial statements of multinationals listed on the Nigerian Exchange (NGX). The Robust Regression method which addressed potential issues of endogeneity and exogeneity was employed for analytical purpose. Both descriptive, correlation and relevant diagnostic tests were conducted to provide a comprehensive understanding of the nature of the collated data.

Based on the study's objective, the linear models (*Eqn.1* and *Eqn.2*) were designed to guide this study:

Model One
$$ROA_{it} = \beta_0 + \beta_1 ART_{it} + \beta_2 ATE_{it} + \beta_3 JAU_{it} + \beta_1 AUF_{it} + \varepsilon_i$$
Eqn.1

Model Two
$$ROE_{it} = \beta_0 + \beta_1 ART_{it} + \beta_2 ATE_{it} + \beta_3 JAU_{it} + \beta_1 AUF_{it} + \varepsilon_{it}$$
Eqn.2

3.2 Variable Definition
The variables used in this study are defined with reference to their description and measurements as presented in Table 1.

Table 1: Variables Description and Measurement

Variable	Definition	Labels	Measurement
Dependent Variables	Return on Asset	ROA	Net Income divided by Total Asset.
	Return on Equity	ROE	Net Income divided by Average Shareholders' Equity.
Independent Variables	Audit Fees	AUF	Logarithm of the sum paid to external auditors as audit fees in a given year.
	Audit Tenure	ATE	Dummy variable is used. If audit firm rotation happens in the current year, it will equal 1 indicating a change of auditor, otherwise 0, indicating no change.
	Audit Report Timeline	ART	The number of days between the balance sheet date of a company and the date audit report was signed.
	Joint Audit	JAU	Dummy variable of 1 if the target company is audited by 2 separate auditing firms in a particular year; otherwise 0, where a firm is audited by a single accounting firm.

*Source***:** Researchers' Compilation, 2024

4. Results and Discussion
4.1 Descriptive Statistics

Table 2: Summary of Descriptive Statistics

Variables	Mean	Std. Dev.	Min	Max	Skewness	Kurtosis
ROA	1.14474	21.61082	-179.9173	26.4935	-5.63497	46.43592
ROE	15.67784	68.07156	-265.6842	480.5528	3.25017	27.58702
AUF	0.05079	0.07172	0.0131	0.7369	8.10996	77.63923
ART	104.0455	85.99236	33	471	2.72737	10.03184
JAU	0.09091	0.28879	0	1	2.84605	9.1
ATE	0.80909	0.39482	0	1	-1.57291	3.47405

*Source***:** Researchers' Computation, 2024.

Table 2 presents the result relating to the descriptive statistics that adopts relevant measures of central tendencies to describe the nature of the data collated for each of the study's variables. Noticeably, ROA recorded a means value of 1.1447 with 21.61081 as its corresponding standard deviation. The values for ROA ranged between -179.9173 (minimum value) and 26.4935 (maximum value). The standard deviation of 21.61082 for the mean ROA is large, with skewness and kurtosis values of -5.63497 and 46.43592 respectively indicating significant non-normality of the data. Similarly, ROE which had a mean value of 15.67784 (approximately) and standard deviation of 68.07156, also demonstrates significant variability, with data trend deviating from a normal curve. Nevertheless, the audit quality measures, particularly AUF, JAU and ATE, had low standard deviations, thus indicating low level of variability or deviation from their respective mean values.

4.2 Correlation Analysis

Table 3: Result of Correlation Analysis

Variable	ROA	ROE	AUF	ART	JAU	ATE
ROA	1.0000					
ROE	0.0878	1.0000				
AUF	0.0111	-0.0301	1.0000			
ART	-0.0966	-0.1334	0.2067	1.0000		
JAU	0.1556	0.0422	0.0311	-0.1062	1.0000	
ATE	-0.0200	0.0616	0.0647	-0.0589	-0.0073	1.0000

Source: Researchers' Computation, 2024

The correlation analysis results in Table 2 provide insights into the relationships between variables representing audit quality and financial performance in multinational firms in Nigeria. The correlation coefficients between Return on Assets (ROA) and other variables are generally low, with the strongest correlation observed with Joint Audit (JAU) at 0.1556. Return on Equity (ROE) shows a minimal positive correlation with ROA (0.0878), indicating a limited association between these two financial performance measures. Audit Fees (AUF) and audit report timeliness (ART) display weak and negative correlations with ROA and ROE. Notably, joint audit (JAU) exhibits a moderate positive correlation with ROA and a minimal correlation with ROE whereas, audit tenure (ATE) exhibits negative correlations with ROA, yet a positive correlation with ROE. Observably, no pair of correlation coefficient exceed the maximum required threshold of 0.8 permissible for analytical purposes (see Izukwe & Jeroh, 2022; Ogieh & Jeroh, 2022; Jeroh & Efenyunmi, 2022) [22, 34, 24].

4.3 Diagnostic Tests
4.3.1 Multicollinearity Test

Table 4: Variance Inflator Factor Results for Independent Variables

VIF Outcomes		
Variable	VIF	1/VIF
ART	1.06	0.93918
AUF	1.05	0.94839
JAU	1.01	0.98546
ATE	1.01	0.99003
Mean VIF		1.04

*Source***:** Researchers' Computation, 2024

Table 4 unveils the results of the Variance Inflation Factor (VIF) analysis for independent variables (financial performance indicators). The VIF assesses whether multicollinearity is present among predictor variables, and in this context, the variables include Audit Report Timeliness (ART), Audit Fees (AUF), Joint Audit (JAU), and Audit Tenure (ATE). The VIF values for all variables are close to 1, with ART having the highest VIF of 1.06. The mean VIF across all variables is 1.04, indicating that multicollinearity is not a significant concern as all VIF values are well below the commonly used threshold of 10

(see Jeroh & Ekwueme, 2015; Jeroh, 2016; Jeroh 2020a; Otiedhe & Jeroh, 2022; Okolie & Jeroh, 2022) [23, 27, 26, 27,]. The reciprocal of the VIF (1/VIF) further supports these findings, with values close to 1, suggesting that there is no severe multicollinearity among the independent variables.

4.3.2 Homoscedasticity Test

Table 5: Breusch and Pagan Lagrangian Multiplier test

Result	chi2(1) = 6.41; Prob>chi2= 0.0114

Source: Researchers' Computation, 2024

The Breusch-Pagan Lagrangian Multiplier test in Table 5 yields a chi-squared statistic of 6.41 with a corresponding p-value of 0.0114. The test is employed to assess the presence of heteroskedasticity in the regression model. The statistically significant p-value (less than the common significance level of 0.05) suggests evidence of heteroskedasticity in the residuals, indicating that the assumption of constant variance in the model may be violated. In light of this result, the robust regression technique was considered appropriate in testing the postulated hypotheses of the study.

4.4 Test of Hypotheses and Discussion
4.4.1 Outcome for Test of Hypothesis One

Table 6: Robust Regression Outcome For Model I

Dependent Variable: Return on Assets (ROA)					
Variables	Labels	Coef.	Std. Err	t-stat	p-value
Audit Fees	AUF	-2.34995	6.92939	-0.34	0.735
Audit Report Timeliness	ART	-0.01595	0.00581	-2.75**	0.007
Joint Audit	JAU	7.83177	1.68819	4.64**	0.000
Audit Tenure	ATE	0.53599	1.23200	0.44	0.664
Constant	_CONS	4.79545	1.30487	3.68**	0.000
F(4, 105)	=	8.35**	Prob > F	=	0.0000

Source: Researchers' Computation
*significant at 5%; **significant at 1%

Outcome of the robust regression analysis with ROA as the response variable is displayed in Table 6. The outcome provides insights on the actual relationship between audit quality measures and Return on Assets (ROA) in the context of multinational firms in Nigeria. The coefficients for Audit Fees (AUF), Audit Report Timeliness (ART), Joint Audit (JAU), and Audit Tenure (ATE) indicate the nature of their respective association with ROA.

Notably, AUF and ART had negative coefficients, indicating that audit fees and audit report timeliness both have inverse relationship with ROA. Conversely, JAU and ATE obtained positive coefficients; thus, demonstrating the presence of a positive relationship with ROA. This outcome highlights the potential benefits of collaborative audit efforts in enhancing financial performance of reporting entities. The standard errors obtained are relatively low, implying a high level of precision of the models that estimated the relationship between audit quality measures and ROA. From the results of the t-stat, it is evident that audit fees (t-stat. = -0.34; p-value = 0.735) alone does not have significant influence on ROA. Similarly, audit tenure (t-stat. = 0.44; p-value = 0.664) alone does not have significant influence on

ROA. Evidently, the non-significant relationships of Audit Fees (AUF) and Audit Tenure (ATE) with ROA indicate that the fees paid for auditing services and the duration of the auditor-client relationship may not be significant determinants of the trends of ROA for multinational firms in Nigeria. This finding contradicts the position of Hyarat, Husin and Jos (2023) who maintained that audit fees exerts a positive and significant influence on ROA of firms. Further evidence from Table 5 indicate that audit report timeliness (t-stat. = -2.75; p-value = 0.007) and joint audit (t-stat. = 4.64; p-value = 0.000) individually exerts significant influence on the ROA of multinational companies in Nigeria. With the result of the F-stat which measures the joint ability of the predictor variables to explain variations in the trend of the dependent variable, the F-cal stood at 8.36 with a probability value of 0.001, indicating that the measures of audit quality jointly exert significant influence on the ROA of multinational firms in Nigeria. This however confirms the argument of several other studies within and outside Nigeria (see Iliemena & Okolocha, 2019; Chinedu, Nwoha & Udeh, 2020; Ozegbe & Jeroh, 2022) [21, 11, 38].

4.4.2 Outcome for Test of Hypothesis Two

Table 7: Robust Regression Outcome for Model II

Dependent Variable: Return on Equity (ROE)					
Variables	Symbols	Coef.	Std. Err	t-stat	p-value
Audit Fees	AUF	1.49958	14.49249	0.10	0.918
Audit Report Timeliness	ART	-0.03093	0.01215	-2.55*	0.012
Joint Audit	JAU	16.01526	3.53075	4.54**	0.000
Audit Tenure	ATE	0.29882	2.57667	0.12	0.908
Constant	_CONS	10.73827	2.72907	3.93**	0.000
F(4, 105)	=	7.58**	Prob > F	=	0.0000

Source: Researchers' Computation
*significant at 5%; **significant at 1%

Outcome of the robust regression analysis with ROE as the response variable is displayed in Table 7. The outcome provides insights on the actual relationship between audit quality measures and Return on Equity (ROe) in the context of multinational firms in Nigeria.

Notably, ART had negative coefficient, indicating that audit report timeliness exhibits an inverse relationship with ROE. Conversely, AUF, JAU and ATE obtained positive coefficients; thus, demonstrating the presence of a positive relationship with ROE. This outcome highlights the potential benefits of collaborative audit efforts and extended tenure in enhancing financial performance of reporting entities. The standard errors obtained are relatively low, implying a high level of precision of the models that estimated the relationship between audit quality measures and ROE. From the results of the t-stat, it is evident that audit fees (t-stat. = 0.10; p-value = 0.918) alone does not have significant influence on ROE. Similarly, audit tenure (t-stat. = 0.12; p-value = 0.908) alone does not have significant influence on ROE. Evidently, the non-significant relationships of Audit Fees (AUF) and Audit Tenure (ATE) with ROE indicate that the fees paid for auditing services and the duration of the auditor-client relationship may not be significant determinants of the trends of ROE for multinational firms in Nigeria.

Further evidence from Table 6 indicate that audit report timeliness (t-stat. = -2.55; p-value = 0.012) and joint audit (t-stat. = 4.54; p-value = 0.000) individually exerts significant influence on the ROE of multinational companies in Nigeria. With the result of the F-stat which measures the joint ability of the predictor variables to explain variations in the trend of the dependent variable, the F-cal stood at 7.58 with a probability value of 0.000, indicating that the measures of audit quality jointly exert significant influence on the ROE of multinational firms in Nigeria. Overall, these findings offer valuable insights for multinational firms in Nigeria, suggesting that strategic considerations such as joint audit engagements could play a pivotal role in enhancing financial performance, particularly with respect to ROE of firms. The findings agree with those of Oroud *et al*. (2023) [37] and Soyemi, Tiamiyu and Omale (2023) [41] and Olutokunbo, Oyerinde and Muhammed (2023) [36].

5. Conclusion and Recommendations
This research ascertained the relative influence which audit quality measures may have on companies' performance with emphasis on ROA and ROE computed from the annual reports of multinational companies in Nigeria. The study's outcome underscores the need for companies to carefully consider the timing of audit reports, recognizing that more prompt submissions may impact financial metrics differently. Also, the positive correlation between joint audits and financial performance suggests that collaborative audit efforts can possibly ignite significant benefits to multinational firms. Thus, engaging in joint audits may be a strategic decision for companies seeking to enhance their returns (ROA and ROE). It is important to mention that the findings from this study provides valuable insights for practitioners as it offers a foundation for further research and refinement of audit quality strategies and measures in the context of multinational firms operating in Nigeria.

Based on the above, we recommend that:
- Multinational companies should be deliberate in achieving progressive reduction in audit time lag for future years. This can be achieved by making the tasks of external auditors easier through improvement in the systems of internal controls and maintaining high compliance levels with established standards and relevant reporting frameworks.
- Regulatory bodies should improve on their respective monitoring efforts to ensure that the availability of audit reports of companies do not go beyond the stipulated regulatory time frame.
- Firms should be encouraged to engage the services of joint auditors since it is believed to have the capacity of adding value to the credibility of financial information reported and by extension, future performance trends of companies.

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