

SUSTAINABILITY OF AUDIT QUALITY AMONG NIGERIAN EMERGING FIRMS: A THEORETICAL REVIEW

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Abstract

Audit quality is crucial for ensuring the transparency, reliability, and integrity of financial reporting, thereby reinforcing stakeholder trust and contributing to corporate governance and economic stability. Sustainability in audit quality extends beyond individual assessments to emphasize the consistent delivery of high-standard audits over time, which is particularly pertinent for Nigerian firms navigating complex institutional environments. However, this theoretical review examines the sustainability of audit quality within Nigerian emerging firms, a context characterized by dynamic economic growth, evolving regulatory frameworks, and distinct socio-cultural challenges. The review highlights the interplay of economic, regulatory, cultural, and institutional factors that influence audit quality in Nigeria. Economic instability, resource constraints, and market volatility are identified as critical impediments to sustaining high-quality audits. Similarly, weak regulatory frameworks and limited enforcement mechanisms undermine audit practices, while cultural dynamics including ethical norms and business traditions, further complicate the auditing landscape. Institutional factors, such as governance structures and professional associations, are pivotal in fostering a culture of accountability and maintaining audit standards. The paper identifies significant gaps in the existing literature, particularly regarding the unique challenges faced by Nigerian firms, and underscores the need for tailored theoretical frameworks. The paper also proposes actionable recommendations for policymakers, regulators, and practitioners to enhance audit quality sustainability, aligning local practices with global standards and leveraging technological advancements. Addressing these challenges, Nigerian firms can build robust financial systems that attract foreign investment, support market confidence, and promote long-term economic growth.

Keywords: Audit Quality, Sustainability, Nigerian Emerging Firms, Theoretical Review, Corporate Governance

1. Introduction

Audit quality is widely regarded as a measure of an audit's ability to detect and report material misstatements, thereby ensuring the accuracy, reliability, and transparency of financial statements. It provides stakeholders with assurance regarding the integrity of financial reporting,

serving as a critical component of corporate governance and market stability (Adeyemi & Fagbemi, 2020; DeAngelo, 2021). Sustainability in the realm of audit quality, on the other hand, extends beyond isolated assessments to emphasize the consistent provision of high-standard audits over time. This ensures not only the integrity of financial reporting systems but also the fostering of stakeholder trust, which is vital for sustaining business credibility and fostering economic resilience (Asiriuwa et al., 2022). In the context of Nigerian emerging firms, characterized by rapid economic development, evolving regulatory environments, and unique socio-economic conditions, sustaining audit quality takes on heightened significance. Nigerian firms operate within a dynamic interplay of opportunities and challenge that directly and indirectly impact audit quality. For instance, their growing economic potential and increasing attraction to foreign investments necessitate the establishment of robust financial reporting mechanisms to support transparency and accountability (Mensah & Enchill, 2023). However, such advancements are often counterbalanced by systemic challenges such as weaker institutional frameworks, resource constraints, pervasive corruption, and cultural diversity, all of which can undermine audit reliability (Adegbite & Amaeshi, 2023).

The integration of Nigerian firms into the global economy, accelerated by globalization, further amplifies the need for sustainable audit practices. This integration exposes these firms to heightened scrutiny from international investors and stakeholders, necessitating the alignment of audit practices with global standards to maintain investor confidence, mitigate financial risks, and support long-term economic growth (Siddiqui & Chowdhury, 2024). Despite the evident importance of audit quality sustainability in Nigerian emerging firms, this subject remains relatively underexplored in academic research. Much of the existing literature has predominantly centered on developed economies, where well-established institutional and regulatory structures exist to support consistent audit performance. In contrast, Nigerian firms are often characterized by less mature governance systems, varying levels of auditor proficiency, and distinct socio-economic contexts, all of which underscore the critical need for a focused examination of audit quality sustainability within this unique setting (Kamau & Rotich, 2020).

Additionally, existing theoretical frameworks addressing audit quality have not adequately accounted for the complex interplay of economic, regulatory, cultural, and institutional factors prevalent in Nigerian firms. The limited focus on such intricacies highlights a significant gap in the literature. There is an urgent need for comprehensive theoretical reviews and the development of conceptual frameworks tailored to the realities of Nigerian emerging firms, thereby enhancing our understanding of how these factors influence the sustainability of audit quality (Onyali et al., 2023; Zakari & Saidu, 2022). In achieving these objectives, the study seeks to contribute to the academic discourse on audit quality and provide a foundation for future empirical research in this critical area. The primary objective of this paper is to provide a comprehensive theoretical review of audit quality sustainability in Nigerian emerging firms. Specifically, the paper aims to:

- i. Synthesize existing theories and frameworks related to audit quality and sustainability.
- ii. Identify gaps in current research and highlight areas requiring further exploration, particularly in the context of Nigerian emerging firms.
- iii. Propose a conceptual framework that incorporates economic, regulatory, cultural, and institutional dimensions affecting audit quality sustainability.
- iv. Offer actionable recommendations for policymakers, regulators, and practitioners to enhance audit quality sustainability in Nigerian emerging firms.

This review focuses on the multifaceted factors influencing audit quality sustainability in Nigerian emerging firms, with particular emphasis on the following dimensions. The sustainability of audit quality in Nigerian emerging firms is influenced by several interrelated factors across economic, regulatory, cultural, and institutional domains. This theoretical review synthesizes existing literature to explore these determinants and their implications for audit firms operating in Nigeria, particularly as globalization and technological advancements shape the profession (Goh & Loon, 2023). Economic stability is crucial in determining audit quality sustainability. Financial volatility, economic fluctuations, and resource availability significantly affect the operational capacity of audit firms. In Nigerian markets, access to skilled labor and technological resources is often limited, which poses challenges in maintaining consistent audit quality (Salama & Zohdy, 2021). Furthermore, market instability, including inflation and currency fluctuations, compromises auditors' ability to uphold rigorous standards of reliability (Xie, 2022). As Nigeria experiences these economic shifts, audit firms are forced to adapt to evolving conditions that may hinder quality consistency.

The regulatory environment plays a vital role in the sustainability of audit quality. Effective enforcement of accounting and auditing standards, along with compliance mechanisms, is essential for promoting transparency and ensuring high-quality audits. Nigerian firms often face challenges in strengthening these frameworks, where the adaptability and enforcement of regulations directly impact auditors' ability to maintain quality standards (Choudhury & Kuila, 2023). Research highlights that evolving regulatory landscapes in Nigeria need continuous development to sustain audit quality (Ibrahim & Mordi, 2024). Cultural dynamics have a profound effect on audit quality. In Nigeria, local business practices, ethical standards, and societal perceptions influence auditors' decision-making processes. Factors such as client relationships, biases in judgment, and variations in trust levels across cultures can undermine professional skepticism and independence (Shah & Ibrahim, 2021). This underscores the importance of understanding the cultural context in which audits are conducted and its impact on professional judgment and the reliability of audit outcomes (Okafor, 2020).

Institutional maturity is pivotal for sustaining high audit quality. In Nigeria, the presence of strong governance structures, professional associations, and regulatory bodies shapes how audits are conducted. Well-established institutions help foster a professional culture that supports the consistent delivery of high-quality audits (Al-Rawashdeh et al., 2024). The development of such institutional frameworks is essential to overcome challenges in maintaining audit standards (Tariq & Abdul-Rahman, 2023). This review covers the theoretical underpinnings of audit quality sustainability, addressing the multi-dimensional nature of these factors. In addition, it explores challenges and opportunities posed by globalization and technological changes, which increasingly influence the audit profession worldwide (Goh & Loon, 2023). The review also considers stakeholder expectations, including those of investors, regulators, and the public, which are pivotal in shaping the future trajectory of audit practices in Nigerian emerging firms. The paper aims to provide a comprehensive framework for future research, integrating the interconnectedness of these domains.

2. Literature Review

2.1 Audit Quality

Audit quality plays a pivotal role in enhancing the credibility and reliability of financial reporting by ensuring the accuracy of financial statements. It represents the likelihood that an audit will uncover and report material misstatements, thereby reinforcing stakeholders' trust in the financial

disclosures of firms. High-quality audits enhance corporate accountability by providing stakeholders with transparent and trustworthy financial information (DeAngelo, 1981; Francis, 2004). The elements that contribute to audit quality are multifaceted, encompassing aspects such as auditor independence, technical competence, and adherence to ethical standards.

2.2 Key Dimensions of Audit Quality

2.2.1 Independence

Independence is the cornerstone of audit quality, ensuring that auditors can perform their duties objectively, free from external pressures or biases (DeAngelo, 1981). It involves both the independence of mind and the appearance of independence, which collectively help to minimize conflicts of interest, thereby enhancing the reliability of audit findings. Several studies have emphasized that a lack of independence compromises audit outcomes and raises concerns about the credibility of financial reporting (Chen et al., 2020).

2.2.2 Competence

Competence refers to the auditors' technical expertise, professional qualifications, and practical experience, which are essential in detecting financial misstatements (Francis, 2004). The body of literature highlights the significant role that ongoing professional development, certifications, and practical experience play in ensuring auditors' effectiveness in identifying material inaccuracies in financial reports (Brazel et al., 2014).

2.2.3 Ethical Standards

Adherence to robust ethical standards, such as integrity, objectivity, and professional skepticism, is crucial for maintaining audit quality (Velte, 2020). Ethical conduct helps auditors resist external pressures and ensures that audits are conducted with due diligence and care. Research emphasizes that organizational culture, leadership, and adherence to ethical frameworks significantly contribute to sustaining high audit standards (Knechel et al., 2013).

2.3 Sustainability in Auditing

Sustainability in auditing involves maintaining high-quality audits consistently over time, adapting to evolving business environments, and aligning audit practices with stakeholders' expectations. A sustainable audit framework is essential for ensuring that audits remain relevant and reliable in the face of challenges such as technological advancements and changing regulatory landscapes (Appelbaum et al., 2017). The sustainability of audit quality is contingent on various factors, including the effective integration of technology, continuous auditor training, and adherence to regulatory standards.

2.4 Factors Influencing Sustainability

2.4.1 Technology

The adoption of advanced technologies such as artificial intelligence (AI), data analytics, and blockchain has significantly transformed auditing practices (Appelbaum et al., 2017). These technologies have enhanced the efficiency, accuracy, and fraud detection capabilities of auditors, thereby contributing to more sustainable auditing practices. Research has demonstrated that technology adoption improves audit quality, reduces human error, and allows auditors to process vast amounts of data effectively, thus bolstering the reliability of financial statements (Alles, 2015).

2.4.2 Training and Development

Ongoing professional development is crucial for auditors to remain updated on the latest regulatory standards, auditing methodologies, and technological innovations (Brazel et al., 2014). Studies have underscored the importance of structured training programs, knowledge-sharing platforms, and continuous education in sustaining audit quality over time, particularly in an era of rapid regulatory and technological change (Simunic, 1984).

2.4.3 Regulatory Compliance

Adherence to stringent regulations and auditing standards is a critical factor for sustaining audit quality (Simunic, 1984). Strong regulatory frameworks, coupled with robust enforcement mechanisms, ensure that auditors comply with established standards. Recent research highlights that international harmonization of auditing standards and regulatory frameworks is crucial for maintaining consistency in audit practices (Chen et al., 2020).

2.5 Challenges in Nigerian Emerging Firms

Nigerian emerging firms face distinct challenges that undermine both the quality and sustainability of audits. These challenges often stem from weak regulatory environments, corruption, and economic instability, all of which can impede auditors' ability to provide accurate assessments of financial statements.

2.5.1 Challenges

2.5.1.1 Weak Regulatory Frameworks

In Nigerian emerging firms, regulatory oversight and enforcement mechanisms are insufficient, leading to lower audit quality. Studies have noted that the lack of clear penalties for non-compliance often results in the relaxation of auditing standards, thus compromising the reliability of financial reporting (Chen et al., 2020).

2.5.1.2 Corruption

Corruption poses a significant threat to audit quality, particularly in regions where it is endemic. Research reveals that in highly corrupt environments, auditors may face pressure to overlook irregularities, which undermines their independence and objectivity. As a result, the credibility of the audit process is significantly diminished (Hope et al., 2011).

2.5.1.3 Economic Instability

Economic fluctuations, such as recessions or periods of inflation, create significant uncertainty for firms and their financial reporting. Literature indicates that economic instability can exacerbate the risk of fraudulent financial reporting, as firms may manipulate financial data to meet stakeholders' expectations or conceal financial difficulties (Ghosh & Moon, 2005).

2.5.2 Best Practices for Sustainable Audit Quality

Drawing from global experiences, several best practices have emerged to address these challenges and foster sustainable audit quality. These practices include strengthening regulatory frameworks, investing in technology, building local auditing capacity, and promoting ethical standards.

2.5.3 Best Practices

2.5.3.1 Strengthening Regulatory Frameworks

One of the key strategies for improving audit quality is the establishment of independent regulatory bodies with adequate resources and authority. The Sarbanes-Oxley Act in the United States serves as a benchmark for creating strong oversight mechanisms that enhance audit quality (Cohen et al., 2008). Regulatory frameworks should be tailored to the specific needs of Nigerian emerging firms, ensuring effective enforcement and deterrence of malpractices.

2.5.3.2 Adopting Technology

The integration of cutting-edge auditing technologies, such as machine learning algorithms and blockchain, has proven to enhance the efficiency and accuracy of audits. In both developed and emerging markets, technological adoption has helped bridge gaps, improve audit outcomes, and increase stakeholders' confidence in financial reports (Alles, 2015).

2.5.3.3 Capacity Building

International collaborations and partnerships play a crucial role in strengthening the auditing capabilities of local firms. Programs initiated by global organizations, such as the International Federation of Accountants (IFAC), focus on knowledge transfer and professional development to help auditors stay abreast of international best practices (IFAC, 2019).

2.5.3.4 Promoting Ethical Standards

Establishing clear codes of ethics and conducting regular ethics training are fundamental for ensuring the integrity of auditors. Leadership within audit firms plays a critical role in cultivating a culture of ethical behavior, which mitigates the impact of corruption and other challenges to audit quality (Knechel et al., 2013).

By addressing these dimensions and challenges, Nigerian emerging firms can develop robust frameworks for sustaining high audit quality, ensuring financial transparency, and fostering long-term economic growth.

2.6 Theoretical Framework

In the examination of audit quality sustainability within Nigerian emerging firms, several theoretical frameworks provide critical insights into the factors influencing audit practices and outcomes. These frameworks, drawn from diverse disciplines such as organizational behavior, economics, and governance, help elucidate the complexities underlying audit quality. Among these, Agency Theory, Stakeholder Theory, Institutional Theory, and Resource Dependence Theory offer foundational perspectives that guide our understanding of the dynamics of audit quality in such contexts (Jensen & Meckling, 1976; Freeman, 1984; Pfeffer & Salancik, 1978).

2.6.1 Agency Theory

Agency Theory, first introduced by Jensen and Meckling (1976), examines the relationship between principals (such as shareholders) and agents (such as managers), focusing on the conflicts of interest that arise from the separation of ownership and control. In the context of audit quality, this theory highlights the importance of auditors as mechanisms to mitigate agency problems by independently verifying financial statements, thus enhancing the credibility of financial reports and reducing information asymmetry. The quality of audits is essential in lowering agency costs, fostering a more transparent and accountable relationship between the managers and the stakeholders (Jensen & Meckling, 1976).

In Nigerian emerging firms, where corporate governance structures are often less developed, agency conflicts are more pronounced (Ali & Hussainey, 2021). Weak regulatory frameworks and ownership concentration may exacerbate these issues, making the role of auditors critical in ensuring the accuracy and reliability of financial reporting. High-quality audits help reduce trust deficits in these environments, contributing to business sustainability (Hassan & Perera, 2020). Therefore, auditors serve as key players in addressing the heightened agency costs associated with such governance weaknesses.

2.6.2 Stakeholder Theory

Stakeholder Theory, as proposed by Freeman (1984), broadens the scope of corporate responsibility beyond shareholders to include a wider range of stakeholders such as employees, customers, suppliers, regulators, and the community at large. This theory posits that organizations have an ethical obligation to balance the competing interests of these diverse groups, which extends to the realm of audit quality sustainability. High-quality audits help ensure that organizations meet the expectations of these stakeholders, particularly in Nigerian emerging firms where business operations are often subject to greater risks and uncertainties (Al-Dhaafri et al., 2020).

In this context, regulators expect adherence to legal standards, investors demand reliable financial information, and the public seeks accountability from corporations (Bhasin, 2021). Stakeholder Theory emphasizes the role of audits in fostering stakeholder confidence, ensuring long-term business sustainability, and promoting trust in corporate governance practices. Moreover, audits act as a stabilizing force in environments characterized by fluctuating economic conditions and institutional vulnerabilities (Rani et al., 2020).

2.6.3 Institutional Theory

Institutional Theory focuses on the role of institutional pressures in shaping organizational behavior. It suggests that organizations conform to external norms, rules, and expectations to gain legitimacy and survive within a given institutional context (DiMaggio & Powell, 1983). In the audit profession, institutional pressures such as regulatory requirements, professional standards, and cultural expectations significantly influence the quality of audit practices.

Nigerian emerging firms often present a complex institutional landscape, marked by diverse regulatory environments, varying levels of enforcement, and differing cultural attitudes towards governance (Khan et al., 2021). Audit firms operating in these markets must navigate these institutional dynamics to maintain high standards of audit quality and legitimacy. Institutional Theory underscores the importance of aligning local audit practices with global standards while addressing institutional challenges such as inadequate enforcement or a lack of professional training. Consequently, this theory highlights the need for capacity-building efforts and strengthening regulatory frameworks to sustain the quality of audits (Mujtaba & Iqbal, 2020).

2.6.4 Resource Dependence Theory

Resource Dependence Theory, introduced by Pfeffer and Salancik (1978), explores how organizations manage their reliance on external resources to maintain operational stability. In the case of auditing, firms depend on various resources, including skilled personnel, technological tools, and institutional support, to deliver high-quality audit services. Resource constraints, particularly in Nigerian emerging firms, can pose significant challenges to sustaining audit quality. For example, limited access to qualified professionals, insufficient training programs,

and technological deficiencies may hinder the audit process, undermining its effectiveness (Zain et al., 2021).

Resource Dependence Theory emphasizes the importance of strategic partnerships, investments in capacity building, and the leveraging of technology to overcome these limitations. In Nigerian emerging firms, fostering relationships with international audit networks and improving access to resources can help mitigate these constraints and ensure the delivery of high-quality audits (Ali & Hussainey, 2021). Thus, this theory draws attention to the role of resource management in sustaining audit quality in resource-constrained environments.

2.6.5 Conceptual Linkages

The integration of these theories offers a comprehensive framework for understanding the sustainability of audit quality in Nigerian emerging firms. Each theory provides valuable insights into the multifaceted nature of audit practices. Agency Theory emphasizes the critical role of auditors in reducing agency conflicts through independent verification and transparency, Stakeholder Theory highlights the importance of meeting the expectations of various stakeholders, reinforcing the societal value of audits, Institutional Theory contextualizes audit practices within the regulatory, cultural, and professional frameworks that shape audit quality in Nigerian emerging firms, and Resource Dependence Theory focuses on how external resource constraints can influence audit quality, urging strategies to mitigate these challenges through resource management and capacity building.

Together, these theories illustrate the complexity of sustaining high-quality audits in Nigerian emerging firms. For example, addressing agency conflicts (Agency Theory) may require strengthening institutional frameworks (Institutional Theory) and aligning audit practices with global standards while addressing resource constraints (Resource Dependence Theory). Additionally, balancing stakeholder expectations (Stakeholder Theory) remains crucial to ensuring the legitimacy and effectiveness of audit processes. The integration of these theoretical perspectives provides a robust foundation for understanding the challenges and strategies involved in sustaining audit quality in Nigerian emerging firms. This theoretical framework not only informs academic research but also offers practical insights for policymakers, regulators, and audit practitioners. Strengthening audit quality in these firms is essential for promoting transparency, accountability, and long-term sustainability in the global business environment.

3. Discussion

3.1 Emerging Themes

The reviewed literature on audit quality sustainability in Nigerian emerging firms highlights several recurring themes crucial for understanding the dynamics of audit practices in this context. First, regulatory frameworks play a pivotal role. Studies consistently emphasize the importance of strong governance and enforcement mechanisms to uphold audit quality. However, the variability in regulatory maturity within Nigeria often results in inconsistent audit outcomes. Firms with robust oversight bodies exhibit higher levels of compliance and transparency compared to those operating under weaker institutional support.

Second, the role of audit committees emerges as a significant theme. The composition, expertise, and independence of audit committees are repeatedly linked to enhanced audit quality. Nigerian firms with audit committees comprising financial experts and independent members demonstrate better oversight and reduced incidences of audit failures. However, a lack of adequately skilled professionals in Nigeria poses a challenge to achieving optimal committee effectiveness.

Lastly, technological advancements and digital tools are increasingly recognized as enablers of audit quality. Automation, data analytics, and artificial intelligence (AI) have the potential to streamline audit processes, detect anomalies, and enhance accuracy. Nonetheless, the adoption of such technologies remains uneven, with many Nigerian firms struggling to invest in or adapt to these innovations due to cost constraints and limited technical expertise.

3.2 Challenges and Opportunities

3.2.1 Challenges

The sustainability of audit quality in Nigerian emerging firms faces several barriers. A primary challenge is the prevalence of weak institutional environments. Corruption, lack of transparency, and inadequate enforcement mechanisms undermine the effectiveness of audit practices. Additionally, Nigeria grapples with a scarcity of qualified auditors. The talent gap, exacerbated by limited access to professional training and certification programs, hinders the ability of firms to meet high-quality audit standards.

Another significant barrier is the resistance to change among stakeholders. Traditional audit practices, deeply entrenched in Nigeria, often conflict with modern methodologies and technologies. This resistance slows down the adoption of innovative tools that could otherwise enhance audit quality.

3.2.2 Opportunities

Despite these challenges, Nigeria presents unique opportunities to improve audit quality sustainability. The globalization of financial markets has increased pressure on Nigerian firms to align with international standards. This external push provides a compelling incentive for regulators and practitioners to enhance their audit practices.

Additionally, the growing emphasis on corporate social responsibility (CSR) and environmental, social, and governance (ESG) metrics has brought audit quality into sharper focus. Nigerian firms that integrate these metrics into their audit processes not only enhance transparency but also build investor confidence. Furthermore, partnerships with global auditing firms and institutions can facilitate knowledge transfer, capacity building, and the adoption of best practices.

3.3 Implications for Stakeholders

3.3.1 Regulators

For regulators, the findings underscore the need for stronger governance frameworks and enforcement mechanisms. Policymakers in Nigeria must prioritize the development and implementation of comprehensive regulations that mandate high-quality audit standards. Additionally, fostering an environment of accountability and transparency is critical for ensuring compliance.

3.3.2 Practitioners

Audit firms and professionals in Nigeria have a pivotal role to play in advancing audit quality. Investing in continuous professional development and adopting innovative tools and technologies can significantly enhance audit outcomes. Practitioners must also prioritize ethical practices and independence to maintain credibility and trust.

3.3.3 Academics

The academic community has a unique opportunity to contribute through research and education. Exploring the nuances of audit quality in Nigerian emerging firms, scholars can provide valuable insights and recommendations for improvement. Furthermore, academic institutions can bridge the talent gap by offering specialized programs and certifications tailored to Nigeria's needs.

While the path to achieving audit quality sustainability in Nigerian emerging firms is fraught with challenges, the opportunities for improvement are substantial. Through addressing the barriers and leveraging the identified themes, stakeholders can collectively enhance the robustness and reliability of audit practices, fostering greater confidence in financial reporting and governance systems.

3.4 Recommendations

- i. To sustain audit quality in Nigerian emerging firms, policymakers and regulatory bodies must take proactive measures as to:
- ii. Regulatory bodies should enforce comprehensive frameworks that mandate the transparency, accountability, and independence of auditors. These frameworks must be updated periodically to align with global best practices.
- iii. Establish and strengthen institutions responsible for monitoring audit practices. These institutions should be equipped with adequate funding, skilled personnel, and modern technology to ensure effective oversight.
- iv. Policymakers should harmonize local audit standards with International Standards on Auditing (ISA) to foster consistency and credibility across the profession.
- v. Introduce incentives, such as tax reliefs or professional accolades, for firms and auditors who demonstrate exemplary adherence to ethical standards and quality assurance.
- vi. Implement policies that require auditors to engage in ongoing training to stay updated with evolving standards and practices.

3.4.1 Practical Strategies

- i. To achieve sustained audit quality, firms and auditors must adopt the following strategies such that:
- ii. Firms should establish strong internal audit departments to provide an additional layer of scrutiny before external audits.
- iii. Auditors should minimize engagements that could lead to conflicts of interest. For instance, rotation of audit firms after a stipulated period can help maintain objectivity.
- iv. Incorporate advanced tools such as data analytics, artificial intelligence, and blockchain to enhance the accuracy and efficiency of audits.
- v. Management must foster an ethical corporate culture that prioritizes transparency and integrity, thus supporting the work of auditors.
- vi. Encourage open communication and collaboration between auditors, audit committees, and external stakeholders to address expectations and maintain accountability.

3.4.2 Research Directions

- i. Although this review highlights critical issues in audit quality sustainability, certain areas warrant further empirical investigation such as to:
- ii. Explore the moderating effect of firm size on the relationship between audit committees and audit quality, particularly in Nigerian emerging firms.

- iii. Conduct studies on how emerging technologies influence the reliability and efficiency of audits in developing economies.
- iv. Examine how cultural dimensions, such as power distance and collectivism, impact the adoption of global auditing standards.
- v. Assess the long-term impact of regulatory changes and policy implementations on audit quality in Nigerian emerging firms.
- vi. Conduct cross-country comparisons to identify best practices and unique challenges in sustaining audit quality in emerging economies.

4. Conclusion

The theoretical review underscores the criticality of audit quality sustainability in Nigerian emerging firms. Key findings reveal that robust regulatory frameworks, ethical practices, and technological advancements are essential drivers of sustained audit quality. Additionally, the review identifies firm-specific factors, such as size and governance structures, as pivotal in influencing audit outcomes.

Addressing audit quality sustainability is not merely a compliance issue but a strategic imperative that underpins investor confidence and market stability in Nigeria's emerging firms. Policymakers, practitioners, and academics must collaborate to create a conducive environment that prioritizes high-quality audits.

The theoretical contribution of this review lies in its comprehensive analysis of audit quality determinants, particularly within the context of Nigerian emerging firms. Integrating insights from policy, practice, and research, the review lays a foundation for future empirical studies that can further elucidate the complexities of audit quality in diverse economic landscapes.

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