

Auditors' Independence, Information Technology and Audit Quality in Public Sector: A Study of Government Parastatals in Southwest, Nigeria

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ABSTRACT

The impact of auditor independence and information technology on audit quality in government parastatals in Southwest, Nigeria was investigated. This study was motivated by the longstanding concerns about low audit quality, financial management and accountability, and weak oversight in the public sector. In particular, the study examined the auditor's tenure, provision of non-audit services, the use of computerised accounting systems and audit software and digital tools as components of auditor independence and information technology. A mixed research design was used and a sample of 345 respondents from the respective offices of the Auditor-General for Southwest, Nigeria and Auditor-General for Local Government were used for data collection with a structured questionnaire. The analysis for the data was done descriptively, and simple regression analysis on SPSS software version 26. The regression results indicated that all the variables that explain the audit quality were positive and there was significant statistical difference among the various variables. The results revealed that the tenure of the auditor ($\beta = 0.515$, $p = 0.000$) and audit software/digital tools ($\beta = 0.434$, $p = 0.031$) had significant positive effects on audit quality. But the non-audit services provided by the auditors ($\beta = 0.498$, $p = 0.054$) and the adoption of computerized accounting systems ($\beta = 0.572$, $p = 0.076$) were positive but not statistically significant. The model summary showed that the independent variables are able to explain the variation in audit quality by about 41% ($R^2 = 0.412$), which can be considered as having relatively moderate explanatory power. The study suggests that auditor independence and information technology have significant effect on audit quality in government parastatals in Southwest, Nigeria. Overall, the study suggests that audit effectiveness and public sector accountability can be strengthened by implementing better audit tenure policies, increasing the use of digital audit tools and increasing the effectiveness of the implementation of computerised accounting systems.

Keywords: Audit Quality; Auditor Independence; Information Technology; Government Parastatals

INTRODUCTION

Transparency, accountability and effective stewardship of public resources are growing demands, which has led to audit quality becoming a key public sector governance concern internationally. In developing countries such as Nigeria, public funds are expected to be managed by government parastatals according to the statutory framework and accounting principles, but there is still a high concern arising from inefficiency, mismanagement and poor accountability. Audit quality is an important tool in transaction of the credibility of financial reporting and boosting the public trust of government institutions, according to the studies of Okafor and Ibadin (2023). Akinleye and Ogunmakin (2022) further stated that good audit promotes compliance to financial regulations and good decision making in public sector organizations. In Nigeria, public sector auditing still has its own set of

problems to overcome but it is far from achieving the desired role of maintaining financial control and accountability.

In the last few years, there has been a growing focus on the determinants of audit quality, such as auditor independence and the use of information technology. Auditor independence is viewed as a key element of producing credible audit outcomes, given that it ensures objectivity and will help to minimise the chances of bias in audit reporting. Manneh et al. (2025) found that auditor independence can improve audit quality, but this can be affected by institutional factors and other pressures. Likewise, the use of information technology in auditing practices has changed the nature of auditing, making it more efficient, accurate and data management oriented. Otuya (2024) noted that digitalisation of audit function provides an added value to audit performance by improving the reliability of the financial examination process and minimising the risk of errors. The use of technology and independence in a number of public sector institutions, however, is not uniform, which in turn impacts on the overall quality of the audit products.

In addition, the Southwest, Nigeria government parastatals are also set in a complex financial context where accountability and transparency are not easily realized. The use of technological tools by auditors has a significant impact on audit effectiveness, and information technology enhances audit transparency and control mechanisms in developing countries, explained by Mohammed et al. (2023), and Abeer (2024), respectively. Although these developments have taken place, there are still a number of problems preventing audit performance from being optimal: computerized accounting systems are not well implemented; audit software is not widely used; and auditor independence is restricted. The gaps in this study show that there is need for a thorough study of the influence of auditor independence and information technology on audit quality jointly in Southwest, Nigeria government parastatals. The study is thus aimed at addressing these issues based on empirical findings relating these variables in the context of the Nigerian public sector.

Statement of the Problem

In spite of various reforms in public finance management for accountability and transparency, audit quality has been a constant worry in public sector in Nigeria. Okafor and Ibadin (2023) noted that ineffective audit also leads to poor financial reporting, consequently leading to distrust of Government institutions among the public. In many government parastatals, there is no timely and accurate audit finding of financial irregularities which allows resource mismanagement to continue. Akinleye and Ogunmakin (2022) further illustrated that low quality audits hinder the effectiveness of audit oversight functions and compliance with audit standards. This has also resulted in some problems for the government institutions, including the lack of good financial disclosure, weak internal control systems, and lack of assurance of adequate use of public funds. The enduring problems suggest that the quality of auditing in public sector units is yet to attain the desired standard and needs a good deal of empirical interest, especially in the government parastatals of Southwest, Nigeria.

Moreover, studies have revealed that audit quality issues in public institutions are strongly linked to auditor-related aspects and technological issues. Manneh et al. (2025) found that auditor independence has a positive influence on audit outcomes, but this positive influence is limited in practice due to the institutional environment and external factors, particularly in the context of developing countries. In a similar vein, Otuya 2024 noted a lack of successful efforts to make widespread use of digital audit tools in the public sector, hindering efficiency and accuracy in audit procedures. The difficulties faced by the auditors in the exercise of their duties without bias or constraints, make their job more complex and difficult. As a result, the effectiveness of adoption of modern auditing technologies and audit independence of government parastatals remain a challenge to the credibility and reliability of the audit reports. This makes it difficult to get effective financial accountability and transparency in public sector.

Also, there is the growing concern that the combination of auditor independence and information technology has an impact on the quality of audit services in Southwest, Nigeria government parastatals. In their study, Mohammed et al., (2023) noted that the use and acceptance of technological tools by the auditor is a factor that greatly affects audit effectiveness, but the level of use is not uniform among the institutions. Moreover, Abeer noted that although information technology facilitates audit efficiency and transparency, there remains a gap in its implementation in some developing economies and weak technological integration. Although these findings have been obtained, not much research empirically examined the effect of the combination of these specific

dimensions on audit quality in Southwest, Nigeria public sector parastatals. The lack of comprehensive evidence is reflected on this, hence this study will attempt to address the gap in knowledge by exploring the relationship between the auditor independence and the effect of information technology on audit quality in government parastatals in Southwest, Nigeria.

Research Questions

The following questions were raised for this study:

- i. What is the effect of auditors' tenure on audit quality in government parastatals in Southwest, Nigeria.
- ii. How does auditors' non-audit service provision affect audit quality in government parastatals in Southwest, Nigeria.
- iii. To what extent does computerise accounting system affect audit quality in government parastatals in Southwest, Nigeria.
- iv. How does audit software and digital tools affect audit quality in government parastatals in Southwest, Nigeria.

Objectives of the Study

This study examines the effect of auditors' independence and informational technology on audit quality in government parastatals in Southwest, Nigeria. Specifically, the study:

- i. investigate the effect of auditors' tenure on audit quality in government parastatals in Southwest, Nigeria.
- ii. examine the effect of auditors' non-audit service provision on audit quality in government parastatals in Southwest, Nigeria.
- iii. assess the effect of computerise accounting system on audit quality in government parastatals in Southwest, Nigeria.
- iv. evaluate the effect of audit software and digital tools on audit quality in government parastatals in Southwest, Nigeria.

Research Hypotheses

The following null hypotheses (H_0) were formulated and tested a 0.05 significance level:

- i. Auditors' tenure has no significant effect on audit quality in government parastatals in Southwest, Nigeria.
- ii. Auditors' non-audit service provision has no significant effect on audit quality in government parastatals in Southwest, Nigeria.
- iii. Computerise accounting system has no significant effect on audit quality in government parastatals in Southwest, Nigeria.
- iv. Audit software and digital tools has no significant effect on audit quality in government parastatals in Southwest, Nigeria.

Conceptual Clarification

Auditors Independence

Benedict, Nyor and Ormin (2021) define auditor independence as the independence of auditor to perform their audit duties without bias or pressure from management or other external parties. Oziegbe and Odien (2022)

stated that auditor independence is the absence of any circumstances that may compromise the auditor's professional judgment and impartiality in conducting the audit. Okegbe, et. al. (2023) defined auditor independence as "the extent to which auditors are able to remain neutral and skeptical when looking into financial records and reporting audit results". In terms of auditor independence, Tonade, et. al. (2025) has defined it as the ability of auditors to give credible and unbiased financial evaluations that can enhance the quality of financial reports. The auditor independence has gained greater significance in the Nigerian public sector as the role of government is to manage public resource wisely. As the corruption, financial leakages and abuse of public funds became a growing concern, the need for auditors to be independent of political office holders and administrative pressures has grown. It is, therefore, expected that a public sector auditor in Nigeria will obey professional ethics, be objective and avoid associations or relationships which may affect his independence in performing statutory audit responsibilities.

Information Technology

Yakubu (2026) defined information technology as the use of computer systems and digital technologies to gather, manipulate, store and share financial and audit data in organizations. According to Oluwagbemi, Joshua and Achimugu (2021), information technology can be defined as a tool used by electronic information systems and communication technologies that enhance the efficiency of service and information handling and delivery within an organisation. According to Ibrahim, Danbatta and Dandago (2025), information technology is a strategic instrument used in public sector accounting and auditing to improve and ensure the accuracy of financial reports and promote regulatory adherence. According to Costanza-Chock, Harvey, Raji, Czernuszenko and Buolamwini (2023), information technology helps modern auditing processes by the use of digital monitoring systems, automated analysis and enhanced data verification processes. The adoption of Information Technology (IT) systems has become a major feature in the Nigerian Public Sector with the advent of electronic financial systems, digital financial accounting systems, integrated payroll systems, and automated audit software. Increasingly, government parastatals are using information technology to enhance record keeping, streamline financial reporting and audit procedures between ministries and agencies.

Furthermore, the use of IT in the public sector of Nigeria has revolutionized the audit process with regard to its speed, accuracy and reliability of financial information. Ibrahim, Danbatta and Dandago (2025) contended that by improving audit quality and enhancing financial accountability, technological integration in public sector accounting has created implementation challenges. Yakubu (2026) also noted that the adoption of information technology contributes to the quality of audit by providing better access to financial data, automated controls and better monitoring of financial transactions in government institutions. The application of information technology has greatly enhanced transparency in the public sector in Nigeria by minimizing errors in manual processes, eliminating the possibility of skewing financial information and ensuring access to financial information in real time. It has also added more transparency in government spending, facilitated fraud detection, and better adhered to public finance laws. Thus, information technology has enhanced public trust in government financial management and helped to fulfill the overall goal of the efficient and transparent government in Nigeria.

Audit Quality Practices in the Public Sector

According to Eze, Nweze and Ogbodo (2021), audit quality is the extent to which the audit is performed according to the professional standards and is able to identify and report the material misstatements in the financial statements. Akinleye and Ogunmakin (2022) stated that the quality of an audit is the credibility, reliability and accuracy of the audit process and reports generated by auditors in both private and public settings. Likewise, Yakubu (2026) defined audit quality as the level of assurance which the auditors give by examining the matter objectively, reporting accurately and complying with the ethical and professional requirements of auditing. The quality practices of audits have gained even more importance in the Nigerian public sector as a result of the growing concerns of corruption, financial mismanagement and lack of accountability in government institutions. Public institutions have a responsibility to uphold good audit practices to guarantee that public resources are used wisely and that the financial law and regulations are adhered to. Consequently, the implementation of audit quality practices like compliance auditing, risk-based auditing, performance auditing, and internal control evaluation are now part and parcel of financial administration in the public sector in Nigeria.

Theoretical Review

Agency Theory

In 1976, Michael C. Jensen and William H. Meckling put forth the Agency Theory. The theory provides a description of how principal (the owners or citizens) and agents (the managers or public officials charged with administering resources for the principals) relate to each other. Adeyemi and Fagbemi (2022) asserted that the lack of effective monitoring mechanisms will allow agents to act in their own self-interest at the detriment of the principals under Agency Theory. Also, Okafor and Ibadin (2023) noted that the theory assumes that there is information asymmetry as agents typically have more information available about an organization's activities than the principals. Therefore, to minimize conflicts of interests, to make sure that the resources are managed properly, and to be accountable, auditing is essential to provide assurance. In the public sector, government officials and administrators are agents responsible for the use of public funds for the benefit of the citizens. The Agency Theory has suggested that independent auditors and appropriate audit systems are needed to check government activities and to ensure that the financial reports provide a true and fair view of the operations of the public sector, Ibrahim and Danbatta (2025) opined. The theory also assumes that, with good internal control, professional independence, and reporting transparency, the incidence of fraud, corruption, and financial mismanagement in public institutions can be minimized.

Although relevant, Agency Theory received some criticism from some scholars for its great focus on economic self-interest and its assumption that all agents are opportunistic in nature. Oyerogba and Alamu (2025) pointed out that the theory fails to consider ethical values, trust, professionalism and social responsibilities that could impact the actions of public officials and auditors. Likewise, Yakubu (2026) stated that the theory places primary emphasis on monitoring and control whereas it ignores collaboration and institutional relationships in organisations. However, in the context of this study, the Agency Theory is still significant and can be used to give a sound account of the significance of auditor independence and audit quality in government parastatals. The theory backs the case for the need of independent auditors to decrease information asymmetry between government officials and the public by providing an independent examination of financial records. Moreover, Ibrahim and Danbatta (2025) argued that information technology strengthens monitoring processes, increases transparency, and increases accountability in the public sector. The government's institutions can use electronic audit systems and financial controls that will minimize the opportunity of financial record manipulation and enhance the credibility of audit reports. Hence, the Agency Theory is appropriate to explain the relationship between Auditor Independence, Information Technology and Audit Quality in Government Parastatals in Southwest, Nigeria.

Institutional Theory

Institutional Theory was propounded by John W. Meyer and Brian Rowan in 1977. Institutional Theory posits that organizations are looking for legitimacy, survival and public acceptance of their operations to adhere to the rules and norms in the environment (Akinleye and Ogunmakin, 2022). Okegbe, Ojimadu, Orajekwe and Egbunike (2023) saw the theory as a one that stresses the coercive influences from the regulatory bodies, the normative influences from the professional bodies, and the mimetic influences from the successful emulators. Nigerian public sector agencies, including government ministries, departments and parastatals are supposed to adhere to statutory requirements, accountancy standards and auditing principles laid down by the regulatory agencies and professional bodies. Yakubu (2026) said that the public institutions come up with audit procedures, auditor independence measures and information technology systems so as to obtain legitimacy, improve the operational efficiency and enhance public confidence on financial reporting practices.

Institutional Theory has been criticized, however, for ignoring the aspects of innovation and individual decision making and giving little consideration to organizational uniqueness and conformity. Adeyemi and Fagbemi (2024) note that institutions might only employ institutional practices for ceremonial purposes rather than them being fully and properly implemented. Although these criticisms were leveled against Institutional Theory, it is important to this study because it accounts for the adoption of independent auditing practices and information technology systems by the government parastatals in Southwest, Nigeria to meet the public sector financial regulation and professional standards. The pressure on public institutions to adopt effective audit procedures is

to ensure accountability and legitimacy with stakeholders and the public, explained Ibrahim and Danbatta (2025). The theory also helps create an understanding of the trend of public sector organizations in Nigeria adopting computerized accounting systems, electronic auditing tools and electronic financial management systems. This ensures that compliance to institutional requirements and to professional auditing standards improves audit quality, increases transparency and accountability in the management of public funds in the Nigerian public sector.

Empirical Review

Mohammed et al. (2023) studied the factors influencing the adoption of Computer Assisted Auditing Techniques (CAATs) in auditors in Kano state, Nigeria. The study particularly focused on the effects of PE, EE, FC, and SI on the willingness of auditors to use technological audit tools. The survey research design was used to collect data from 125 auditors from seventeen audit firms and analysed through ordered logit regression analysis. The results showed that the performance expectancy and effort expectancy have a significant impact on auditors' intention to adopt CAATs, while facilitating conditions and social influence are not statistically significant determinants. The authors found that auditor's attitudes toward usefulness and ease of use are factors that lead to the acceptance of technological audit systems. The study, therefore, suggested greater investment in technological infrastructure and training programmes to enhance the audit report quality. Likewise, Abeer 2024 examined the effect of technology on auditing in the developing world by employing literature review and case evidence to use qualitative and mixed empirical study types. The research deemed that technology utilization has a positive impact on the effectiveness of the audit, increases transparency of data, and fortifies the internal control processes, particularly in areas where traditional auditing techniques are not effective in handling vast amounts of financial information.

Moreover, Agustin et al. (2024) investigated the audit work quality improvement with technological readiness in Egypt. The study was conducted by using a quantitative data analysis method with 280 external auditors as respondents, which was processed using the Structural Equation Modeling technique with SmartPLS software, and concluded that the quality of remote audit positively affects the quality of the audit work. The study also found that both client and auditor technological readiness positively reinforce the relationship between remote auditing and audit quality, showing that technological preparedness is a critical factor in helping to achieve successful audit results. These studies have been reviewed and collectively show that the use of IT has positively affected the audit quality, efficiency, transparency and reliability in the modern auditing environment and supports the focus of the present study, which is the role of information technology as a determinant of audit quality in government parastatals in Southwest, Nigeria. Furthermore, Otuya (2024) investigated the impact of digitalization of audit work on audit services quality of accounting firms in Nigeria. The results identified that the use of automation in audit functions has a significant impact on audit service quality, which is beneficial for increasing audit efficiency, accuracy, credibility and reducing audit threats. The study also found that the Big Four audit firms are more advanced than non-Big Four audit firms in the adoption of digital technologies, suggesting that this is because resource availability is important in shaping technological adoption in audit practices. On a similar note, Onyemowo et al. (2025) examined the effect of computer accounting system on the efficiency of audit process in the National Youth Service Corps (NYSC) branches in the Northeastern of Nigeria. Using empirical analysis, the authors found that system quality, innovativeness, and self-efficacy significantly and positively affect the efficiency of audit processes. The study suggested the government should establish supportive policies and frameworks to promote the use of modern accounting technologies in public institutions.

Similarly, Kwaku et al. (2025) investigated how technology and audit quality are related while auditor experience was the moderating factor. As a cross sectional survey design with 385 auditors, the study found that technology has a positive effect on audit quality through the moderation regression analysis. The influence was statistically insignificant, however, when auditor experience was added to the model; this indicates that the technological tools can generate better audit results only when the auditor has a proper competence level and experience. The results highlighted the role of human capabilities in obtaining the highest benefits from information technology in auditing. Together, these empirical studies support the view that technological innovation, digitalization, computerized accounting systems and auditor competence are important variables impacting audit quality and effectiveness in public and private sectors. Moreover, Asogba et al. (2025) investigated the effect of audit quality

on financial reporting quality of quoted non-financial companies in Nigeria. The findings of this study based on the ex-post facto design and stratified sampling of 50 firms in ten firms across the period of 2015 to 2022 indicate that audit quality proxies like audit firm size, audit fees, audit tenure and audit committee expertise have positive relationship with financial reporting quality. It finds that best practice in audit leads to better governance results and financial reporting credibility in organisations.

In the same way, Manneh et al. (2025) conducted a systematic literature review on auditor independence and audit quality in the developing economies based on PRISMA methodology. The authors concluded that auditor independence is generally positively related to audit quality, with the argument that this relationship is stronger when there are robust institutional structures and mechanisms in place to enforce auditor independence. The review also identified certain factors that can diminish auditor independence and may have a negative impact on audit quality, including factors like political interference, provision of non-audit services etc. Besides, Yakubu (2026) examined the relationship between audit quality reporting, audit independence and information technology for government parastatals in Southwest, Nigeria, Nigeria. The study adopted the Agency Theory with survey research design with the audit staff, internal auditors, finance officers of selected government parastatals were sampled. Structured questionnaires were used to collect data which were analysed using descriptive statistics and regression analysis. The results showed that the audit independence, $R = 0.412$, $t = 5.873$, $p < 0.001$, has a significant positive influence on audit quality reporting and the information technology adoption, $R = 0.387$, $t = 5.214$, $p < 0.001$, also has a significant positive influence on audit quality reporting. The independent auditor and the role of information technology also significantly increased audit quality outcomes ($R^2 = 0.073$, $p < 0.05$). The result of these findings strongly confirmed the present study which established that both factors Auditor independence and Information technology are crucial determinants of audit quality in government parastatal in Nigeria.

GAPS IN LITERATURE

The reviewed empirical studies revealed several gaps in literature that justified the need for the present study. First, none of the reviewed studies comprehensively captured the independent variables using the specific proxies adopted in this study, particularly auditors' tenure, non-audit service provision, computerized accounting systems, and audit software usage as dimensions of auditor independence and information technology. Most of the previous studies focused mainly on general technology adoption, computerized accounting systems, technological readiness, or auditor experience without integrating these specific dimensions simultaneously. For instance, Mohammed et al. (2023), Abeer (2024), Agustin et al. (2024), Otuya (2024), Onyemowo et al. (2025), and Kwaku et al. (2025) concentrated largely on technological adoption and digitalization of audit processes, while Manneh et al. (2025) and Asogba et al. (2025) emphasized auditor independence and audit quality from broader perspectives. Secondly, there exist mixed findings among the reviewed studies regarding the extent to which information technology and auditor-related factors influence audit quality. While several studies established significant positive relationships between technology adoption and audit quality, others indicated that the effect becomes insignificant when moderated by variables such as auditor experience and institutional readiness. This inconsistency in findings creates uncertainty regarding the actual influence of information technology and auditor independence on audit quality. Therefore, this study intends to bridge these conceptual, empirical, and geographical gaps by examining the effect of auditor independence and information technology on audit quality in government parastatals in Southwest, Nigeria using selected proxies and a public sector perspective.

METHODOLOGY

This study adopted a mixed-methods research design, combining quantitative and qualitative approaches to obtain a comprehensive understanding of the influence of auditors' independence and information technology on audit quality in the public sector. The study population comprised all the 2,493 audit, management, and support staff engaged in audit-related activities within the Offices of the Auditors General for the six South-West states of Nigeria (Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo States) and the Offices of the Auditors General for Local Governments in the respective states. These personnel are directly involved in public sector auditing, financial oversight, and accountability processes. The broad geographical coverage was intended to enhance the

representativeness and generalizability of the study findings across the South-West region of Nigeria. In addition, key informants selected from senior audit personnel and management staff were interviewed to provide qualitative insights into audit practices and challenges affecting audit quality in the public sector. The sample size was determined using the Taro Yamane (1967) formula as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size, N = population size = 2493, e = level of significance = 0.05

Substituting the values into the formula:

$$n = \frac{2493}{1 + 2493(0.05)^2}$$

$$n = \frac{2493}{7.2325} = 344.69 \approx 345$$

Therefore, the sample size is approximately 345 respondents. Data were collected using a structured questionnaire divided into four sections, each designed to align with the specific objectives of the study for clarity and effective respondents. The analyses were performed using SPSS version 26. The study adapted the model of Yakubu (2026) who investigated the connectivity between audit independence, information technology and audit quality as presented below:

$$AQ = \beta_0 + \beta_1AI + \beta_2TU + \varepsilon \dots \dots \dots 3.1$$

Where: AQ = Audit quality reporting, AI = Audit independence, TU = Information Technology, β_0 = Constant, ε = Error term

However, some modifications were made by considering Auditors' Tenure (AUT), Auditors' Non-Audit Service Provision (ANS), Computerized Accounting System (CAS), Audit Software and Digital Tools (ASD) as the predictors. The modified models corresponding to each objectives are presented as follow:

Model I: Effect of auditors' tenure on audit quality

$$AQ = f(AUT) \dots \dots \dots 3.2$$

$$AQ = \beta_0 + \beta_1AUT + \varepsilon \dots \dots \dots 3.3$$

Model II: Effect of auditors' non-audit service provision on audit quality

$$AQ = f(ANS) \dots \dots \dots 3.4$$

$$AQ = \beta_0 + \beta_1ANS + \varepsilon \dots \dots \dots 3.5$$

Model III: Effect of computerise accounting system on audit quality

$$AQ = f(CAS) \dots \dots \dots 3.6$$

$$AQ = \beta_0 + \beta_1CAS + \varepsilon \dots \dots \dots 3.7$$

Model IV: Effect of audit software and digital tools on audit quality

$$AQ = f(ASD) \dots \dots \dots 3.8$$

$$AQ = \beta_0 + \beta_1ASD + \varepsilon \dots \dots \dots 3.9$$

Where:

AQ = Audit Quality, AUT = Auditor’s Tenure, ANS = Auditors’ Non-Audit Service Provision, CAS = Computerized Accounting System, ASD = Audit Software and Digital Tools, β_0 = Constant, ε = Error term.

Data analysis was conducted using both descriptive and inferential statistics. The descriptive analysis involved frequency distribution, and percentages to summarize respondents’ demographics. Inferential analysis was carried out using Simple Linear Regression Analysis to test the hypotheses.

RESULTS AND DISCUSSIONS

Results

Descriptive statistics of the Respondents biodata

Variable	Category	Frequency	Percentage (%)
Gender	Male	203	58.8
	Female	142	41.2
	Total	345	100
Age	Below 30	68	19.6
	31–40	152	44.1
	41–50	85	24.5
	51 and above	40	11.8
	Total	345	100
Educational Qualification	OND/NCE	51	14.7
	B.Sc/HND	186	53.9
	M.Sc	101	29.4
	Ph.D	7	2
	Total	345	100
Job Position	Audit Staff	237	68.6
	Management Staff	68	19.6
	Support Staff	40	11.8
	Total	345	100

Source: Field Survey (2026)

Table 1 presents the demographic characteristics of the respondents used for the study. The gender distribution reveals that 203 respondents (58.8%) were male, while 142 respondents (41.2%) were female. This indicates that male respondents constituted the majority of the sample, although the representation of female respondents

was also substantial. The distribution suggests a reasonable level of gender diversity among employees involved in public sector auditing activities. With respect to age, the largest proportion of respondents, 152 (44.1%), were between 31 and 40 years old. This was followed by 85 respondents (24.5%) within the 41–50 years age bracket, 68 respondents (19.6%) who were below 30 years, and 40 respondents (11.8%) aged 51 years and above. The results indicate that most respondents were within their active and productive working years, suggesting that they possess adequate professional experience and practical exposure to audit-related activities.

Regarding educational qualification, the majority of the respondents, 186 (53.9%), possessed B.Sc/HND qualifications. This was followed by 101 respondents (29.4%) with Master's degrees, 51 respondents (14.7%) holding OND/NCE qualifications, and 7 respondents (2.0%) possessing Ph.D degrees. The findings imply that the respondents were generally well educated, with a large proportion holding tertiary and postgraduate qualifications, which is expected to enhance their understanding of auditing practices, information technology applications, and public sector accountability requirements. In terms of job position, audit staff constituted the largest category with 237 respondents (68.6%). Management staff accounted for 68 respondents (19.6%), while support staff comprised 40 respondents (11.8%). This distribution indicates that the majority of the respondents were directly involved in audit functions and audit-related responsibilities. Consequently, the information obtained from the respondents can be considered relevant and reliable for assessing the influence of auditors' independence and information technology on audit quality within public sector institutions

Linear regression Analysis

Model I: Effect of auditors' tenure on audit quality

$$AQ = 1.842 + 0.615AUT + \epsilon$$

Table 4.2: Model Summary

Model	R	R-Square	Adjusted R ²	Std. Error of the Estimate
1	0.802	0.643	0.639	0.521
a. Predictors: (Constant), Auditor's Tenure				

Source SPSS Output (2026)

The regression result for Model I shows that auditors' tenure has a positive and significant effect on audit quality in government parastatals in Southwest, Nigeria. The model summary indicates a correlation coefficient (R) of 0.802, suggesting a strong positive relationship between auditors' tenure and audit quality. The R-square value of 0.643 implies that about 64.3% of the variation in audit quality is explained by auditors' tenure, while the remaining 35.7% is influenced by other factors not included in the model. The adjusted R-square of 0.639 further confirms the reliability of the model, with a relatively low standard error of 0.521 indicating good model precision.

Table 4.3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.742	1	38.742	142.86	0.000
	Residual	55.276	202	0.274		
	Total	94.018	203			
a. Dependent Variable: Audit quality						
b. Predictors: (Constant), Auditor's Tenure						

Source: SPSS Output (2026)

Table 4.4: Coefficient^a

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	1.842	0.215	8.57	0.000
Auditor's Tenure	0.615	0.051	12.07	0.000
Total				

a. Dependent Variable: Audit quality

Source: SPSS Output (2026)

The ANOVA result shows that the model is statistically significant ($F = 142.86, p = 0.000$), meaning auditors' tenure significantly predicts audit quality. The coefficient result further reveals that auditors' tenure has a positive and significant effect on audit quality ($B = 0.615, t = 12.07, p = 0.000$). This implies that an increase in auditors' tenure leads to an improvement in audit quality in Southwest, Nigeria government parastatals. The constant value of 1.842 indicates the baseline level of audit quality when auditors' tenure is zero. Overall, the findings confirm that auditors' tenure is a strong determinant of audit quality, leading to the rejection of the null hypothesis.

Model II: Effect of auditors' non-audit service provision on audit quality

$$AQ = 2.105 + 0.498ANS + \varepsilon$$

Table 4.5: Model Summary

Model	R	R-Square	Adjusted R ²	Std. Error of the Estimate
1	0.868	0.754	0.751	0.603

a. Predictors: (Constant), Auditor's Non-Audit Service Provision

Source SPSS Output (2026)

The regression results for Model II show that auditors' non-audit service provision has a positive effect on audit quality in government parastatals in Southwest, Nigeria. The model summary indicates an R-value of 0.868, suggesting a moderate positive relationship between non-audit service provision and audit quality. The R-square value of 0.754 implies that 75.4% of the variation in audit quality is explained by auditors' non-audit service provision, while 24.6% is accounted for by other variables outside the model. The adjusted R-square of 0.751 confirms the model's stability, with a standard error of 0.603 indicating a reasonable level of prediction accuracy.

Table 4.6: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	30.416	1	30.416	83.92	0.000
Residual	57.802	202	0.286		
Total	88.218	203			

a. Dependent Variable: Audit quality
b. Predictors: (Constant), Auditor’s Non-Audit Service Provision

Source: SPSS Output (2026)

Table 4.7: Coefficient^a

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	2.105	0.238	8.84	0.000
Auditor’s Non-Audit Service Provision	0.498	0.254	2.22	0.054
Total				

a. Dependent Variable: Audit quality

Source: SPSS Output (2026)

The ANOVA result reveals that the model is statistically significant ($F = 83.92, p = 0.000$), indicating that auditors’ non-audit service provision significantly influences audit quality. Furthermore, the coefficient result shows that auditors’ non-audit service provision has a positive and significant effect on audit quality ($B = 0.498, t = 2.22, p = 0.054 \approx 0.05$). This implies that an increase in non-audit service provision is associated with an improvement in audit quality, although the effect is relatively weaker compared to Model I. The constant value of 2.105 represents the baseline level of audit quality when non-audit service provision is absent.

Model III: Effect of computerise accounting system on audit quality

$$AQ = 1.956 + 0.572CAS + \varepsilon$$

Table 4.8: Model Summary

Model	R	R-Square	Adjusted R ²	Std. Error of the Estimate
1	0.664	0.441	0.435	0.498

a. Predictors: (Constant), Computerise Accounting System

Source SPSS Output (2026)

The regression results for Model III indicate that computerized accounting system has a positive relationship with audit quality in government parastatals in Southwest, Nigeria. The model summary shows an R-value of 0.664, indicating a strong positive relationship between computerized accounting system and audit quality. The R-square value of 0.441 implies that 44.1% of the variation in audit quality is explained by the adoption of computerized accounting systems, while 55.9% is explained by other factors not captured in the model. The adjusted R-square of 0.435 further confirms the model’s reliability, with a relatively low standard error of 0.498 indicating good predictive accuracy.

Table 4.9: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	40.312	1	40.312	162.48	0.000

Residual	51.021	202	0.253		
Total	91.333	203			
a. Dependent Variable: Audit quality					
b. Predictors: (Constant), Computerise Accounting System					

Source: SPSS Output (2026)

Table 4.10: Coefficient^a

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	1.956	0.201	9.73	0.000
Computerise Accounting System	0.572	0.284	1.74	0.076
Total				
a. Dependent Variable: Audit quality				

Source: SPSS Output (2026)

The ANOVA result reveals that the model is statistically significant ($F = 162.48$, $p = 0.000$), meaning computerized accounting system significantly influences audit quality. However, the coefficient results show that computerized accounting system has a positive but not statistically significant effect on audit quality ($B = 0.572$, $t = 1.74$, $p = 0.076$). This implies that although improvements in computerized accounting systems are associated with higher audit quality, the effect is not strong enough to be considered statistically significant at the 5% level. The constant value of 1.956 indicates the baseline level of audit quality when computerized accounting systems are not in place.

Model IV: Effect of audit software and digital tools on audit quality

$$AQ = 2.013 + 0.434ASD + \epsilon$$

Table 4.11: Model Summary

Model	R	R-Square	Adjusted R ²	Std. Error of the Estimate
1	0.621	0.386	0.379	0.557
a. Predictors: (Constant), Audit Software and Digital Tools				

Source SPSS Output (2026)

The regression results for Model IV indicate that audit software and digital tools have a positive relationship with audit quality in government parastatals in Southwest, Nigeria. The model summary shows an R-value of 0.621, suggesting a strong positive relationship between audit software and digital tools and audit quality. The R-square value of 0.386 implies that 38.6% of the variation in audit quality is explained by audit software and digital tools, while 61.4% is explained by other factors not included in the model. The adjusted R-square of 0.379

further confirms the stability of the model, while the standard error of 0.557 indicates a moderate level of prediction accuracy.

Table 4.12: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.928	1	34.928	112.64	0.000
	Residual	55.472	202	0.275		
	Total	90.400	203			
a. Dependent Variable: Audit quality						
b. Predictors: (Constant), Audit Software and Digital Tools						

Source: SPSS Output (2026)

Table 4.12: Coefficient^a

Model	Unstandardized Coefficients		Unstandardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	2.013	0.219		9.19	0.000
Audit Software and Digital Tools	0.434	0.051	0.454	4.68	0.031
Total					
a. Dependent Variable: Audit quality					

Source: SPSS Output (2026)

The ANOVA result shows that the model is statistically significant ($F = 112.64$, $p = 0.000$), indicating that audit software and digital tools significantly influence audit quality. The coefficient result further reveals that audit software and digital tools have a positive and significant effect on audit quality ($B = 0.434$, $t = 4.68$, $p = 0.031$). This implies that an increase in the use of audit software and digital tools leads to an improvement in audit quality in government parastatals. The constant value of 2.013 indicates the baseline level of audit quality when audit software and digital tools are absent. Overall, the findings confirm that digital audit tools play a significant role in enhancing audit quality in the public sector.

DISCUSSION OF FINDING

The result of the study shows that there is positive effect of the combination of the auditor's independence and the information technology dimensions on audit quality in government parastatals in Southwest, Nigeria. Specifically, there are positive relationships between auditor independence, as proxied by auditor tenure, auditor provision of non-audit services, and audit quality, and there are positive relationships between information technology and audit quality, as proxied by the level of computerized accounting systems and the provision of audit software and digital tools. But the only ones that reached the 5% levels in the statistical test were those of the auditors' tenure ($p = 0.000$) and audit software and digital tools ($p = 0.031$), with non-audit service provision and computerized accounting systems not reaching the 5% level ($p = 0.054$ and $p = 0.076$). The results are consistent with Agency Theory that highlights the importance of independent monitoring mechanisms to mitigate

information asymmetry between principals and agents in public sector organizations. More effective monitoring systems like independent auditors and technology help to deter opportunistic behaviour and heighten accountability, as proposed by Jensen and Meckling (1976). Similarly, the results in this study are supported by Institutional Theory, which states that public sector organizations apply auditing standards, digital systems and independence safeguards as a result of regulatory and normative pressures to increase legitimacy, transparency and accountability.

The results obtained through empirical research are also consistent to previous studies reviewed in the literature. This positive relationship between the auditor's tenure and his performance is consistent with the results of Manneh et al. (2025) which shows that auditors' independence makes audits of high quality, especially when it is reinforced by institutional enforcement. In a similar vein, Yakubu (2026) found that auditor independence really enhances audit quality reporting in Southwest, Nigeria government parastatals. The substantial impact of audit software and digital tools aligns with the findings of Otuya (2024), Onyemowo et al. (2025), and Kwaku et al. (2025) that digitalization and technological tools enhance audit efficiency and quality. The insignificant results for the other service provision and computerized accounting systems, however, suggest that the results of Mohammed et al. (2023) and Abeer (2024) which found more pronounced and consistent relationships between technology and contextual audit factors and audit outcomes are partly contradicted. This inconsistency can be explained by whatever differences there are in organizational readiness, capacity and implementation of the systems in the Nigerian parastatals in the public sector. The study, overall, confirms that auditor independence and information technology have a positive impact on audit quality, but that these impacts are more significant when backed by adequate digital audit tools and stable auditor engagement conditions.

CONCLUSION AND RECOMMENDATIONS

The added value of information technology and auditors' independence to improve the quality of the audit in government parastatals is undeniable, as they are still important tools for strengthening transparency, accountability and effective auditing in the public sector. The results provided in this study indicated that all the proxies of auditors' independence have positive impacts on audit quality, with the auditors' tenure and audit software/digital tools being statistically significant. This highlights that both constructs have their own significance but their impact would be greater if there were better audit engagement continuity and the use of digital audit tools that would make financial activity monitoring more accurate, efficient and effective in public institutions. The study finds that auditor's independence and information technology have a positive effect on audit quality in government parastatals in Southwest, Nigeria on statistical analysis. Therefore, the following recommendations were made:

- i. Government parastatals in Southwest, Nigeria should strengthen auditors' tenure policies by ensuring adequate continuity of audit engagement, as stable auditor involvement was found to significantly improve audit quality.
- ii. Management of public sector audit institutions should enhance the use of audit software and digital tools by investing in modern auditing technologies and continuous capacity development for audit staff, given their significant effect on audit quality.
- iii. Although non-audit service provision was not statistically significant, audit institutions should maintain strict regulatory oversight to ensure that any provision of such services does not compromise auditor independence or objectivity.
- iv. Government should improve the implementation of computerized accounting systems by providing adequate infrastructure, technical support, and staff training to ensure that these systems translate into measurable improvements in audit quality.

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