

Audit market competition, opinion shopping, and audit quality: Evidence from audit firms in Nigeria

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Abstract

Purpose: This study is motivated by the intense competition in the audit market environment which fosters audit opinion shopping practices, eventually raising critical concerns about the credibility of audit. The research examines the extent of audit opinion shopping in Nigeria, the influence of market competition on such behaviour, and the implications for audit quality.

Methodology: A descriptive and correlational research design was adopted, using primary data collected from 200 auditors. Responses were analyzed using the Statistical Package for the Social Sciences (SPSS), employing descriptive statistics, reliability tests, and regression techniques.

Results and conclusion: The descriptive analysis results revealed evidence of audit opinion shopping among Nigerian firms, with market competition exerting a significant influence on the likelihood of such practices.

The findings also revealed that opinion shopping significantly affects audit quality, particularly in relation to timeliness, comparability, and reliability of financial statements. The study concludes that while competition may enhance efficiency in the audit market, it also provides opportunities for opportunistic opinion shopping, which undermines audit quality.

Implication of findings: It recommends stronger regulatory oversight, improved enforcement of auditor independence, and the adoption of governance mechanisms that discourage frequent auditors switching for favourable opinions.

Keywords: Audit market competition, Audit quality, Big four, Opinion shopping.

1. Introduction

Opinion shopping has long been a concern to regulators, investors, and academics because of its potential to erode audit independence and reduce the credibility of financial reporting. Globally, the audit market is highly concentrated, with the Big Four firms Deloitte, Ernst and Young, KPMG, and PWC dominating audits of large corporations. In Nigeria, the Big Four audit more than two-thirds of listed companies, underscoring their market power. However, beyond these large firms, non-big four auditors also play a critical role in providing statutory audits, assurance, and consultancy services, particularly for small and medium-sized enterprises. The coexistence of dominant large audit firms and smaller audit practices creates differential competitive pressures in the market, which may influence the independence of the auditor and the incentives of clients to seek a favorable opinion. Therefore, the continued existence of opinion shopping in developing markets remains a cause of regulatory concern. Recent studies in Nigeria have shown that, despite the reforms introduced by the Financial Reporting Council of Nigeria (FRCN), auditor switching to obtain a favorable opinion remains prevalent in the market (Appah et al., 2022; Obisesan, 2023).

Opinion shopping arises when firms deliberately switch auditors perceived to be more lenient, particularly when the incumbent auditor is threatened to issue a qualified or unfavorable opinion. This practice erodes auditors' independence and creates concerns about the integrity of audit processes. While most discussions on opinion shopping focus on large firms and their big four auditors, this practice is not limited to them. Non-big four auditors also operate in a competitive environment where client retention pressures may influence audit outcomes.

Audit market competition, which is seen as the degree of rivalry among audit firms for high profile clients, exerts a direct influence on opinion shopping. Competition among big four firms often centre on reputation, global brand, and technical expertise, while competition between big four and non-big four firms is shaped by audit fees and client accessibility. Understanding how these dynamics interact is importance to evaluating their effects for audit quality in Nigeria.

This study therefore investigates opinion shopping across both big four and non-big four firms, with the objective of determining it extent in Nigeria auditing market, the study's other related objectives are to determine the extent of audit opinion shopping among firms in Nigeria, examine the impact of audit market competition on audit opinion shopping in Nigeria, and finally to assess how audit opinion shopping affects audit quality in Nigeria. Although prior studies such as Newton et al. (2016) and Guan et al. (2016) have examined this issue in developed contexts, limited research addresses how competition dynamics among Big Four and non-Big Four firms influence opinion shopping in Nigeria.

2. Literature review

Previous empirical studies have provided diverse insights into auditing opinion shopping and market competition across different contexts. For example, Appah and Emeh (2022) examined audit market competition and audit quality using a survey of auditors in Nigeria and found that intense competition increases the likelihood of opinion shopping. Similarly, Owolabi and Olayinka (2021) investigated the relationship between auditor rotation, independence, and audit quality, concluding that frequent auditor changes can undermine independence. Akrawah, Appiah, and Boateng (2020) extended this analysis in Sub-Saharan Africa, emphasizing that institutional and regulatory factors moderate the relationship between competition and audit quality. Francis and Wang (2008) also highlighted that strong investor protection and Big Four auditor presence improve earnings quality and limit opportunistic opinion shopping. These studies collectively underscore the regional and contextual importance of competition in shaping audit outcomes.

Audit opinion shopping

Opinion shopping refers to the situation where clients seek auditors who are more likely to provide favorable opinions on financial statements (Lennox, 2000). According to Newton, Persellin and Wilkins (2016), firms often engage in this practice when they anticipate that their current auditor will issue a qualified opinion. While some scholars argue that opinion shopping may be futile since incoming auditors usually conduct independent assessments on the company's financial statement, evidence gathered from Choi, Kim and Zang (2000) and Guan et al. (2016) shows that firms are often successful in obtaining unqualified opinions after switching auditors. In developing environment like Nigeria, findings from Appah et al. (2022) assert that opinion shopping is prevalent and visible in the market and this undermines auditor independence, as firms frequently and intentionally replace auditors based on leniency and cost factors.

Opinion shopping is fueled by various factors such as market concentration, the size of audit firm, audit fee, mandatory auditor rotation, etc. The focus of this work is on audit market competition as a factor that influences shopping.

Audit market competition

Audit market competition is described as the degree of rivalry among audit firms in attracting and retaining clients. A DeAngelo (1981) suggests that the quality of audits is influenced by firm size and reputation, with larger firms such as the big four audit firms associated with higher credibility.

Competition among big four firms is often reputation driven, while non-big four firms rely mostly on fee reductions and accessibility (Francis et al., 2013). Heightened competition in a market can weaken auditor independence as firms compromise their principles to retain clients (Eshleman et al., (2014). in Nigeria, this dual competition between big four and non-big four auditors have created an environment where both segments experience different forms of pressure.

Market competition is the extent of rivalry among audit firms in a given market. Opinion shopping possesses significant effects on the credibility of audit quality. A switch occurs when a client believes that its incumbent auditor would issue a qualified opinion on their books rather than the incoming auditor. According to Lennox (2000), he observed that companies often change auditors when they received a qualified opinion with the belief that the switch would lead to a change in status providing clean audits.

Krishnan and Yu (2011) argued that “the dominance of many firms competing for the same client increases the bargaining power of clients, therefore enabling changing auditors to obtain a particular desire on their financial statement”. Adeyemi and Okpala (2011) believed that clients take advantage of the competitive nature of the market to pressure auditors to compromise their independence. Similarly, Chi and Huang (2005) observed that a highly competitive market creates avenues for clients to seek auditors perceived to be lenient in giving clean opinions.

Audit market competition, which is seen as the degree of rivalry among audit firms for high profile clients exerts a direct influence on opinion shopping. Competition among big four firms often centre on reputation, global brand, and technical expertise, while competition between big four and non-big four firms is shaped by audit fees and client accessibility. Understanding how these dynamics interact is importance to evaluating their effects for audit quality in Nigeria

Audit quality

There is no general definition of audit quality. One easy way to define audit quality according to DeAngelo, (1981) would be to term it as one that will ensure that financial statements faithfully represent the economic reality of an organization. The International Auditing and Assurance Standards Board (IAASB 2014) stated that such financial statements are influenced by the quality of accounting information that is used to compile them and the system of controls. Audit quality is about enhancing the quality of information for making decisions. The measurement of audit quality is complicated and cannot be attained by using one objective dimension (Francis, 2004). An audit may be of high quality if it can be demonstrated that the information provided to the auditor is trustworthy or the systems of internal controls are robust.

Furthermore, academic researchers have quantified audit quality by the incidence of auditors identifying and reporting notable material misstatements (DeAngelo, 1981; Francis, 2011). This dimension, however, may not be a fully competent measure of audit quality in situations where no material misstatements exist to be identified (Francis, 2004). Ultimately, audit quality depends on the extent to which professional judgments, guided by principles-based auditing standards, are exercised (IAASB, 2014).

In essence, audit quality depends on the integrity, competence, and objectivity with which the audit is conducted; however, it does not operate in isolation (DeFond & Zhang, 2014). Audit market competition and audit opinion shopping behaviour plays a significant role in shaping audit outcomes by influencing the environment in which audits are conducted (Francis et al., 2013, Lennox, 2000). Demands for

unqualified audit opinions in the presence of existing misstatements may impair auditor independence, as auditors may be pressured to issue judgments that reflect management preferences rather than the outcomes of audit procedures performed (Guan et al., 2016). Therefore, effective mechanisms should be established to support auditor independence and enhance accountability, both of which are critical to the conduct of high-quality audits (IFAC, 2018).

Audit quality measurement using IFRS qualitative characteristics

Generally, audit quality has been viewed as a multidimensional construct, which does not have a single measure universally accepted. Based on DeAngelo (1981), audit quality can be defined as follows: audit quality represents the joint probability that the auditor will detect and report material misstatements. The process of operationally defining this audit quality measurement has faced some problems, especially in survey research, which has made previous researchers rely on proxy variables to measure audit quality.

According to the IFRS Conceptual Framework, the essential qualitative characteristics of financial information that increase its usefulness are “relevance,” “faithful representation,” “comparability,” “timeliness,” and “understandability.” These characteristics shed light on “the degree to which audited financial reports meet users’ needs in decision-making.” This is in line with what IASB stated in 2018.

A set of studies has used IFRS-based qualitative characteristics for audit quality, which serve as proxies. Relevance is an evaluation of an auditor’s capacity to guarantee that financial information has an impact on economic decisions. Comparability enables one to identify similarities and contrasts. The timeliness concept relates to the speed at which financial information is issued. Understandability relates to financial information clarity.

Consequently, this study employs audit quality indicators, which are based on the qualitative characteristics of financial reports presented under the IFRS, including the attributes of relevance, comparability, timeliness, and understandability, which form a holistic framework for assessing audit quality.

Theoretical review

This study is grounded in agency theory, which explains the conflict of interest between shareholders (principals) and managers (agents). Auditors serve as monitoring mechanisms, but opinion shopping can decrease their independence, thereby bringing about agency conflicts Jensen and Meckling (1976). This study was also based up by Competition theory, which highlights how market rivalry influences behavior and incentives in audit engagements. Finally, signaling theory suggests that clients’ choice of big four versus non-big four auditor’s signals quality to investors, which may influence switching behavior Spence (1973).

Prior studies have examined the relationship between auditor switching, opinion shopping, and audit quality. The findings of Guan et al. (2016) and Lennox (2000) support agency theoretical perspective, as firm were observed to seek auditors who are more likely to issue favourable opinions on their books of account, thus reducing the probability of releasing adverse information to the principals. Similarly, the work of Obisesan (2021) and Appah et al., (2022) also suggest that pressure from management on auditors reflects agency conflicts, where management protect private interest rather than the shareholder value and thus threatened the independence of the auditor. Audit market competition suggests that increase competition in the audit market can influence auditor behaviour creating incentives for auditors

to compromise independence in order to retain and attract new client (DeAngelo, 1981). Evidence was gathered from the work of Guan et al., (2016) that non big four auditors in China were more vulnerable to yield to client pressure, which aligns with competition theory as smaller audit firms sometimes face stronger economic reliance on clients. On the other hand, Cassell et al. (2016) concluded that big-four auditors were less likely to compromise standards due to higher litigation cost and larger client portfolios.

Signaling theory suggests that firms use observable actions, such as the choice of auditor, to convey credible information about their financial reporting quality to external stakeholders (Spence, 1973). Engaging a reputable auditor, particularly a Big Four firm, serves as a positive signal of transparency, credibility, and high audit quality.

The choice of auditors most especially in Nigeria and Africa convey credible information about Firm's financial reporting quality to final users of information (Spence, 1973). Employing a reputable audit firm, particularly a big four firm, serves a strong positive signal of credibility, transparency and high-quality audit. Nevertheless, the findings on opinion shopping documented by Guan et al. (2016) and Lennox (2000) show that some firms seek to manipulate these signals by switching auditors to obtain unqualified opinions rather than finding solutions to the underlying qualified report suggested by the current auditor. The evidence gathered by Appah et al. (2022) and Obisesan (2021) in Nigeria suggests that while auditor choice is planned to signal transparency and audit quality, competitive pressures and institutional lapses can dilute the credibility and reliability of such signals.

Empirical review

Prior empirical studies relevant to the objectives of this study are reviewed in this section. This study follows a direct effect framework and thus the empirical review is structured in with the specific objectives of the study which include objective 1: the extent of audit opinion shopping among firms, objective 2: the effect of audit market competition on audit opinion shopping, and objective 3: the effect of audit opinion shopping on audit quality. Audit opinion shopping and audit market competition and are examined as independent constructs, rather than as moderating variables.

Extent of audit opinion shopping

There are several empirical studies which have investigated the prevalence and extent of audit opinion shopping across different regulatory environments and institutional. Audit opinion shopping often occurs when clients switch current auditors after receiving adverse or qualified audit opinions in an attempt to secure more unqualified reports on their internal control system.

The earliest piece of empirical evidence on the extent of audit opinion shopping was presented by Lennox in 2000 examining auditor switching behaviour among financially distressed firms. The findings of the study revealed that firms who receive a going concern qualification were likely to engage in auditor switching in order to shop for favorable opinions thereby bringing about opinion shopping behaviour. The study also noted that this behaviour was more prevalent with firm seeking to avoid negative reactions from the market.

Also, Chen et al. (2013) examined auditor changes following qualified opinions and found that firms frequently switch auditors to obtain clean audit reports. The study concluded that the prevalence of opinion shopping weakens audit credibility and undermines the reliability of financial reporting. These

findings indicate that opinion shopping is not an isolated phenomenon but a widespread practice in various markets.

In emerging economies, Obisesan (2021) and Appah et al. (2022) provided evidence that audit opinion shopping exists among Nigerian firms, although its extent varies across industries and auditor types. Guan et al. (2016) documented that opinion shopping is more prevalent in audit markets dominated by smaller audit firms, largely due to weaker regulatory enforcement and higher economic dependence of auditors on clients. These studies collectively suggest that opinion shopping is a significant practice in developing economies, thereby justifying the need to determine its extent among firms in Nigeria.

However, a study by Wati (2020) stated that a close relationship between firm and its auditor threatens the auditor's independence, and as such replacement of an auditor is a means of preventing such threats. Similarly, Enofe, Magbame and Abadua (2013) suggested that "auditor switching is expediate to overcome the issue of familiarity of the audit firm with the management of the organization". Additionally, Choi et al. (2000) in their findings concluded that an appointment of a new auditor would lead to an improvement in the quality of audit. Appah, Onowu, Audu and Tonye (2022) noted that auditor switching decisions influence the value of the firm.

Audit market competition and audit opinion shopping

A competitive audit market has been identified as one of the key factors that influences a firm engage in audit opinion shopping. A highly competitive audit market provides wide choices of auditors to clients, thereby making auditors switching for favourable opinions on their statements feasible.

The relationship between audit market competition and opinion shopping were examined by Francis and Wang (2008) and it was discovered that firms operating in highly competitive markets are more likely to engage in opinion shopping for clean audit opinions. They also concluded that in less competitive markets, firms face limited opportunities to switch auditors, which reduces the likelihood of shopping for clean opinions.

An investigation into the role of Big Four audit firms in limiting opinion shopping behaviour examined by Cassell et al. (2016), revealed that clients of Big Four auditors were less likely to engage in opinion shopping due to strong reputational concerns, high litigation risk and strict compliance requirements associated with these firms. Suggesting that audit size influences the extent to which competition leads to opinion shopping.

Guan et al. (2016) focused on audit markets dominated by smaller audit firms the firms are aside the Big four firms and concluded that firms in such markets are more likely to engage in opinion shopping. The study attributed this to the economic dependence of smaller audit firms on clients. In the case of the Nigerian audit environment, there is a positive and significant impact on the quality of audits as a result of market concentration. Moreover, auditor independence has a positive and significant impact on the quality of audits as examined in the study by Tahir, Shaibu Alhassan, & Oyedokun (2024). This study suggests that competition in the market and auditor characteristics is important in determining the quality of audits, which is important in evaluating the potential impact on auditor opinion shopping.

Generally empirical evidence indicates that audit market competition directly influences firms' likelihood of engaging in opinion shopping, rather than moderating its effect on audit quality.

The current study therefore hypothesizes that:

H1: Audit market competition positively impacts opinion shopping.

Audit opinion shopping and audit quality

Opinion shopping is widely seen as a practice that threatens auditor independence and affects audit quality negatively. This behaviour of switching auditors to obtain favourable opinions undermines the reliability and credibility of published audited financial statements.

Lennox (2000) found that firms who successfully obtained clean audit opinions after switching auditors show a weaker audit quality, as the credibility of their financial reports was compromised. The study emphasized that opinion shopping reduces the effectiveness of audits as a monitoring tool, thereby increasing information asymmetry between managers and stakeholders.

Empirical evidence from developing economies also supports the negative relationship between opinion shopping and audit quality. Studies in Nigeria, including Obisesan (2021) and Appah et al. (2022), indicate that opinion shopping practices contribute to reduced audit quality due to pressure on auditors and weak enforcement mechanisms. Furthermore, Akhabue and Abusomwan (2025) proved that size of audit firms, size of the board, and tenure of audit firms positively and significantly affect audit quality in Nigeria's publicly traded companies. From the above, it can be concluded that the company's governance and auditor's characteristics can be considered important variables in determining audit quality, thus again underlining the point that audit opinion shopping can negatively affect audit quality if other audit quality variables do not exist at a satisfactory level. The impact of auditors' skepticism on audit quality in Nigeria audit firms is the focus of Sani (2025)'s research. The research revealed that professional skepticism has no significant impact on the opinions issued on 'going concerns.' The significance of this research is that it reveals the importance of the attitude and independence of the auditor while performing his duty of issuing opinions, which could lead to opinion shopping. These findings erode the need for effective regulatory oversight to curb audit opinion shopping and improve audit quality in its market.

Frequent auditor switching after receiving a qualified opinions erodes investor confidence and diminishes audit quality (Chen et al., 2013). They concluded that opinion shopping weakens the assurance aspect of auditing by allowing managerial opportunism to override professional judgment to their favour.

Consequently, Kim et al. (2014) extended the literature by studying the relationship between earnings management and audit opinion shopping. It was discovered from their study that firms participating in aggressive earnings management are more likely to shop for favourable and clean audit opinions, which eventually leads to lower audit quality. This behaviour compromises the independence of auditors and also reduces the reliability and credibility of financial reporting. On the basis of the above discussion, the study hypothesizes that:

H2: Audit opinion shopping negatively affects Audit quality.

3. Methodology

A descriptive and correlational survey design was adopted in this study, focusing on currently employed auditors in Nigeria. The population consisted of auditors working in both big four and non-big four firms in Nigeria. A total of 250 questionnaires were distributed, with 200 valid responses returned,

representing an 80% response rate. Of these, 145 respondents were from big four firms, while 55 were from non-big four firms. Since the total number of practicing auditors in Nigeria could not be precisely determined, the sample size of 250 was derived using the Yamane (1967) simplified formula for an unknown population, assuming a 95% confidence level and 5% margin of error. The formula $n = N / (1 + N(e^2))$ was applied with an estimated large population ($N \geq 1,000$), yielding approximately 250 as the representative sample size. The study utilized purposive sampling to target auditors directly involved in statutory audit, assurance, and quality review functions. This ensured that responses reflected informed perspectives on audit opinion shopping and competition in developing environment specifically Nigeria economy.

Research instrument

Data were collected using a structured questionnaire based on a 5-point Likert scale ranging from strongly disagree to strongly agree. The questionnaire was divided into sections covering demographic information, opinion shopping, audit market competition, and audit quality. Audit quality was measured based on IFRS dimensions of relevance, comparability, timeliness, and understandability.

Table 1: Operationalization and Measurement of Variables

Variable	Measurement	Type	Sources
Audit Opinion Shopping	5-point Likert scale	Independent	Questionnaire
Audit Market Competition	5-point Likert scale	Independent	Questionnaire
Audit Quality	IFRS dimensions: relevance, comparability, timeliness, understandability (5-point Likert scale)	Dependent	Questionnaire

Validity and reliability

The structured questionnaire was validated by experts in auditing and accounting research. A pilot study was conducted with 15 auditors to refine the instrument. The reliability of the instrument was assessed using Cronbach alpha, with all constructs recording coefficients above 0.70, indicating strong internal consistency.

Model specification

The regression model examining the effect of audit market competition on opinion shopping and also the effect of opinion shopping on audit quality are as follows:

Model 1: Effect of Audit Market Competition on Audit Opinion Shopping

$$AOS = \beta_0 + \beta_1(AMC) + E$$

Model 2: Impact of Audit Opinion Shopping on Audit Quality

$$AQ = \beta_0 + \beta_1(AOS) + E$$

Where:

AOS = Audit Opinion Shopping

AMC = Audit Market Competition

AQ = Audit Quality

E = Error term

Data was analyzed using SPSS (version 26). Descriptive statistics summarized responses, while

regression analysis was used to test the study hypotheses. Hypothesis testing was conducted at a 5% significance level.

4. Results and discussion

Table 2: Demographic Profile of Respondents

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	113	56.5	56.5	56.0
	Female	87	43.5	43.5	100.0
	Total	200	100.0	100.0	
Professional Qualification		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ICAN	95	47.5	47.5	47.5
	ACCA	60	30.0	30.0	77.5
	CPA	36	18.0	18.0	95.5
	BSC.	9	4.5	4.5	100.0
	Total	200	100.0	100.0	
Current Position		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Associate Director	41	20.5	20.5	20.5
	Audit Associate	56	28.0	28.0	48.5
	Audit Manager	40	20.0	20.0	68.5
	Data Analyst	10	5.0	5.0	73.5
	Internal Auditor	14	7.0	7.0	80.5
	Partner	28	14.0	14.0	94.5
	Senior Associate	11	5.5	5.5	100
	Total	200	100.0	100.0	
Years of Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-5 years	67	33.5	33.5	33.5
	6-10 years	70	35.0	35.0	68.5
	Above 10 years	23	12.5	12.5	81.0
	Less than 2 years	38	19.0	19.0	100.0
	Total	200	100.0	100.0	
Audit Type		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Big Four	145	72.5	72.5	72.5
	Non-Big Four	55	27.5	27.5	100.0
	Total	200	100.0	100.0	

Source: Questionnaire Administered (2025).

The demographic section of respondents showed a balanced distribution across gender, age, and professional experience. The majority (60%) of respondents had between 5–10 years of professional experience, while 30% had more than 10 years. In terms of qualifications, 70% held professional certifications such as ICAN or ACCA, which indicate a strong level of expertise. This profile supports the reliability of the responses provided.

Descriptive statistics

The descriptive analysis revealed that the mean score for opinion shopping was 3.96 on a 5-point likert scale, indicating that most respondents agreed that opinion shopping is prevalent in Nigeria. Audit market competition recorded a mean of 4.07, suggesting that competition is perceived as intense among both big four and non-big four auditors. Audit quality had a mean of 4.07, showing moderate agreement that opinion shopping negatively affects independence, relevance, and timeliness of reporting.

Table 3: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Audit Opinion Shopping	200	1.00	5.00	3.9593	.51552
Audit Market Competition	200	2.29	5.00	4.0729	.26819
Audit Quality	200	2.29	5.00	4.0729	.26891

Source: SPSS Version 26 (2025).

Regression results

Hypothesis one:

Table 4: Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.414 ^a	.171	.167	2.95488

Dependent Variable: Audit Opinion Shopping

Predictors: Audit Market Competition

Source: SPSS Version 26 (2025)

Table 5: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	356.698	1	356.698	40.853	.000 ^b
Residual	1728.802	198	8.731		
Total	2085.500	199			

Dependent Variable: Audit Opinion Shopping

Predictors: (Constant), Audit Market Competition

Source: SPSS Version 26 (2025)

Table 6: Coefficient Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.262	2.744		2.282	.024
Audit Market competition	.613	.096	.414	6.392	.000

Dependent Variable: Audit Opinion Shopping

Predictors: Audit Market Competition

Source: SPSS Version 26 (2025)

The model summary in Table 3 shows the regression result of model 1. The R² of .171 indicates that about 17.1% variation in the independent variable (Audit Market Competition) is predicted by the dependent variable (Audit Opinion Shopping) showing that audit market competition contributes about 17.1% to changes in opinion shopping while other factors which are not included in this model contribute about 82% in influencing audit opinion shopping behaviour. Table 5 shows the computed p-value, which was statistically significant at 5% indicate that audit market competition influences audit opinion shopping. Furthermore, the coefficients in Table 5 show the regression analysis of the impact of audit market competition on audit opinion shopping. These results show that audit market competition positively and significantly increased audit opinion shopping with Beta (β) =.414, t-statistics of 2.283 and computed p-value of 0.000 at 0.05 level of significance.

Hypothesis Two

Table 7: Model summary

Model	R	R square	Adjusted R Square	Std. Error	Durbin-Watson
1	.145	.021	.016	.3192	2.156

Dependent Variable: Audit Quality
Predictors: Audit Opinion Shopping
Source: SPSS Version 26 (2025)

Table 8: ANOVA test results

Model	Sum of squares	DF	Mean square	F	Sig.
Regression	43.155	1	43.155	4.234	.041
Residual	2017.965	198	10.192		
Total	2061.120	199			

Dependent Variable: Audit Quality
Predictors: Audit Opinion Shopping
Source: SPSS Version 26 (2025)

Table 9: Coefficient Table

Variable	B	Std. Error	Beta	T	Sig.
Constant	45.704	1.676		27.277	.000
Audit Opinion shopping	.144	.070	.145	2.058	.041

Dependent Variable: Audit Quality
Predictors: Audit Opinion Shopping
Source: SPSS Version 26 (2025)

The model summary in Table 6 shows the regression result of model 2. The R² of .021 indicates that about 21% variation in the independent variable (Audit Opinion Shopping) is predicted by the dependent variable (Audit Quality) showing that audit opinion shopping contributes about 21% to changes in audit quality while other factors which are not included in this model contribute about 79% in influencing audit quality. Table 8 shows the computed p-value, which was statistically significant at 5% indicate that audit opinion shopping influences audit quality.

Furthermore, the coefficients in Table 8 show the regression analysis of the impact of audit opinion shopping on audit quality. These results show that audit opinion shopping positively and significantly influence audit quality with Beta (β) = .144, t-statistics of 2.058 and computed p-value of 0.041 at 0.05 level of significance.

Test of Hypotheses

H₀₁: Audit market competition has no significant impact on audit opinion shopping.

H₀₂: Audit Opinion Shopping has a significant impact on Audit Quality.

Based on the results of analysis in Table 5 and 8 respectively the null hypotheses 1 and 2 are rejected. Hence, the study conclude that audit market competition has a significant impact on audit opinion shopping among firms in Nigeria. Similarly, Audit opinion shopping has a significant impact on audit quality in Nigeria.

5. Conclusion

The findings of this study provide significant insights into the dynamics of audit opinion shopping and audit market competition in Nigeria which serving as a foundation for other developing economies. Both big four and non-big four auditors acknowledged the presence of opinion shopping, showing that the practice is not limited to large corporations and smaller audit firms. This result aligns with Lennox (2000) and Appah et al. (2022), who emphasized the global spread of this behavior.

Big four auditors highlighted that competition primarily occurs where reputation and brand recognition are key drivers. In contrast, non-big four auditors stressed fee-based competition and greater vulnerability to client bargaining power. This conflicting result reflects the findings of Guan et al. (2016), who argued that smaller audit firms face greater risks of compromise in highly competitive markets environments.

There was a consensus by all participants that opinion shopping reduces audit quality by undermining auditors' independence and hindering its objectivity. However, big four auditors pointed to reputational and litigation risks as deterrents, while non-big four auditors acknowledged the pressure to retain clients as a significant influence on their audit practices. Opinion shopping is a systemic challenge in Nigeria's audit market, which requires reforms that addresses the concerns of both big four and non-big four auditors. Therefore, the study recommends that regulators should strengthen oversight mechanisms to enforce auditor independence across both big four and non-big four firms; audit committees should be more proactive in overseeing auditor changes to prevent client-driven opinion shopping; policies should encourage fair competition without fee undercutting that compromises quality; transparency should be promoted through mandatory disclosure of auditor changes and reasons for such changes. Future studies should explore industry-specific dynamics, such in oil and gas or manufacturing sectors, and incorporate qualitative interviews for deeper insights.

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