

# **EFFECT OF INTERNATIONAL AUDIT ON FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANK IN NIGERIA**

**(A CASE STUDY OF UBA IN ILORIN KWARA STATE)**

**BY**

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**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE  
AWARD OF NATIONAL DIPLOMA (ND) IN ACCOUNTANCY.**

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## **CERTIFICATION**

This is to certify that this project work has been written by **IBRAHIM FAAIDAT ARINOLA** with Matriculation Number **ND/23/ACC/FT/0043** and has been read and approved as meeting part of requirement for the Award of National Diploma (ND) in the Department of Accountancy, Institute of Finance and Management Studies (IFMS), Kwara State Polytechnic, Ilorin, Kwara State

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## **DEDICATION**

This research is work is dedicated to Almighty Allah the most beneficent the most merciful.

## ACKNOWLEDGEMENT

I want to acknowledge the **Almighty Allah**, the author and finisher of all things, I want to acknowledge him for the wisdom, knowledge and understanding he grant unto me throughout this journey, for his grace, Mercy and strength May his name be forever praised.

My deep appreciation goes to my project supervisor **MRS. ADEGBOYE B.B** who devotes time and supported me throughout this project work. May Almighty God continue to be with you and your entire family. Amen.

In this regard, I wish to express my sincere regard, gratitude and appreciation to my parent **MR. and MRS. IBRAHIM** for their financial and morally support. I pray Almighty God let you live long to reap the fruit of your labour. Amen

I will also like to extent my appreciation to all my family and friends. Thank you all for everything you contribute towards the completion of this project

Finally, I must congratulate myself for being able to take up the challenge to complete this program and project work successfully.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

In the evolving global financial environment, transparency, accountability and credibility have become critical elements in financial reporting and auditing. These elements are increasingly driven by the adoption and implementation of International Audit Standard (IAS), which serve as benchmarks for audit quality across borders. International Auditing Standards are issued by the International Auditing and Assurance Standard Board (IAASB) and are designed to ensure that audits are carried out with a high level of professionalism and consistency, regardless of jurisdiction.

Nigeria, as a developing economy with an open financial system, has witnessed the integration of these international standards into its auditing framework, particularly within its banking sector. The banking industry in Nigeria, especially deposit money banks (DMBs), plays a significant role in economic development by providing financial intermediation, facilitating trade and investment and supporting government policies. However, the sector has also faced challenges of financial misreporting, insider abuses, and corporate governance failures, which necessitate stronger regulatory and audit frameworks.

The Central Bank of Nigeria (CBN) and other regulatory bodies such as the Financial Reporting Council of Nigeria (FRCN) and the Nigerian Deposit Insurance Corporation (NDIC) have pushed for the harmonization of Nigerian auditing practices with international standards. This effort is expected to promote investor confidence, improve financial transparency and reduce systematic risks. The implementation of IAS in Nigerian banks, therefore, presents a vital area of study to understand the extent to which these standards affect quality and operational performance.

United Bank for Africa (UBA), one of Nigeria's leading Deposit Money Banks with a strong regional presence, provides a fitting case study to evaluate the real-world impact of these

standards,. This study specifically focuses on the UBA branch in Ilorin to assess how effectively international auditing practices and financial reporting.

## **1.2 STATEMENT OF THE STUDY**

Despite the adoption of international auditing standards, several Nigeria banks still struggle with issues of compliance and audit in efficiencies. In many case, audit report are either delayed or in consistence raising question about the effectiveness of these standards. At the operational level challenged such as inadequate training, resistance to change and weak enforcement mechanism hinder full compliance. UBA Ilorin like other branches operates in a regulatory and operational environment where the application of IAS may vary in practice. This study aims to identify whether the adoption of IAS have tangibly improved quality and transparency or whether existing challenges underline its effectiveness.

## **1.3 RESEARCH QUESTIONS**

This study aims to answer the following questions:

- i. To what extent has the adoption of international auditing standards enhance the reliability of financial reporting in UBA Ilorin?
- ii. What impact do international auditing standards have on audit quality and transparency in UBA Ilorin?
- iii. What are the challenges associated with the implementation of international auditing standards in UBA Ilorin?

## **1.4 OBJECTIVES OF THE STUDY**

The objectives of this study are:

- i. To examine the extent to which the adoption of international auditing standards enhances the reliability of financial reporting in UBA Ilorin
- ii. To determine the impact of international auditing standards on audit quality and transparency in UBA Ilorin



- iii. To identify the challenges associated with implementation of international auditing standards in UBA Ilorin

## **1.5 RESEARCH HYPOTHESES**

To guide the study, the following hypotheses were tested:

H0<sub>1</sub>: International auditing standards have no significant effect on the reliability of financial reporting in UBA Ilorin

H0<sub>2</sub>: There is no significant relationship between international auditing standard and audit transparency in UBA Ilorin

H0<sub>3</sub>: The challenges of implementing international auditing standards do not significantly affect UBA's compliance level

## **1.6 SCOPE OF THE STUDY**

This study focuses on UBA Ilorin examining its adoption of International Auditing Standards and resulting impact on audit processes and financial reporting. The study covers the audit practices from the period between (2020 and 2024), a timeline marked by increased efforts in audit standardization and reforms within the Nigeria banking sector. The research investigates the roles of IASs in enhancing financial reporting reliability, audit transparency, and the challenges encountered in the implementation process.

## **1.7 LIMITATION OF THE STUDY**

The limitation include restricted access to confidential audit data potential respondent bias during interviews and time constraints. These factors may limit the generalization of findings.

## **1.8 SIGNIFICANCE OF THE STUDY**

This study is significant for general reasons and will benefit a range of stakeholders.

- ❖ For Regulatory Authorities e.g (CBN, NDIC) it will provide insight into the effectiveness of policy implementation regarding IAS

- ❖ For Bank Management (UBA) it highlight operational areas where compliance can be improved, it will help understand the strength and gaps in their auditing systems
- ❖ For auditors and financial analyst, they will benefit from release evaluation of auditing standards and under score the important of adhering to international best practices.
- ❖ For academic researchers and students, it will contribute to the academic discourse on international audit standard and their local applicability and it is useful as reference for further studies.

## **1.9 DEFINITION OF TERMS**

- International Auditing Standard: globally accepted auditing principles developed by the IAASB to guide audit process
- Deposit Money Bank: Financial institution licensed to accept deposit and offer loan
- Financial Reporting: The process of disclosing financial results and related information to stakeholders
- Audit Transparency: The clarity and openness with which audit procedures and results are communicated
- Audit Quality: The degree to which an audit is performed in accordance with auditing standards and procedure reliable result
- Compliance: Adherence to rule, standard and laws in financial practices
- UBA (United Bank of Africa): A leading Pan-African financial institution used as the case study in this research
- Implementation Challenges: Difficulty faced in applying new procedures or standards and law in financial practices.
- Reliability: The trust worthiness of financial reports as indulge by accuracy and consistency.

- Regulatory Framework: A system of rules and guidelines established by regulatory bodies to govern institutions.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 CONCEPTUAL REVIEW**

##### **2.1.1 INTERNATIONAL AUDITING STANDARDS**

International Auditing Standards (IAS) are globally recognized professional standards that guide auditors in conducting financial audits of financial information. They ensure audits are performed consistently and with high quality, enhancing the reliability and credibility of financial statements. The International Auditing and Assurance Standards Board (IAASB) issues these standards.

According to Adeyemi and Fagbemi (2018). International Standards on Auditing are professional standards for the auditing of financial information. These standards are issued by the International Auditing and Assurance Standards Board. According to Olung M, ISA guides the auditor to add value to the assignment hence building confidence of investors.

The International Auditing and Assurance Standards Board (IAASB) is an independent standard-setting body under the auspices of the International Foundation for Audit and Ethics and is subject to the oversight of the Public Interest Oversight Board (PIOB).

The IAASB's objective is to serve the public interest by setting high-quality auditing, assurance, and other related standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession. ISAs are written by the IAASB in the context of an audit of financial statements.

### **2.1.2 AUDIT QUALITY**

Audit quality refers to the degree to which an audit fulfills its objective of providing reasonable assurance that a company's financial statements are free from material misstatements. It encompasses the accuracy, reliability, and thoroughness of the audit process, and is crucial for maintaining the integrity of financial reporting and building trust among stakeholders.

According to Okoye and Ezejifor (2020) Quality audit is the process of systematic examination of a quality system carried out by an internal or external quality auditor or an audit team. It is an important part of an organization's quality management system and is a key element in the ISO quality system standard.

### **2.1.3 FINANCIAL REPORTING**

Financial reporting is the process of documenting and communicating a company's financial activities and performance. It involves preparing and disseminating financial statements, which are used to inform stakeholders, including investors, creditors, and management, about the company's financial health and performance over a specific period. These reports are crucial for making informed decisions about investments, loans, and the overall direction of the business.

Financial reporting is the process of documenting and communicating financial activities and performance over specific time periods, typically on a quarterly or yearly basis. Companies use financial reports to organize accounting data and report on current financial status. Financial reports are also essential in the projections of future profitability, industry position and growth, and many financial reports are available for public review. There are several primary statements to use when reporting financial data, and the information you include in these documents fulfills several key objectives of financial reporting:

Tracking cash flow

Evaluating assets and liability

Analyzing shareholders

Measuring profitability

## **2.2 THEORETICAL FRAMEWORK**

This project aims to examine the main issues surrounding international audit standard on the financial performance of deposit money bank in Nigeria. The theories using in this research are agency theory, institutional theory, legitimacy theory, compliance theory and stakeholders theory.

### **2.2.1 AGENCY THEORY**

Agency theory explain the relationship between principals (stakeholders) and agents (managers). In this context, auditing serve as a monitoring mechanism to ensure that agent act in the best interes of principals. The implementation of IAS enhance the reliability of this monitoring system by providing standardized guidelines that auditors must follow and producing credible audit reports.

### **2.2.2 STAKEHOLDER'S THEORY**

According to Fredman (2020) stakeholder theory emphasizes that some individual or group are very important for the survival of the organisation. This explanation is seen as organisation oriented explanation, but in an earlier research Fredman reported that stakeholder theory refers to any group or individual who can affect or who is likely to be affected by the achievement of the organisation objective. Friedman (2009) supported these in his definition of the stakeholders theory was more balance and covers a wider area than those of the Stanford Research Institute (SRI) (1963) which defined the theory simply as those people who, without their support and ideas, the organisation would not exist. They further stated that Fredman definition was wider because it included individuals outside the firm and other groups that may consider themselves as the stakeholders in the organisation without the firm acknowledging them to be so. The stakeholders in most organizations usually include shareholders, employees, customers, lenders, suppliers, local charities and interest group etc.

### **2.2.3 COMPLIANCE THEORY**

Compliance theory focused on the maturations behind organizational adherence to laws and standards. It suggested that organization comply either out of fear of sanction or to gain legitimacy the adoptions of IAS in Nigeria banks may be driven by regulatory pressure or trustworthy.

### **2.2.4 INSTITUTIONAL THEORY**

According to Williamson (1985), institutional theory emphasises that without institutions and markets, firm existence would have been impossible and transaction could never have begun. Conventionally, institutions are defined as what people regard or do not regard as acceptable and which often form the framework in which any action finds its legitimacy. Similarly, Karishna and Das (2005) made similar conclusion, in their study, when they established that the environment often recognise and empower institution to award firm or withdraw from firm resources such as legitimacy. Institutional tenets are usually achievable when the business complies strictly with high level of regulations. This theory also emphasized that organisation are not just places where goods and services are produced but are also custodian of social and cultural system. A major researcher on the institutional theory is DiMaggio and Powell (1983) who define institutional theory as those organisation that are in aggregate, constitute a recognized area of the institutional life. These organisations include Key suppliers,

### **2.2.5 LEGITIMACY THEORY**

Legitimacy theory holds that business seek to operate within the bounds of societal norms and values. By complying with IAS UBA Ilorin demonstrates its legitimacy to stakeholders which enhance its public image and trust.

## **2.3 EMPIRICAL EVIDENCE**

Tsedal (2015) investigated the level of internal auditing in Ethiopian public universities in Addis Ababa. He used an unstructured questionnaire to collect data. He analyzed data using ordinary least square regression. The findings of his investigation revealed that there is no clear line of duty in universities. This researcher's findings are not explicit.

The findings did not reveal whether the lack of a clear chain of accountability in universities was caused by a lack of an internal control system or a weakness in the controls.

Ironkwe and Promise (2015) conducted a study on the impact of internal controls on financial performance in

Nigerian manufacturing firms. To collect data, they used a questionnaire and an interview. Panel regression was used to evaluate the given data. Their findings demonstrated that there is no substantial relationship between an organization's internal control system and the use of its finances and assets. Furthermore, their findings demonstrated that there is no link between insufficient controls and fraud perpetration in companies throughout the country. Their findings contradict our findings. According to our findings, internal control systems prevent and identify fraud.

Amanj and Akram (2016) examined the effects of internal control systems on financial performance in Australian telecommunications companies in 2016. They used a survey questionnaire to collect data. They used percentages to assess their data. They discovered that the control served the function for which it was intended in the companies. Their findings also found that not all organizations in the country placed a high importance on internal control systems. The first finding of their study aligned with ours in that internal control systems improved financial performance in manufacturing enterprises. The researchers did not warn readers about the dangers of not valuing internal controls in a business, which is why these findings are concerning.

Mu'azu and Siti (2014) reviewed the effectiveness of internal auditing in some of the organizations in Nigeria. They adopted structured questionnaire to obtain data. The data obtained analyzed with quantitative technics analysis. They found that internal control was able to achieve its targets based on good internal audits in the organizations in the country. Their results agreed with our findings. There is no doubt good internal auditing enhances the performances of internal controls.

Tsedal (2015) analyzed the quality of internal auditing in Ethiopian public Universities in Addis Ababa. He applied unstructured questionnaire to obtain data. He used ordinary least



square regression to analyze data. The results of his findings revealed that there is no clear line of responsibility in the universities. The result of this researcher is not explicit. The result did not indicate whether the none clear line of responsibility in the Universities was caused due to lack of internal control system or weak of the controls as clearly stated in our findings.

Ironkwe and Promise (2015) carried out a research study on the impact of internal controls on financial performance in production companies in Nigeria. They applied questionnaire and interview to collect data. The data collected was analyzed with panel regression. Their findings revealed that there is no significant association between internal control system and the usage of organizations funds and assets. In addition, their result revealed that there is no relationship between the inadequacy of the controls and fraud perpetration in organizations in the country. Their results are not in line with our findings. Our findings indicated that internal control system prevent and detect frauds.

Amanj and Akram reviewed the effects of internal control system on the financial performance in telecommunication companies in Australia in 2016. They adopted survey questionnaire for data collection. They analyzed their data with percentages. In their result, they revealed that the control served the purpose it was designed for in the companies. Their result further revealed that not all the companies in the country valued internal control system. The first result of their study agreed with our findings that internal control system enhanced the success of financial performance in manufacturing firms. The worry about these results is that the researchers did not tell readers the danger in not valuing internal controls in an organization.

The association of internal control system and public sector revenue generation was analyzed by Mahmoud in Nigeria in 2016. Coded questionnaire was used to gather data, while correlation analysis was used by him for the analysis of the data. He found that there was frequent auditing of public sectors in the country. He further found that the good internal auditing in the sectors aid the control's effectiveness. The results of the study corroborate our findings that when there is good internal auditing in an organization, it strengthens internal controls.

Toma, Sahabi, Gordon, and Mohammed (2007) conducted a research work on impact of auditing and internal control system on health institutions in Ghana. They adopted structured questionnaire as a tool for the collection of data. They analyzed their data with quantitative technics. They found that internal control system achieves significantly the desired results in the financial performances of some of the health sectors. Also, they discovered that auditing and internal control system of the institution was effective. The results of the researchers justified our findings that there is cordial relationship between financial performance of manufacturing companies and internal control systems that resulted to the achievements of the firms.

Dwivedi (2002) however, mentions other financial measures to include value of long-term investment, financial soundness, and use of corporate assets. John and Morris (2011) mentions accounting based performance using three indicators: return on assets (ROA), return on equity (ROE), and return on sales (ROS). Each measure is calculated by dividing net income by total assets, total common equity, and total net sales, respectively.

Mawanda (2008) conducted a research on effects of internal control systems on financial performance in institution of higher learning Uganda. In his study he investigated and sought to establish the relationship between internal control systems and financial performance in an Institution of higher learning in Uganda. Internal controls were looked at from the perspective of Control Environment,

Internal Audit and Control Activities whereas Financial performance focused on Liquidity, Accountability and

Reporting as the measures of Financial performance. The Researcher set out to establish the causes of persistent poor financial performance from the perspective of internal controls. The study established a significant relationship between internal control system and financial performance. The investigation recommends competence profiling in the Internal Audit department which should be based on what the University expects the internal audit to do and what appropriate number staff would be required to do this job. The study therefore

acknowledged role of internal audit department to establish internal controls which have an effects on the financial performance of organizations.

## **2.4 GAPS IN THE LITERATURE (RESEARCH GAPS)**

While existing literature provides substantial insight into the adoption of international auditing standards in Nigeria, several gaps remain. Firstly, most studies focus on National level data or a group of banks with few focusing on individual branches such as UBA Ilorin. Secondly, there is limited analysis on the operational challenges faced at the branch level implementing these standards. Thirdly, few studies examine the prospective of auditors and internal stakeholders within the bank which is essential for understanding practical compliance issues. This study aims to fill these gaps by offering a case. Specific analysis of UBA Ilorin, thereby contributing to more nuanced understanding of IAS effects at the micro-institutional level.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter outlines the procedures used in conducting the study. Pertinent issues discussed in this section include the research design, population of the study, sample size and sampling techniques, sources and methods of data collection, instrument of data collection and techniques for data analysis.

#### **3.2 RESEARCH DESIGN**

The study employs a descriptive survey research design. This approach is suitable because it allows for the collection and analysis of data from specific population. In the case employees of UBA Ilorin. It facilitates the evaluation of the effect of international auditing standards on performance of Deposit Money Banks.

#### **3.3 POPULATION OF THE STUDY**

The total population comprises all audit-related staff and financial officers in the United Bank of Africa (UBA), Ilorin branch. Based on internal staff records, the relevant population is 30 employees involve in accountancy. Compliance, internal audits and financial reporting functions.

#### **3.4 SAMPLING SIZE AND SAMPLE TECHNIQUES**

The entire population of 30 staff members was used due to its manageable size, making the study a census rather than a sample. A purposive/judgment sampling techniques was applied to ensure that only employees knowledgeable about the auditing process were included.

#### **3.5 METHOD OF DATA COLLECTION**

Primary data was collected using structured questionnaires. The questionnaire was divided into three parts:

Section A: Demographic information

Section B: Question based on the research

Section C: Challenges and implementation feedback

The questionnaire was distributed physically and retrieved upon completion.

Table 1: population and sample size

Department	Total staff (population)	Sample
Audit	6	6
Finance	8	8
Compliance	5	5
Customer service	4	4
Management	7	7
Total	30	30

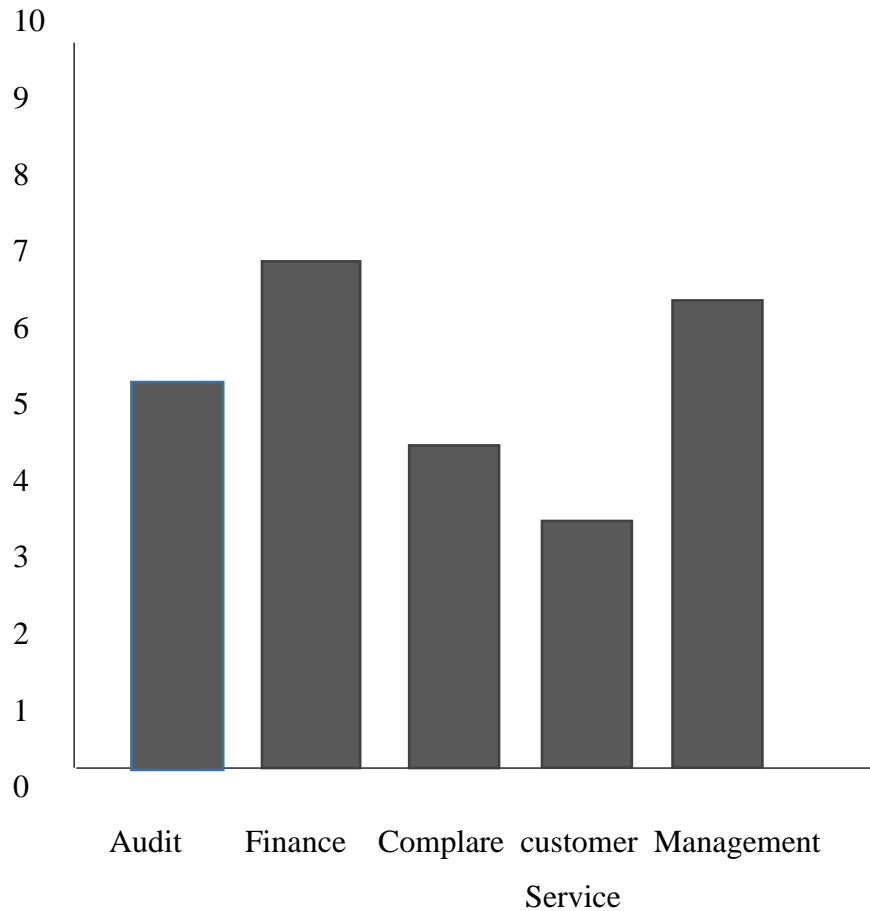
This table reflects how each department representation was retained in the study

Population distribution chart

UBA Ilorin – Staff Distribution

Departments

## Finance, Audit, Compliance, Customer Services and Management



### Department

This diagram offers a visual breakdown of departmental representation demonstration the fairness and inclusively of the selected sample

### 3.6 INSTRUMENT FOR DATA COLLECTION

Validity and reliability of instrument

Validity: The questionnaire was vetted by two accounting experts and the project supervisor to ensure face and content validity.

Reliability: A pilot test was conducted on 5 staff members from a different UBA branch. The Cranach Alpha test yielded a reliability co-efficient of 0.82, indicating high internal consistency.

### **3.7 METHOD OF DATA ANALYSIS/TECHNIQUES FOR DATA ANALYSIS**

Data collected were analyzed using both descriptive and inferential statistical tools:

Descriptive: Frequency tables and percentages were used for demographic data.

Inferential: Chi-square and regression analyses were applied to test hypotheses at a 5%significance level.

Table 3.1: Example of analytical framework

Objectives	Variables	Tools Used
Assess reliability of financial reporting	IAS and financial reliability	Chi-square
Examine effect on transparency	IAS and audit transparency	Regression analysis
Identify implementation challenges	Compliance vs obstacles	Correlation analysis

### **3.8 ETHICAL CONSIDERATION**

The following ethical steps were observed:

- ❖ Informed consent was obtained from all participants
- ❖ Confidentiality and anonymity were maintained
- ❖ Data was used strictly for academic purposes
- ❖ Respondents were allowed to withdraw at any time without repercussions

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION

#### 4.1 INTRODUCTION

This chapter presents the analysis and interpretation of data collected from staff of UBA Ilorin. The respondents are analyzed based on the research questions and hypotheses outlined in earlier chapter. The aim is to determine the impact of international auditing standards on .

#### 4.2 RESPONDENTS CHARACTERISTICS AND CLASSIFICATIONS

Out of 30 questionnaires distributed, 28 were duly completed returned, representing a 93.3% response rate. This high returned rate enhances the credibility and reliability of the study.

Table 4.1: Questionnaire distribution and response rate

Questionnaire distributed	Returned	Respondents Rate
30	28	93.3%

#### 4.3 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The demographic data of respondents help provide content to their responses

Table 4.2 Gender Distribution

Gender	Frequency	Percentage
Male	16	59.1%
Female	12	42.9%

Source: Field survey, 2025

Table 4.3: Age Distribution

Age range	Frequency	Percentage
21-30 years	10	35.7%
31-40 years	13	46.4%
41 years and above	5	17.9

Source: Field survey, 2025



**Table 4.4 Educational Qualification**

Qualification	Frequency	Percentage
OND	4	14.3
HND/B.Sc	18	64.3%
M.Sc./Professional Certification	6	21.4%

Source: Field survey, 2025

**Table 4.5 Departmental Distribution**

Department	Frequency	Percentage
Audit	6	21.4%
Finance	8	28.6%
Compliance	5	19.9%
Customer service	4	14.3%
Management	5	17.9%

Source: Field survey, 2025

**Table 4.6 years of experience**

Years of Experience	Frequency	Percentage
0-5 years	11	39.3%
6-10 years	10	35.7%
Above 10 years	7	25.0%

Source: Field survey, 2025

#### **4.4 DATA PRESENTATION BASED ON RESEARCH QUESTIONS**

**Research Question 1:** To what extent has the adoption of international auditing standards enhance the reliability of financial reporting in UBA Ilorin?

85% of respondents rated the improvement as “High or very high”. Most agreed that IAS has led to more accurate and comparable financial reports.

**Research Question 2:** What impact do international auditing standards have on audit quality and transparency in UBA Ilorin?

78% respondents agreed that audit process have become more standards standardized and

credible.

Respondents noted reduced internal manipulation and increased objectivity.

**Research Question 3:** Are there challenges associated with implementing international auditing standard in UBA Ilorin?

**TABLE 4.7: COMMON CHALLENGES OF IAS IMPLEMENTATION IN UBA, ILORIN**

Challenges	Frequency	% Agreed
Cost of compliance	19	67.9%
Need for continuous training	21	75%
Complexity of standards	17	60.7%
Time consuming implementation	15	53.6%

Source: Field survey, 2025

#### **4.5 TEST OF HYPOTHESES**

##### **Hypothesis 1:**

H01: International auditing standards have no significant effect on the reliability of financial reporting in UBA Ilorin

Test Used: Chi square

Result  $X^2 = 10.98$ ,  $df = 2$ ,  $P = 0.004$  [ $P < 0.05$ ]

Decision: Reject the null hypothesis

Conclusion: IAS significantly improves financial reporting reliability

##### **Hypothesis 2**

H02: There is no significant relationship between international auditing standard and audit transparency in UBA Ilorin

Test Used: Linear Regression

$R = 0.78$ ,  $R^2 = 0.61$ ,  $P = 0.002$  [ $P < 0.05$ ]

Decision: Reject the null hypotheses

Conclusion: There is a strong positive relationship between IAS and audit transparency

**Hypothesis 3:**

H03: The challenges of implementing international auditing standard do not significantly affect UBA's compliance level

Test Used: Pearson Correlation

$r = 0.45$ ,  $P = 0.018$  [ $P < 0.05$ ]

Decision: Reject the null hypothesis

Conclusion: Implementation challenges negatively affect compliance levels to some extent.

**4.6 DECISION/SUMMARY OF FINDINGS**

The result of this study show that international auditing standards have had a positive and significant impact on financial reporting reliability and audit transparency I UBA Ilorin. Despite facing challenges such as training costs and complexity of the standards, the adoption of IAS has resulted in improved financial integrity reduce manipulation and enhance stakeholders confidence.

This findings are consistent with previous empirical studies which confirmed that IAS implementation enhances audit quality (e.g Musa Hassan 2020; Adewale, 2019). The result also supports the conceptual framework earlier established on those studies

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## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIO**

#### **5.1 SUMMARY**

This study investigated the effect of international auditing standards (IAS) on Deposit Money Banks (DMBs) plc, Ilorin branch as a case study. The research was guided by specific objectives that sought to examine how IAS influence financial reporting, accountability, audit quality and the challenges encountered during implementation.

The major finding of the study are as follows:

1. IAS have significantly enhance the reliability of financial reporting in UBA Ilorin the majority of respondents attested that the adoption of those standards led to more transparent and or edible financial records
2. Audit quality and transparency have implored as international standard enforce stricter compliance, consistency and ethical conduct during audits
3. Despite the benefit implementation challenges persist, such as the complexity of IAS, cost of compliance and the need for continuous training. These challenges however low only a moderate inverse relationship with compliance levels.
4. Statistical test [chi-square, regression and pearson correlation confirmed that IAS have a significant impact on financial reporting and transparency while challenges slightly hinder compliance efforts.

#### **5.2 CONCLUSION**

Based on the data analysis and finding, the study concludes that:

- ❖ The adoption of international auditing standards is crucial for strengthening the integrity and reliability of financial reporting in Nigerian DMBs.
- ❖ UBA Ilorin have benefited from IAS through improved audit quality and internal transparency
- ❖ However, addressing implementation challenges remain essential to measuring the full benefits of IAS.

These findings reaffirm the importance of aligning Nigeria banking practices with global

auditing standards to maintain competitive and accountability

### **5.3 RECOMMENDATIONS**

In light of the conclusions drawn from this study, the following recommendations are made:

1. Continuous training and capacity building: UBA Ilorin and other banks should regularly train their staff on IAS to ensure effective implementation and to reduce knowledge gaps that may hinder compliance.
2. Simplification and localization of standards: Regulatory bodies like financial reporting council of Nigeria (FRCN) should collaborate with banks to interpret and simplify complex IAS components for easier application within the Nigerian context.
3. Invest in compliance infrastructure Banks should invest in technology and human capital to support IAS compliance especially tools for automation, monitoring and real-time reporting.
4. Government support and policy banking: Regulatory institution (CBN, NDIC, FRCN) should provide incentive or subsidies for training and system adoption to ease the financial burden of IAS implementation.
5. Periodic review of challenges: Bank should periodically assess the specific challenge they face with IAS and work tailored strategies to address them ensuring continuous improvement.

### **5.4 CONTRIBUTION TO KNOWLEDGE**

This study add to existing literature in the following ways:

1. It provides current empirical evidence of the influence of IAS on Nigeria banks, particularly in UBA Ilorin.
2. It highlight implementation challenges specific to the Nigeria banking sector
3. It reinforces the need for ongoing policy reforms and training to adopt global standards to local realities

### **5.5 LIMITATION OF THE STUDY**

This research is not without limitation

1. The study was limited to one case study (UBA Ilorin) which may restrict the

generalizability of financing to other branches or banks

2. Only a qualitative approach (questionnaire) was used. Including interviews or document reviews might have offered deeper insights.

## **5.6 SUGGESTIONS FOR FURTHER STUDIES**

Future researchers may consider the following areas:

1. Conducting a comparative study of multiple banks (e.g GTB, Zenith) to generalize findings across the banking sectors
2. Adopting a mixed method approach by including interviews or focus groups.
3. Studying sector-specific adaptations of IAS in microfinance banks or fintech institution in Nigeria

## **5.7 CONCLUSION OF THE STUDY**

Overall, the study affirms that international auditing standards significantly contribute to the credibility, transparency and reliability of financial reporting in Nigeria DMBs with improved implementation strategies, these standards on on further elevate corporate governance investor confidence and the long-term sustainability of the banking sector.

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