Financial Reporting Quality and Dividend Policy of Listed Non-Financial Firms in Nigeria

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ABSTRACT

This study examined financial reporting quality and Dividend policy of listed non-fincial firms in Nigeria over a period of 2015-2014.specifically Dividend pay ratio (DPR), Dividend Per share (DPS) Dividend Yield (DY) severed as a measure of Dividend Policy. The study utilized a sample of listed telecommunication sector of the Nigeria Exchange Group (NGX) as at 2024.Secondary Data were sourced from annual statement of the different firms used, including central bank Bulletin. Data were analyzed using Descriptive statistics. The Empirical findings revealed that audit quality has a significant effect on dividend per share and dividend yield but does not have significant effect on dividend payout ratio of non-financial firms in Nigeria. Based on level of significance, it can be concluded that financial reporting quality significantly affect dividend policy of non-financial firms in Nigeria.

Keywords: Dividend Policy, Financial reporting Quality, Non-Financial firms, Dividend pay Ratio and Audit Quality.

INTRODUCTIONS

Investor’s consumers and other group of people need information that is published in the financial statement, for their day to day business or to grow their business if they are subseries involved. Financial reporting quality involves the delivery of a quality financial report to the above mentioned groups and others. According to Amahalu&obi(2026) financial reporting quality is a crucial element of effective corporate management, proving information of high quality is very germane owing to the fact that it will influence positively the providers of capital and other interested party in investment decision, taking credit finance decisions, dividend payout and other resource apportionment decision which will improve the general efficiency of the market. The information of financial reporting cannot be underestimated because it influence investment decision. Thus financial reporting quality is of most importance because it is very essential as it is concomitant with giving consistent Monterey information to the stakeholders for effective and informal chorines investment alternative and others, Ojanwuna(2023) the primary aims of financial publication are to reveal the financial presentation and situation of the concerned to enable potential investors and other stakeholders make reliable and informed economic decision founded on reliable data about the tradeoff between returns and associated investment Deloitte(2012)

The dividend payout policy is a fundamental element of a company’s comprehensive financial strategy, it consists of a sequence of determination concerning the allocation of earnings to shareholders primarily encompassing the selection of dividend policy ,dividend payout ratio and payout note, El-Yagub,(2024) according to Ali&Ramirez(2021) Dividend policy plays a crucial role in deciding whether to distribute earnings to shareholders or reinvest them as retained earnings .As a result it has become a significant topic of interest for scholars and professional in rent times. Kelinde and Abiola(2020) went further to said that dividend is a strategic plan that directs management in distributing a company profit to its familiar stock owners through various types of dividend over a specific timeframe. The Dividend policy is a highly significant financial policy that impact the company, shareholders, consumers employees, regulatory agencies and government, Uwuigbee(2020). According to umaru(2022) Dividend is derived from the Latin word Dividendum which means to be distributed when firms make profit the profit is normally distributed to shareholders according to their ownership proportion. This portion distributed is called dividend. Dividend of a firm can be in the form of cash, shares given to investors for their investment. The went further to said that every firm requires a policy , this dividend policy of a firm helps to dictates the number of dividend paid out by the company when the company makes a profit .Investment decisions, financial decisions and liquidity decisions is interrelated with dividend decision firms decide the proportion of earning to be distributed as divided and proportion of earnings to be retained with the objective of wealth maximization of shareholders, firm should find out the optimum dividend payout with risk return trade off, Thirumaga&Vasantha(2108), with a good quality financial statement shareholders and investors and consumers are able to smile home of good return at the end of every financial year. According to Okafor etal(2011) it has being observed that corporate organization are faced with the problem of whether to pay a large, small or zero percentage of their earnings as dividend vis-à-vis financiering future investment project. Some shareholders have the need for income now as much as will prefer a higher dividend payout ratio, while others need to invest for the future would prefer capital gain, with this wind of various interest of shareholders the firm has to adopt a firm dividend policy that will lead the firm to future interest as time goes on. With this fate of many numerous stakeholders are hang on the financial reporting made available by the going concerns as the ability of investors to create wealth depends on the quality of financial report by firms. Adekanmi etal(2021)

The non-financial sector of the economy comprises of manufactures and service section and from the studies not much work has being done on the service sector which is the telcom provided so this study want to examine if this sector of the economy how the deal with the use of financial repotting quality in their dividend policy pay out. Therefor the primary aim of this study is to analyses the influence of financial reporting quality on Dividend policy of non-financial firms Nigeria (telecom firms in Nigeria).

Objective of the study

The main objective of this study is to examine the effect of financial reporting quality on Dividend policy: in non-financial firms in Nigeria.

1. To investigate the need and effect of audit quality on dividend payout ratio
2. Inspect the effect of audit quality in dividend pay share.
3. Analyze the effect of audit quality on dividend yield.

Research Hypotheses.

1. Audit quality has no significant effect on dividend payout ratio of non-financial firms
2. Audit quality has no significant effect on dividend per of non-financial firms
3. Audit quality has no significant effect on dividend yield of non-financial firms

REVIEW OF RELATED LITERATURE

Empirical review of study.

Mowmoke,Illias and Oluwaseyi (2024) did a work on ownership structure, dividend policy and shareholding wealth among listed non-financial firms in Nigeria, between 2012 -2012. The study population comprised the non-financial enterprise registered in Nigeria stock exchange, choosing a sample of 54 firms for the sample size for the study. The study found out that, they is an impact in ownership structure and dividend policy on shareholders was found to be positive and significant. This outcome supports the agency theory contention that ownership structure is an oversight tools that can be used to curtail management opportunity behavior while regular dividend payment provide the company a favorable impression in the eye of the investors.

Bello& lassi(2020) carried out a study on the determinants of divided policy of listed consumer goods companies in Nigeria, the study made use of listed consumer good firms in Nigeria for a period of Five(5) years 2015-2019 , while ordering pool regression technique was used in the analysis of the data. The study found out that life cycle has significant positive influence on dividend policy of listed consumer goods firms in Nigeria.

Adebayo(2022) examined the financial reporting quality and share price value of quoted non-financial firms in Nigeria, the study use secondary data between 2004 and 2021 using a population of 176 quoted non-financial firms in the Nigeria stock exchange. The result showed that the proxy used for financial reporting quality has no significant effect on the value of shares.

Olumuyiwa & Olumuyiwa(2022) worked on dividend policy and financial performance of quoted selected firms in Nigeria. The population of the study consist of 10 firms quoted on the Nigeria stock exchange, the study made us of multiple regression as a tool for analysis, the proxy for dividend policy is dividend per share and earing per share while financial performance was return on equity. The study find out that earing per share and dividend per share has a positive and significant impact on financial performance of quoted selected firms in Nigeria.

Wale& Ajibike(2022) examined the trend of dividend payment of non-financial quoted companies in Nigeria from2012-2019. Data used was granted from audited report of fifty non-financial quoted companies in Nigeria, which was analyzed using percentage and graphs. The result showed that dividend payout ratio there was a decline from 2004to 2015 and increase in 2017 to 2019 expect in 2018 it suffered another decline. Based on this findings the study concluded that dividend payment among non-finincial quoted companies in Nigeria is gradually fading away.

Aigborw & Osagie(2022) examined the effect of cooperate goverance element and dividend payment of listed non-financial firms: evidence from selected sub-Saharan African countries of south Africa Nigeria and Kenya. The study used inferential statistics in the form of generalized method of moments (GMM). The findings showed that cooperate governance factor have a fundamental influence in dividend distribution in the three sub-Sahara Africana countries.

Paseda(2020) study the determinants of dividend payout ratios of Nigeria non-financial firms, the study made used of panel data regression techniques. The key findings of the study is that dividend is an increasing function of the following firm specific variable namely book leverage , short term debt usage marginal tax with firm size and profitability while the attribute that exert negative influence on payout are market leverage assert. Earnings volality etc. the result confirms the perdition of trade-off, pecking order and agency model of dividends ablest in vering degrees. The study recommends predictable payout polices in line with investors' expectations in order to facilitate curt ions access to finance.

Idris, Ibrahim &Yosuf (2026) did a work on the effect of dividend policy on financial performance of listed deposit money banks in Nigeria between 2015 and 2024. The study adopted return on equity (Roe) as the dependent variable while divide payout and dividend yield saved as independent variable. The date was calculated in the financial statement of deposit money banks listed on the Nigeria stock exchange and CBN. They employed a correlated research design and data were analyzed using descriptive statistics, correlation and regression analysis. Findings revealed that dividend payout has a strong positive and significant effect on ROE while dividend yield exerts a weaker but significant positive effect.

Wahyu,Naura,Nural &Guasti(2026) carried out a study on capital structure and dividend policy as strategic drives of firm value :The mediating role of corporate profitability. The study used panel data from non – financial companies listed on Indonesia stock exchange over a period of 2015-2024 which the employed panel regression bootstrapped mediation analysis and moderated mediation testing. The empirical findings indicate that capital structure has a significant negative on corporate profitability and firm value whereas dividend policy exerts a positive and significant influence on both outcomes.

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Ridho&Seyekti(2026) worked on the effect of board characteristics and ownership structure on dividend payment policy: Evidence from consumer non-cyclical companies on the IDX 2021-2024. The population of the study consist of 128 consumer non-cyclical sector business origination listed in Indonesian stock exchange for the period of 2021-2024, the made us of purpose sampling with a final taste of 69 business institution and 276 observation. They used Eview 13 for the analysis. The depend variable namely dividend pay ratio(DPR)Dependent variable namely board size, board characteristics, were proxy by board size, board gender, board meeting also ownership structure consisting of intuitional managerial also foreign ownership. The control variable are firm measure and leverage. The findings of the study shows that institutional ownership has a positive impact on dividend policy conversely board size, board gender, board meeting, and managerial ownership also foreign ownership has no impact in dividend policy. From the study it shows that board characteric are not yet sufficient to determine dividend policy.

Sahroni,Sakdiah &Yulian (2026) worked on investment and financial decision on firm value: The mediating effect of dividend policy, the study used a quantitative approach with partial least squads -structural equator modeling analysis. Data were obtained from the financial statement of sharia manufacturing companies during a certain observation period and proceed using smart PLS software. The result show that investment decision here have a positive and significant effect on both firm valve and dividend policy, further more dividend policy has a significant effect on firm valve confirming its role as a signal to investors.

Conceptual Frame work and Definitions.

The focus of this study is to examine the effect of financial reporting quality on dividend policy of non-financial firms in Nigeria. The non-financial firms we are using are the telecom firms as they have not being much work that is done on those area of study. Therefor the dependent variable used as proxy for dividend policy are Dividend per share, Dividend yield and Dividend pay ratio, while the independent variable is financial reporting quality which is proxy by Audit quality in this study.

Financial reporting quality: Financial reporting is a means through which information both quantitative and qualitative is communicated to the shareholders or users of financial f statement. According to Ojianwuna (2024) it is the process by which companies crate financial statement to demonstrate to their client their level of performance which involves a number of parties, including the government, creditors, lenders and financiers. The consistency of financial reporting affect the features of the company's financial statement. Maintaining a good financial reporting will not give us the assurance that market involvement are well informed to make good lending and investment decision. The good information not only satisfies the need of stakeholders and investors but it also promotes more openness and and eliminates information asymmetries. As said before there are several benefits to diseminatory high-quality information authority for their own benefit but also lower information risk and liquidity allowing managers to make informed investment decision, Okoye&James(2020) financial reporting quality is one area of communication to interested parties, report on the resource obligation and performance of the reporting organization.

Dividend: Divided are or ways through which a cooperate organization or firm reward their investors at certain period of time, it can be yearly or otherwise, it can be inform of cash which are paid out from the company's profit with a stipulated amount set out for the payment or for the in the form of stock were by investors are given stock equality to the money they could have received in cash.

Divided policy: is a policy or a strategies used by origination in deciding how much dividend they are going to pay to shareholders in it the also decide the form the are going to pay it whether by cash or by share whichever one that will favor them in the long run. It is determined by different factors in an organization which includes financial limitation, investment choices, firm size shareholders option and regulatory bodies. Dividend polies is cash flow that accrues to equity investors that is in the form of retune to shareholders on their confidence in the future of the company in which they have invested, Ojo&Aderumi(2017), according to them dividend policy is seen as the rational under which a firm determines what it will pay in dividends which includes both the amount paid and the pattern under which changes in amount occur over time. That is it entails striking a balance between future and growth and payment of current dividends to firm's shareholders.

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Dividend per share: it is the amount of dividend that a company or firm pays on each stock to the shareholders it is calculated by the total amount of dividend paid and dividing it by the total shares outstanding. DPS is an important thing to the investors because amount the company pays goes as income to him or her it is the most accurate payment a company made on that you can calculate it by yourself the share hold by using the number of shares you have to the amount declared as dividend.

Dividend yield. This is a financial ration that measures the amount of cash dividend distributed to shareholders. According to Sorin (2016) dividend yield express as a percentage is a finicial ratio that shows how much a company pays out in dividends each year relative to its stock price that reciprocal of the dividend yield is the dividend payout ratio.

Dividend payout ratio. It is the percentage of a company's profit that is paid out to shareholders as dividends instead of being kept in the business

Dividend payout ratio =Total Dividend /Net income X 100

This study is anchored on Agency Theory developed by Jensen and Meckling (1976), which explains the relationship between managers and shareholders and how financial reporting quality reduces information asymmetry and agency conflicts. The theory posits that high-quality financial reporting enhances investor confidence and influences dividend policy decisions in listed non-financial firms in Nigeria."

Theoretical Framework

AGENCY THEORY

According to the theory, shareholders appoint managers to manage the firm on their behalf with the expectation that managers will act in the owners' best interests. However, because managers control company resources and possess more information than shareholders, they may act in their own personal interests rather than maximizing shareholders' wealth. This creates what is known as an **agency problem** or **agency conflict**.

In corporate organizations, managers may:

- Manipulate accounting figures
- Withhold relevant financial information
- Retain excess profits for personal benefits
- Invest in unprofitable projects for empire-building
- Avoid paying dividends to shareholders

As a result, shareholders demand mechanisms that reduce managerial opportunism. Two important mechanisms identified by Agency Theory are:

1. **High Financial Reporting Quality (FRQ)**
2. **Dividend Policy**

Financial reporting quality reduces information asymmetry between managers and investors, while dividend payment reduces excess cash available to managers for misuse.

Agency Theory posits that separation of ownership from control creates conflicts between shareholders and management because both parties pursue different objectives. Shareholders seek wealth maximization through dividends and capital appreciation, while managers may prioritize compensation, prestige, job security, or personal interests.

To minimize these conflicts, firms provide **high-quality financial reports** that are transparent, reliable, relevant, timely, and free from material misstatement. High-quality reporting helps investors properly assess profitability, cash flow, risk, and firm performance.

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Similarly, dividend policy serves as a monitoring mechanism. Payment of dividends limits free cash flow retained by management and reduces opportunities for wasteful spending or earnings manipulation.

Therefore, firms with better financial reporting quality are more likely to maintain stable and credible dividend policies because shareholders have greater confidence in reported earnings.

In listed Nigerian non-financial firms, investors rely heavily on audited financial statements when evaluating whether dividend payments are sustainable. When reporting quality is poor, shareholders may distrust earnings figures, thereby affecting dividend decisions and investor confidence.

METHODOLOGY

This study adopted ex-post facto research design. The design was considered appropriate because it enables the use of already existing data to examine how variations in the explanatory variables influence dividend policy. The study made use of two firms listed under non-financial firms (Telecommunication firms) that are listed under telecommunication sector of the Nigerian Exchange Group (NGX) as at 2024. The study covered a ten - year period from 2015 to 2024. The study relied exclusively on secondary data. Data were obtained from credible sources including the Central Bank of Nigeria (CBN) Statistical Bulletin, the National Bureau of Statistics (NBS) publications and the annual financial statements of the sampled firms. For data analysis the data were analyzed using both descriptive statistics and multiple regression analysis.

Model Specification

$DPR_{it} = \beta_o + \beta_1 AQ_{it} + e_i$.. model 1

$DPS_{it} = \beta_o + \beta_1 AQ_{it} + e_i$...................................... model 2

$DY_{it} = \beta_o + \beta_1 AQ_{it} + e_i$.................................... ... model 3.

Where;

AQ = Audit quality

DPR = Dividend payout ratio

DPS = Dividend per share

DY = Dividend yield

e = Error term signifying other variables not captured in the study

$_{it}$ = Firm i at time $_t$

β_o = Slope

β_1 = Intercept

DATA ANALYSIS, RESULT AND DISCUSSIONS

Data Presentation

The analysis focused on financial reporting quality and dividend policy of listed non-financial firms in Nigeria. Financial reporting quality represents the independent variable of the study and was measured using audit quality (AQ). However, dividend policy represents the dependent variable of the study and it was measured using dividend payout ratio (DPR), dividend per share (DPS) and dividend yield (DY).

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Data Analysis.

The data were analyzed using both descriptive statistics and multiple regression analysis.

Table 4.1 Descriptive Statistics

Table 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AQ	30	.50	1.00	5.7262	1.61550
DPR	30	40.50	90.03	5.0366	1.04937
DPS	30	4.21	113.0	5.1276	1.08539
DY	30	1.60	6.77	5.2924	1.32538
Valid N (listwise)	30				

Source: Appendix 1

Table 4.1 shows that descriptive statistics of the variables. The result showed that audit quality (AQ) has the minimum of O.50 and maximum of 1.00. Dividend payout ratio (DPR) has the minimum 40.50 and maximum of 90.03. Dividend per share (DPS) has the minimum of 4.21 and maximum of 113.0. Dividend yield (DY) has the minimum of 1.60 and maximum of 6.77. It is also revealed that the mean values of AQ, DPR, DPS and DY are 5.7262, 5.0366, 5.1276 and 5.2924 respectively for the period covered by the study, indicating that the average value of AQ of the series is 5.7%, DPR is 5.0366%, that of DPS is 5.1276% and DY is 5.2924%.

The standard deviation (Std. Dev.) indicates the dispersion from or spread of the series from their mean values. AQ has the highest dispersion of 1.61550, followed by DY with the dispersion of 5.32538. DPS has a dispersion of 1.8539 while DPR has the lowest dispersion of 1.04937.

REGRESSION ANALYSIS

Table 4.2: Empirical analysis for model 1

Dependent Variable: DPR

Method: Least Squares

Date: 24/05/26 Time: 09:59

Sample: 1 30

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.068167	0.018100	3.766109	0.0003
AQ	-0.005440	0.003043	-1.787798	0.0769
R-squared	0.331900	Mean dependent var		0.037024

Adjusted R-squared	0.321919	S.D. dependent var	0.049454
S.E. of regression	0.048909	Akaike info criterion	-3.177716
Sum squared resid	0.232033	Schwarz criterion	-3.125289
Log likelihood	159.2969	Hannan-Quinn criter.	-3.156504
F-statistic	3.196221	Durbin-Watson stat	0.909144
Prob(F-statistic)	0.076931		

Source: Appendix 2A

The R^2 which measure the level of variation of the dependent variable caused by the independent variables stood at 0.3319. The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (DPR) that can be explained by the independent or explanatory variable (AQ). Thus the R^2 value of approximately 0.332 indicates that 33.2% of the variation in the DPR of non-financial firms can be explained by a variation in audit quality while the remaining 67.8% (i.e. 100-R^2) could be accounted by other factors not included in this model.

The regression result as presented in table 4.2 determines the relationship between AQ and DPR shows that when all the independent variables are held stationary; the DPR variable is estimated at 0.068. This simply implies that when all independent variables are held constant, there will be an increase in the DPR of non-financial firms up to the tune of 0.068% occasioned by factors not incorporated in this study. Thus, a unit increase in AQ will lead to a decrease in DPR by 0.005440%. Finally, the result shows that there is a significant variation of Fisher's statistics (3.19622) has the probability value of 0.076931 which means the model as a whole is not statistically significant at 5% level.

Table 4.3: Empirical analysis for model 2

Dependent Variable: DPS

Method: Least Squares

Date: 24/05/26 Time: 10:00

Sample: 1 30

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.013069	0.029080	0.449430	0.6541
AQ	0.020229	0.004889	4.137950	0.0001

R-squared	0.150037	Mean dependent var	0.128878
Adjusted R-squared	0.141275	S.D. dependent var	0.084795
S.E. of regression	0.078577	Akaike info criterion	-2.229482

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Sum squared resid	0.598910	Schwarz criterion	-2.177056
Log likelihood	112.3594	Hannan-Quinn criter.	-2.208270
F-statistic	17.12263	Durbin-Watson stat	0.623479
Prob(F-statistic)	0.000075		

Source: Appendix 2B

The R^2 which measure the level of variation of the dependent variable caused by the independent variables stood at 0.150037. The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (DPS) that can be explained by the independent or explanatory variable (AQ). Thus the R^2 value of approximately 0.150 indicates that 15.0% of the variation in the DPS of non-financial firms can be explained by a variation in audit quality while the remaining 85.0% (i.e. 100-R^2) could be accounted by other factors not included in this model.

The regression result as presented in table 4.3 determines the relationship between AQ and DPS shows that when all the independent variables are held stationary; the DPS variable is estimated at 0.013069. This simply implies that when all independent variables are held constant, there will be an increase in the DPS of non-financial firms up to the tune of 0.013069% occasioned by factors not incorporated in this study. Thus, a unit increase in AQ will lead to a decrease in DPS by 0.020229%. Finally, the result shows that there is a significant variation of Fisher's statistics (17.12263) has the probability value of 0.000075 which means the model as a whole is statistically significant at 5% level.

Table 4.4: Empirical analysis for model 3

Dependent Variable: DY

Method: Least Squares

Date: 24/05/26 Time: 10:01

Sample: 1 30

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.047217	0.471890	-0.100059	0.9205
AQ	0.236330	0.079329	2.979100	0.0037

R-squared	0.383826	Mean dependent var	1.305758
Adjusted R-squared	0.374381	S.D. dependent var	1.325346
S.E. of regression	1.275103	Akaike info criterion	3.343927
Sum squared resid	157.7112	Schwarz criterion	3.396353
Log likelihood	-163.5244	Hannan-Quinn criter.	3.365139

F-statistic	8.875039	Durbin-Watson stat	0.624862
Prob(F-statistic)	0.003653		

Source: Appendix 2C

The R^2 which measure the level of variation of the dependent variable caused by the independent variables stood at 0.383826. The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (DY) that can be explained by the independent or explanatory variable (AQ). Thus the R^2 value of approximately 0.384 indicates that 38.4% of the variation in the DY of non-financial firms can be explained by a variation in audit quality while the remaining 61.6% (i.e. 100-R^2) could be accounted by other factors not included in this model.

The regression result as presented in table 4.4 determines the relationship between AQ and DY shows that when all the independent variables are held stationary; the DY variable is estimated at -0.047217. This simply implies that when all independent variables are held constant, there will be an increase in the DY of non-financial firms up to the tune of 0.047217% occasioned by factors not incorporated in this study. Thus, a unit increase in AQ will lead to a decrease in DY by 0.236330%. Finally, the result shows that there is a significant variation of Fisher's statistics (8.875039) has the probability value of 0.003653 which means the model as a whole is statistically significant at 5% level.

TEST OF HYPOTHESIS

Hypothesis one

HO_1*:* Audit quality has no significant effect on dividend payout ratio of non-financial firms.

Since the calculated probability value 0.076931 is greater than the accepted probability value of 0.05. The null hypothesis is accepted which states that audit quality has no significant effect on dividend payout ratio of non-financial firms.

Hypothesis two

HO_2*:* Audit quality has no significant effect on dividend per of non-financial firms.

Since the calculated probability value 0.000075 is less than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative accepted thus; audit quality has a significant effect on dividend per of non-financial firms.

Hypothesis three

HO_2*:* Audit quality has no significant effect on dividend yield of non-financial firms.

Since the calculated probability value 0.003653 is less than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative accepted thus; Audit quality has a significant effect on dividend yield of non-financial firms.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The analysis focused on financial reporting quality and dividend policy of listed non-financial firms in Nigeria. Data were collected from annual report and account of the 3 selected non-financial firms in Nigeria for the period of 10 years ranging from 2015 to 2024. The data collected were analyzed using both descriptive and

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inferential statistics (simple regression analysis). The findings revealed that audit quality has a significant effect on dividend per share and dividend yield but does not have significant effect on dividend payout ratio of non-financial firms in Nigeria. Based on level of significance, it can be concluded that financial reporting quality significantly affect dividend policy of non-financial firms in Nigeria.

Recommendations

Based on the findings of this study, it is therefore recommended that:

1. Since financial reporting quality has no significant effect on dividend payout ratio, management of listed non-financial firms should not rely solely on accounting information in determining payout ratios. Other important factors such as liquidity position, cash flow availability, investment opportunities, and future expansion plans should also be considered before deciding the proportion of earnings to distribute as dividends.
2. Given that financial reporting quality has a significant effect on dividend per share, firms should improve the quality, accuracy, transparency, and timeliness of their financial reports. High-quality financial reporting enhances investor confidence and enables management to make appropriate dividend decisions that will positively influence shareholders' wealth.
3. Since financial reporting quality significantly affects dividend yield, firms should strengthen internal control systems, compliance with accounting standards, and corporate governance practices in order to improve the credibility of financial statements. This will help attract investors, enhance market valuation of shares, and improve dividend returns to shareholders.

APPENDICES

APPENDIX 1: DESCRIPTIVE

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AQ	30	.50	1.00	5.7262	1.61550
DPR	30	40.50	90.03	5.0366	1.04937
DPS	30	4.21	113.0	5.1276	1.08539
DY	30	1.60	6.77	5.2924	1.32538
Valid N (listwise)	30				

APPENDIX 2: REGRESSION ANALYSIS

APPENDIX 2A: DPR

Dependent Variable: DPR

Method: Least Squares

Date: 24/05/26   Time: 09:59

Sample: 1 30

Included observations: 30

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Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.068167	0.018100	3.766109	0.0003
AQ	-0.005440	0.003043	-1.787798	0.0769

R-squared	0.331900	Mean dependent var	0.037024
Adjusted R-squared	0.321919	S.D. dependent var	0.049454
S.E. of regression	0.048909	Akaike info criterion	-3.177716
Sum squared resid	0.232033	Schwarz criterion	-3.125289
Log likelihood	159.2969	Hannan-Quinn criter.	-3.156504
F-statistic	3.196221	Durbin-Watson stat	0.909144
Prob(F-statistic)	0.076931		

APPENDIX 2B: DPS

Dependent Variable: DPS

Method: Least Squares

Date: 24/05/26 Time: 10:00

Sample: 1 30

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.013069	0.029080	0.449430	0.6541
AQ	0.020229	0.004889	4.137950	0.0001

R-squared	0.150037	Mean dependent var	0.128878
Adjusted R-squared	0.141275	S.D. dependent var	0.084795
S.E. of regression	0.078577	Akaike info criterion	-2.229482
Sum squared resid	0.598910	Schwarz criterion	-2.177056
Log likelihood	112.3594	Hannan-Quinn criter.	-2.208270
F-statistic	17.12263	Durbin-Watson stat	0.623479
Prob(F-statistic)	0.000075		

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APPENDIX 2C: DY

Dependent Variable: DY

Method: Least Squares

Date: 24/05/26 Time: 10:01

Sample: 1 30

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.047217	0.471890	-0.100059	0.9205
AQ	0.236330	0.079329	2.979100	0.0037

R-squared	0.383826	Mean dependent var	1.305758
Adjusted R-squared	0.374381	S.D. dependent var	1.325346
S.E. of regression	1.275103	Akaike info criterion	3.343927
Sum squared resid	157.7112	Schwarz criterion	3.396353
Log likelihood	-163.5244	Hannan-Quinn criter.	3.365139
F-statistic	8.875039	Durbin-Watson stat	0.624862
Prob(F-statistic)	0.003653		

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