Effect of Auditor Characteristics on Auditor Switching of Listed Oil and Gas Companies in Nigeria

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ABSTRACT

Recent audit regulation reforms and high-profile financial reporting failures in Nigeria's oil and gas industry have intensified concerns about auditor independence and the determinants of auditor switching. This study examines how four auditor characteristics—audit fees, audit firm size, auditor tenure, and audit delay—affect auditor switching among listed oil and gas companies in Nigeria. Anchored in stewardship theory, the study employs a longitudinal research design covering nine listed oil and gas firms over the period 2014–2023. The study applies panel-corrected standard errors (PCSE) after diagnostic tests confirm heteroscedasticity and serial correlation. Results reveal that audit fees and audit firm size exert statistically significant negative effects on auditor switching, indicating that higher fees and engagement of larger audit firms reduce the likelihood of switching. Auditor tenure and audit delay show no significant influence. Control variables (leverage and current ratio) are significant, suggesting that firm-level financial conditions also shape switching decisions. The study concludes that audit fee negotiation capacity and audit firm size are critical determinants of auditor retention in the sector. It recommends that the Financial Reporting Council of Nigeria (FRCN) and the Securities and Exchange Commission (SEC) incorporate audit fee transparency and firm-size considerations into regulatory monitoring frameworks for public-interest entities in the oil and gas industry.

Keywords: Auditor switching, audit fees, audit firm size, auditor tenure, audit delay, oil and gas, Nigeria, stewardship theory, panel-corrected standard errors

INTRODUCTION

1. Background to the Study

Regulators worldwide have long been concerned that firm management may switch auditors to obtain favourable audit opinions—a practice commonly termed "opinion shopping." This concern has driven the design of mandatory rotation rules and cooling-off periods intended to protect auditor independence. Salami et al. (2023) argue that periodic auditor switching can mitigate familiarity threats that arise from prolonged auditor–client relationships and thereby reinforce professional scepticism and independence. Fresh engagement is expected to inject new perspectives, reduce complacency, and ultimately enhance audit quality.

High-profile corporate failures have elevated audit quality to a central policy concern. Users of financial statements frequently attribute corporate collapses to audit failure, eroding public trust in the auditing profession (Egiyi, 2022; Hohenfels & Quick, 2020). In Nigeria, several documented cases illustrate the stakes. The Securities and Exchange Commission (SEC) sanctioned Oando Plc in 2019 for multiple infractions—including market abuses, false disclosures, financial-statement misstatements, corporate-governance lapses, and irregular related-party transactions—that the external audit failed to detect. Subsequently, BDO Professional Services

issued going-concern warnings on Oando's 2021 financial statements (International Centre for Investigative Reporting, 2023). In the Stanbic IBTC Holdings matter, the Financial Reporting Council of Nigeria (FRCN) sanctioned KPMG for alleged "window-dressing" of the 2013 and 2014 financial statements (FRCN, 2015). More recently, the FRCN suspended the audited accounts of the Nigerian Maritime Administration and Safety Agency (NIMASA) and imposed a ₦500 million fine, citing lack of professional scepticism and due diligence by the auditors (FRCN, 2023).

These episodes underscore that auditor switching is not merely a routine commercial decision; it is a governance mechanism with direct implications for the credibility of financial reporting. In response, Nigerian regulators have introduced mandatory auditor rotation: a maximum of ten years for sole auditors and fifteen years for joint audits of public-interest entities, coupled with a seven-year cooling-off period and five-year rotation of the engagement partner (FRCN Audit Regulations, 2020; SEC rules). Despite these reforms, empirical evidence on the specific auditor characteristics that drive voluntary or strategic switching in the Nigerian oil and gas sector remains limited. This study addresses that gap by examining how audit fees, audit firm size, auditor tenure, and audit delay influence auditor switching among listed oil and gas companies.

1. Statement of the Problem

The FRCN Audit Regulations (2020) and SEC rules mandate auditor rotation after prescribed tenure limits. The economic rationale is clear: longer tenure increases familiarity threat and may impair independence (Emmanuel & Uzoka, 2022; Lu, 2020). Yet the Stanbic IBTC case demonstrates that serious audit deficiencies can emerge even within relatively short tenures (four years). Whether tenure itself systematically drives switching decisions in the oil and gas sector therefore requires empirical testing.

Audit fees constitute a second critical dimension. Abnormal or opaque fee arrangements can create economic dependence that compromises objectivity (Effiezal et al., 2020; Oranefo, 2022). Clients may also switch auditors to secure lower fees through low-balling (Oladipupo & Emina, 2016). The FRCN's intervention in the Stanbic IBTC case explicitly cited fee anomalies as a contributing factor. Whether fee levels systematically influence switching among oil and gas firms remains an open empirical question.

Audit firm size presents a third concern. Large (especially Big-4) firms dominate the Nigerian listed-company audit market (World Bank, 2011; Otusanya & Lauwo, 2012). Critics argue that this concentration reduces competition and may insulate large firms from client pressure to switch. Empirical evidence on the size–switching relationship in the Nigerian oil and gas sector is scarce (Kumar & Lim, 2014; Aggreh, 2019).

Finally, audit delay—the number of days between the financial year-end and the audit-report date—has received limited attention in the Nigerian switching literature. SEC rules require listed companies to file audited accounts within 90 days of year-end, yet average reporting lags frequently exceed this threshold (Uchenna & Peace, 2020). Persistent delays may signal audit difficulties or strained auditor–client relations and could therefore precipitate switching. This possibility has not been systematically examined in the oil and gas context.

Taken together, these issues reveal a clear research need: to determine which auditor characteristics—fees, size, tenure, and delay—significantly influence the decision of listed oil and gas firms to switch auditors under Nigeria's current regulatory regime.

1. Research Questions

The study is guided by the following research questions:

i. What is the effect of audit fees on auditor switching among listed oil and gas firms in Nigeria?

ii. What is the effect of audit firm size on auditor switching among listed oil and gas firms in Nigeria?

iii. What is the effect of auditor tenure on auditor switching among listed oil and gas firms in Nigeria?

iv. What is the effect of audit delay on auditor switching among listed oil and gas firms in Nigeria?

1. Objectives of the Study

The primary objective is to examine the effect of auditor characteristics on auditor switching of listed oil and gas companies in Nigeria. The specific objectives are to:

i. determine the effect of audit fees on auditor switching among listed oil and gas firms in Nigeria;

ii. assess the effect of audit firm size on auditor switching among listed oil and gas firms in Nigeria;

iii. investigate the effect of auditor tenure on auditor switching among listed oil and gas firms in Nigeria; and

iv. ascertain the effect of audit delay on auditor switching among listed oil and gas firms in Nigeria.

1. Hypotheses

The following null hypotheses are tested:

H01: Audit fees have no significant effect on auditor switching among listed oil and gas firms in Nigeria.

H02: Audit firm size has no significant effect on auditor switching among listed oil and gas firms in Nigeria.

H03: Auditor tenure has no significant effect on auditor switching among listed oil and gas firms in Nigeria.

H04: Audit delay has no significant effect on auditor switching among listed oil and gas firms in Nigeria.

1. Significance of the Study

This study makes several contributions. First, it provides sector-specific empirical evidence on the determinants of auditor switching in Nigeria's oil and gas industry—an industry that is capital-intensive, heavily regulated, and systemically important to government revenue and foreign-exchange earnings. Second, the findings equip regulators (FRCN, SEC, and the Nigerian Upstream Petroleum Regulatory Commission) with evidence on which auditor characteristics most strongly influence retention or change, thereby informing the design of monitoring metrics and rotation enforcement. Third, audit committees and boards of oil and gas companies can use the results to strengthen auditor-appointment and retention policies. Fourth, investors and financial analysts gain insight into the governance signals embedded in auditor-switching decisions. Finally, the study extends the limited Nigerian literature by applying stewardship theory and employing panel-corrected standard errors on a recent post-regulation data window (2014–2023).

1. Scope of the Study

The study covers nine oil and gas companies listed on the Nigerian Exchange Group (NGX) for the ten-year period 2014–2023. The dependent variable is auditor switching (binary). The independent variables are audit fees, audit firm size (Big-4 versus non-Big-4), auditor tenure, and audit delay. Control variables comprise sales growth, leverage, and current ratio. The temporal window captures both pre- and post-implementation phases of the FRCN's mandatory rotation rules and coincides with significant sectoral developments, including the publication of the Oil and Gas Industry Annual Report and heightened regulatory scrutiny following several high-profile cases.

1. Limitations of the Study

1. Sectoral focus: Restriction to listed oil and gas firms limits generalisability to other industries.

2. Sample size: Only nine firms maintained continuous listing and complete data across the study window, constraining statistical power and cross-sectional variation.

3. Data extraction: Manual collection from annual reports and NGX filings introduces a residual risk of transcription error, although cross-verification procedures were applied.

4. Qualitative dimensions: The purely quantitative design does not capture board-level or audit-partner motivations that interviews or case studies could reveal.

5. Regulatory evolution: Continuous changes in the regulatory landscape during the period are not fully modelled as time-varying covariates.

LITERATURE REVIEW

1. Conceptual Review

Auditor Switching

Auditor switching occurs when the contractual relationship between an audit firm and its client is terminated and a new auditor is appointed. Switching may be mandatory (driven by regulation) or voluntary (driven by fee negotiations, disagreements over accounting treatment, perceived quality, or strategic considerations). Proponents argue that switching enhances independence by introducing fresh professional scepticism and reducing familiarity threat (Carey & Simnett, 2006; Bamber & Bamber, 2009). Critics highlight transition costs, loss of client-specific knowledge, and potential short-term declines in audit quality (Cameran et al., 2016; Kwon et al., 2014). In the Nigerian context, switching is governed by the FRCN's ten-/fifteen-year rotation rules and the SEC's filing requirements.

Auditor Tenure

Auditor tenure is the consecutive number of years an audit firm has audited a given client (Qawqzeh et al., 2018; Amir & Farooq, 2011). Longer tenure can improve audit quality through accumulated client-specific knowledge (Wang et al., 2015), yet it simultaneously elevates familiarity and self-interest threats (Al-Thuneibat et al., 2011). Nigerian regulations cap tenure at ten years (sole) or fifteen years (joint) for public-interest entities, with a seven-year cooling-off period.

Audit Fees

Audit fees are the remuneration paid to the external auditor for the statutory audit (Simunic, 1980). High fees may signal greater audit effort and quality, but they can also create economic dependence that threatens independence (Adeyemi et al., 2011; Effiezal et al., 2020). Low-balling—offering discounted fees to win an engagement—has been linked to subsequent switching as clients seek cost savings (Oladipupo & Emina, 2016). Nigerian professional bodies (ICAN and ANAN) issue fee guidelines, yet actual fees remain subject to negotiation within independence constraints.

Audit Firm Size

Audit firm size is commonly operationalised as a binary distinction between Big-4 and non-Big-4 firms (DeAngelo, 1981). Larger firms possess greater resources, reputational capital, and technical capacity, and are therefore expected to deliver higher-quality audits and to resist client pressure more effectively (Choi et al., 2010). In Nigeria, Big-4 firms audit the majority of listed companies, raising concerns about market concentration (World Bank, 2011).

Audit Delay

Audit delay (or audit report lag) is the number of days between the financial year-end and the date the auditor

signs the report (Nehme et al., 2015). Prolonged delay may indicate audit complexity, disagreements, or resource constraints, and can impair the timeliness—and therefore the usefulness—of financial information. Nigerian listed companies are required to file audited accounts within 90 days of year-end; persistent breaches of this threshold may signal underlying auditor–client friction and could precipitate switching.

CONCEPTUAL FRAMEWORK

The conceptual framework positions auditor switching as the dependent variable and audit fees, audit firm size, auditor tenure, and audit delay as the core independent variables. Firm-level financial characteristics (leverage and liquidity) are included as controls because they influence both the demand for high-quality audits and the firm's bargaining power in auditor negotiations.

1. Theoretical Framework

Agency Theory

Agency theory (Jensen & Meckling, 1976) posits that the separation of ownership and control creates information asymmetry and potential conflicts of interest between shareholders (principals) and managers (agents). External audit serves as a monitoring mechanism that reduces agency costs. From an agency perspective, managers may switch auditors to obtain more favourable opinions or lower fees, while shareholders prefer independent, high-quality auditors. Economic dependence arising from high audit fees or long tenure can undermine the auditor's monitoring role, increasing the likelihood of switching when independence is perceived to be impaired.

Stewardship Theory

Stewardship theory (Donaldson & Davis, 1991, 1994) offers a contrasting behavioural assumption: managers and auditors act as stewards whose interests are aligned with those of the organisation and its owners. Stewards are motivated by intrinsic rewards—professional reputation, organisational success, and the satisfaction of performing challenging work—rather than by pure self-interest. Under stewardship theory, long-term auditor–client relationships can be value-enhancing because they facilitate knowledge accumulation and cooperative problem-solving. Switching is therefore expected only when the stewardship relationship breaks down (for example, through irreconcilable disagreements or regulatory compulsion).

This study adopts stewardship theory as the primary lens. The theory better accommodates the Nigerian regulatory environment, in which mandatory rotation coexists with the professional norm of constructive auditor–client engagement. It also provides a coherent explanation for why larger, higher-fee auditors may be retained: clients view them as capable stewards of reporting integrity rather than as interchangeable service providers.

1. Empirical Review

Empirical evidence on the determinants of auditor switching is mixed and context-dependent. Studies conducted in developed markets frequently report that higher audit fees and larger audit-firm size reduce the probability of switching (Dao et al., 2019; Lee & Levine, 2020; Reid et al., 2019; Sirois et al., 2018). In contrast, some emerging-market studies find that fee pressure and low-balling increase switching (Effiezal et al., 2020). Tenure effects are equally inconclusive: while certain authors document a positive association between long tenure and switching (motivated by independence concerns), others find no significant relationship once regulatory rotation is controlled for (Habib, 2012; Svanström, 2012).

Nigerian evidence remains sparse. Aggreh (2019) and related studies examine auditor switching in broader samples but do not isolate the oil and gas sector. Nwoye (2021) and Emmanuel and Uzoka (2022) investigate tenure and independence but do not jointly model fees, size, tenure, and delay. Studies that incorporate audit delay are particularly rare; most focus on the determinants of delay itself rather than its consequences for switching (Uchenna & Peace, 2020).

Methodologically, many prior Nigerian studies rely on pooled OLS or basic fixed-effects estimators without fully addressing the panel complications of heteroscedasticity and serial correlation that characterise binary switching outcomes. The present study therefore contributes by employing panel-corrected standard errors on a focused oil-and-gas sample covering the post-regulation decade.

1. Identified Research Gaps

The review reveals the following gaps that this study addresses:

1. Absence of recent panel evidence on auditor switching specifically within Nigeria's listed oil and gas sector after the 2015–2020 regulatory reforms.
2. Limited simultaneous examination of audit fees, firm size, tenure, and audit delay as predictors of switching.
3. Scarcity of studies that explicitly test stewardship theory against agency predictions in the Nigerian audit market.
4. Inadequate treatment of panel-data complications (heteroscedasticity and serial correlation) in prior Nigerian switching studies.
5. Insufficient attention to firm-level financial controls (leverage and liquidity) that may condition switching decisions.

METHODOLOGY

1. Research Design

The study adopts a quantitative, longitudinal (panel) research design. The design is appropriate because the variables of interest are measurable from archival sources and the research questions concern relationships over time within a defined set of firms.

1. Population and Sample

The population comprises all oil and gas companies listed on the Nigerian Exchange Group during the period 2014–2023. After imposing the requirement of continuous listing and complete data availability for the study variables, nine firms were retained. The sampling approach is therefore purposive, driven by data completeness and sectoral focus. Although the absolute number of firms is modest, the ten-year window yields 90 firm-year observations, which is adequate for panel estimation with a limited cross-section.

1. Sources of Data and Ethical Considerations

Data were extracted manually from audited annual reports and accounts obtained from the Nigerian Exchange Group portal and company websites. Key figures were cross-checked against secondary aggregators (where available) to minimise transcription error. Because the study relies exclusively on publicly available secondary data, no human subjects were involved and no institutional ethical clearance for primary data collection was required. The research adheres to principles of academic integrity, accurate citation, and transparent reporting.

1. Variable Definition and Measurement

Auditor switching (AUDSW) is a binary variable coded 1 if the firm changed its external auditor in a given year and 0 otherwise. Audit fees (AUDF) are measured as the natural logarithm of the statutory audit fee disclosed in the annual report. Audit firm size (AUDFS) is a dummy variable coded 1 for Big-4 firms and 0 otherwise. Auditor tenure (AUDT) is the consecutive number of years the incumbent audit firm has audited the client. Audit delay (AUDD) is the number of days between the financial year-end and the audit-report signature date. Control

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variables include sales growth (year-on-year percentage change in turnover), leverage (total liabilities divided by total assets), and current ratio (current assets divided by current liabilities).

1. Model Specification and Estimation Technique

The baseline model is specified as:

$$AUDSW_{it} = \beta0 + \beta1\ AUDF_{it} + \beta2\ AUDFS_{it} + \beta3\ AUDT_{it} + \beta4\ AUDD_{it} + \beta5\ Growth_{it} + \beta6\ Leverage_{it} + \beta7\ CR_{it} + \varepsilon_{it}$$

where i indexes firms and t indexes years. Given the binary nature of the dependent variable and the presence of heteroscedasticity and serial correlation (confirmed by diagnostic tests), the model is estimated using panel-corrected standard errors (PCSE). PCSE provides efficient estimates and valid standard errors in the presence of these panel disturbances, outperforming conventional fixed-effects or random-effects estimators under the observed error structure. Fixed-effects estimation was also examined for robustness; the qualitative conclusions remain unchanged.

RESULTS AND DISCUSSION

1. Diagnostic Tests

Preliminary tests confirmed the presence of heteroscedasticity and first-order serial correlation. The Hausman test favoured fixed effects over random effects; however, because PCSE addresses the residual error-structure problems more comprehensively, PCSE results are reported as the primary estimates.

1. Hypothesis Tests

Hypothesis 1 – Audit Fees

Audit fees exhibit a statistically significant negative relationship with auditor switching ($p < 0.05$). Higher audit fees are associated with a lower probability of switching. This finding is consistent with the view that clients who pay premium fees perceive greater value or quality and are therefore less inclined to change auditors (Dao et al., 2019; Lee & Levine, 2020). From a stewardship perspective, higher fees may reflect a mutual investment in a high-quality reporting relationship that both parties are reluctant to dissolve.

Hypothesis 2 – Audit Firm Size

Audit firm size also exerts a significant negative effect on switching ($z = 2.63$, $p < 0.01$). Firms audited by larger (Big-4) auditors are significantly less likely to switch. The result supports the reputational and resource-based arguments advanced by DeAngelo (1981) and is consistent with international evidence (Reid et al., 2019; Sirois et al., 2018). Clients appear to value the technical capacity and brand assurance that larger firms provide.

Hypothesis 3 – Auditor Tenure

Auditor tenure is statistically insignificant ($p > 0.10$). Once regulatory rotation rules and other covariates are controlled for, the length of the incumbent relationship does not independently drive switching decisions. This finding aligns with Habib (2012) and Svanström (2012) and suggests that Nigeria's mandatory rotation regime may already neutralise tenure-related independence concerns in the oil and gas sector.

Hypothesis 4 – Audit Delay

Audit delay is likewise insignificant ($p > 0.10$). Although timely reporting is a regulatory requirement and a governance ideal, the number of days between year-end and report signature does not systematically trigger auditor changes among the sampled firms. The result implies that delay, while undesirable, is not currently a decisive switching factor in this sector.

1. Control Variables

Leverage is positively and significantly associated with switching, suggesting that more highly leveraged firms may change auditors more frequently—possibly to manage perceptions of risk or to renegotiate terms under financial pressure. The current ratio is also positively significant, indicating that more liquid firms possess greater flexibility to initiate or absorb the costs of an auditor change. Sales growth is insignificant. These results underscore that firm-level financial conditions complement auditor characteristics in shaping switching behaviour.

1. Discussion of Findings in Theoretical Context

The significant negative effects of audit fees and audit firm size are consistent with stewardship theory: clients retain auditors whom they regard as capable stewards of reporting quality. Higher fees and larger firm size signal capacity and commitment; switching would disrupt a valued stewardship relationship. The insignificance of tenure further supports a stewardship reading: long relationships are not automatically viewed as threats once regulatory safeguards are in place. Agency-theory predictions of fee-driven dependence leading to compromised independence (and subsequent switching) receive less support in this sample. Overall, the findings suggest that stewardship considerations predominate in the auditor-retention decisions of Nigerian listed oil and gas firms.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

1. Summary

This study examined the effect of auditor characteristics on auditor switching among listed oil and gas companies in Nigeria over the period 2014–2023. Anchored in stewardship theory and employing panel-corrected standard errors, the analysis shows that audit fees and audit firm size significantly reduce the likelihood of switching, while auditor tenure and audit delay do not. Firm-level leverage and liquidity also influence switching decisions.

1. Conclusion

Audit fees and audit firm size are critical determinants of auditor retention in Nigeria's listed oil and gas sector. Higher fees and engagement of larger audit firms are associated with lower switching probability. Tenure and audit delay do not independently drive switching once other factors are controlled. The findings are best interpreted through stewardship theory: oil and gas firms retain auditors perceived as competent stewards of financial-reporting integrity.

1. Recommendations

1. The FRCN and SEC should incorporate audit-fee transparency and benchmarking into their monitoring frameworks for public-interest entities in the oil and gas sector.

2. Regulators should continue to promote capacity development among mid-tier and local audit firms so that market concentration does not become the sole driver of auditor retention.

3. Although tenure is not a significant predictor of switching, voluntary periodic rotation and joint-audit arrangements should still be encouraged to maintain professional scepticism.

4. Audit committees of highly leveraged firms should apply heightened scrutiny to auditor-appointment and retention decisions, given the elevated switching propensity documented in this study.

5. Future research should expand the sample to other regulated sectors, incorporate qualitative evidence on board-level decision processes, and examine the impact of digital audit technologies on switching behaviour.

1. Contribution to Knowledge

The study supplies focused panel evidence on auditor-switching determinants in Nigeria's oil and gas sector under the post-2015 regulatory regime. It demonstrates the empirical relevance of stewardship theory, documents the joint significance of fees and firm size, and highlights the role of firm-level financial conditions—thereby extending both the Nigerian auditing literature and the broader international debate on auditor retention.

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APPENDICES

Appendix A: Raw Data

The table below presents the raw panel data used in the analysis.

Company	ID	Year	AUDSW	AUDT	AUDF	AUDFS	AUDD
Ardova	1	2013	0	4	66069.34	0	31
Ardova	1	2014	0	5	66069.34	0	49
Ardova	1	2015	0	6	67608.3	0	28
Ardova	1	2016	0	7	74131.02	0	30
Ardova	1	2017	0	8	74131.02	0	87
Ardova	1	2018	0	9	33884.42	0	85
Ardova	1	2019	1	1	33884.42	1	59
Ardova	1	2020	0	2	38904.51	1	90
Ardova	1	2021	0	3	53703.18	1	187
Ardova	1	2022	0	4	92496	1	319
Conoil	2	2013	0	8	27542.29	1	216
Conoil	2	2014	0	9	30199.52	1	239
Conoil	2	2015	1	1	25703.96	0	175
Conoil	2	2016	0	2	25703.96	0	160
Conoil	2	2017	0	3	25703.96	0	141
Conoil	2	2018	0	4	23442.29	0	182
Conoil	2	2019	0	5	25191	0	157
Conoil	2	2020	0	6	25191	0	138
Conoil	2	2021	0	7	25191	0	88
Conoil	2	2022	0	8	29798	0	139
Eternal Oil	3	2013	0	9	14791.08	1	85
Eternal Oil	3	2014	0	10	15488.17	1	79
Eternal Oil	3	2015	1	1	19498.45	1	118
Eternal Oil	3	2016	0	2	25703.96	1	90
Eternal Oil	3	2017	0	3	25118.86	1	88
Eternal Oil	3	2018	0	4	40000	1	88
Eternal Oil	3	2019	0	5	40000	1	141
Eternal Oil	3	2020	0	6	40000	1	89
Eternal Oil	3	2021	0	7	37000	1	90
Eternal Oil	3	2022	0	8	60000	1	81
Japau Oil & Gas	4	2013	1	1	12882.5	0	119
Japau Oil & Gas	4	2014	0	2	10000	0	139

Japau Oil & Gas	4	2015	0	3	12589.25	0	133
Japau Oil & Gas	4	2016	0	4	12589.25	0	83
Japau Oil & Gas	4	2017	0	5	10000	0	88
Japau Oil & Gas	4	2018	0	6	10000	0	85
Japau Oil & Gas	4	2019	0	7	6456.542	0	150
Japau Oil & Gas	4	2020	0	8	7244.36	0	152
Japau Oil & Gas	4	2021	0	9	6000	0	116
Japau Oil & Gas	4	2022	0	10	6500	0	90
MRS	5	2013	0	3	25118.86	1	86
MRS	5	2014	0	4	27542.29	1	85
MRS	5	2015	0	5	30199.52	1	90
MRS	5	2016	0	6	30199.52	1	90
MRS	5	2017	0	7	34673.69	1	82
MRS	5	2018	0	8	34673.69	1	88
MRS	5	2019	0	9	38018.94	1	148
MRS	5	2020	1	1	24000	1	90
MRS	5	2021	0	2	30199.52	1	89
MRS	5	2022	0	3	350000	1	90
Total	6	2013	0	5	30199.52	1	86
Total	6	2014	1	1	21379.62	1	83
Total	6	2015	0	2	23988.33	1	91
Total	6	2016	0	3	27542.29	1	74
Total	6	2017	0	4	38904.51	1	54
Total	6	2018	0	5	36307.81	1	88
Total	6	2019	0	6	44668.36	1	136
Total	6	2020	0	7	50118.72	1	84
Total	6	2021	0	8	53750	1	89
Total	6	2022	1	1	57513	1	90

Note: AUDSW = Auditor Switching (1 = switched, 0 = no switch); AUDT = Auditor Tenure (years); AUDF = Audit Fees; AUDFS = Audit Firm Size (1 = Big-4, 0 = Non-Big-4); AUDD = Audit Delay (days).

Appendix B: Variable Measurement Summary

Variable	**Symbol**	**Measurement**
Auditor Switching	AUDSW	Binary: 1 if auditor changed in the year, 0 otherwise
Audit Fees	AUDF	Natural logarithm of statutory audit fee
Audit Firm Size	AUDFS	Dummy: 1 = Big-4, 0 = Non-Big-4
Auditor Tenure	AUDT	Consecutive years the audit firm has audited the client
Audit Delay	AUDD	Days between financial year-end and audit report date
Sales Growth	Growth	Year-on-year percentage change in turnover
Leverage	Leverage	Total liabilities / Total assets
Current Ratio	CR	Current assets / Current liabilities