Issues Militating against Effective Assurance Services and Corporate Reporting

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Abstract

The study investigates the circumstances militating against effective assurance services and corporate reporting in Nigeria. The study adopted a simple random technique. Presentation and analyses of primary data collected with questionnaire and testing of the hypotheses were done using percentage and Spearman’s Rank correlation coefficient. The results from the tests with the help of SPSS show positive and significant correlation between integrity and honesty of external auditors and quality of assurance services and corporate reporting. It was revealed that there is a significant correlation between impaired external auditor’s independence and quality of assurance services and corporate reporting. The more the independence of external auditors is impaired; the more ineffective the reliability of assurance services and corporate reporting. It equally brought to limelight that there is a strong positive correlation between external auditor’s skills on the use of ICT facility such as computer and effective assurance services and corporate reporting. Based on the finding, the study concluded that for effective assurance services and corporate reporting on the financial statement to be achieved, integrity and honesty of the auditor must be given pride of place. In addition to ensuring the independence of external auditors, they should be ICT compliant in order to embrace automated accounting system in line with digitalization developments in assurance services and corporate reporting. It is recommended that auditors should be meant to possess integrity and honesty, assume a high degree of independence and acquire proficiency in relation to ICT based on computer-based auditing in order to ensure effective, reliable and valid assurance and corporate reporting services.

Key Words: Assurance services, corporate reporting, financial statement, digitalization

Introduction

Through financial statements Annual Accounts Reports are presented to shareholders as prepared by the management (directors). The financial statement is a mirror through the state of affairs of a going concern as prepared by the management in line with statutory provision subsisting in a given economy is viewed. At any point in time, the shareholders (investors) are eager in the state of affairs and financial position (net-worth) of the business entity where they have invested their resources. Not left out are other interested parties of accounting information (internal and external users) such as government, employees and tax authorities to mention but a few. Owing to the relevance and importance of Financial Statement therefore, professionals must be engaged in its preparation. External auditors provide quality
assurance and reporting services on the financial statement as part of their responsibilities. In addition, the Board of Directors is responsible for daily accounting activities in organisations and rendering accurate and reliable account to members of a business entity. Besides, they equally ensure that the resources of a going concern are use judiciously. When these are done, shareholders are not physically present. What is reported to them at Annual General Meeting (AGM) is what they take. To reassure them that the true and fair position of the firm is reported and boost their confidence, shareholders make sure they appointment of an external auditor at Annual General Meetings. It should be noted that external auditors are appointed to provide assurance services that the financial statements as prepared by the management is agreement with statutes/standards and actually shows financial realities and transactions of the business within a given accounting period. However, as noted by Adeyemi, Okpala and Dabor (2012), financial statements presented recently have been window-dressed in some attendant consequences including rising corporate pecuniary/financial reporting collapse and insolvency of business entities. Take for instance, superficial window dressed accounts heightened fears in the USA following the liquidation of energy corporation ENRON in 2001. It should be noted that Enron filed for bankruptcy immediately after the adjustment of its accounts following a period of window dressing championed by their auditor Arthur Anderson. So many other companies in the United States have had similar challenges such as WorldCom, Global Crossing and Rank Xerox are other companies in the USA with similar problem. Adeyemi, Okpala and Dabor (2012) has observed that in Italy, Parmalat failed in 2003 when it engaged in accounting misbehaviour of about 8 billion Euros and this observation is equally in line with the one made by Demaki, (2011); Norwani, et al (2011) in . Adeyemi, Okpala and Dabor (2012). Lianne (2011), noted that Allied Nationwide Finance in New Zealand liquidated in September 2010 while NZF Money became bankrupt in January 2011. Nigeria in particular has experienced its own disappointment in terms of poor financial statement reporting inefficiencies. Establishments such as Afribank Nigeria Plc and Cadbury Nigeria Plc had financial reporting failures with the problems in 2006 and 2009 respectively. Countries all around the world have set codes of best practice as guidelines to address governance and financial reporting abnormality. Cadbury Report was produced in United Kingdom, Sarbanes Oxley in United States, The Dey Report in Canada, the Vienot Report in France, the Olivencia Report in Spain, the King’s Report in South Africa, Principles and Guidelines on Corporate Governance in New Zealand and the Cromme Code in Germany. The goal of these regulations was to improve firms’ corporate governance environments (Bhagat and Bolton, 2009) in (Adeyemi, Okpala and Dabor (2012). Nigeria, Regulatory authorities have acted by enforcing companies to comply with strict corporate governance codes. As reported by Idornigie (2010), Nigeria has diversity of codes of corporate governance with distinctive dissimilarities namely: i. Security and Exchange Commission (SEC) code of corporate governance (2003) addressed to public companies listed in the Nigeria Stock Exchange (NSE). The code was reviewed in 2011; ii. Central Bank of Nigeria (CBN) Code (2006) for banks established under the provision of the Bank and Other Financial Institutions Act (BOFIA); iii. National Insurance Commission (NAICOM) Code (2009), directed at all insurance, reinsurance, broking and loss adjusting companies in Nigeria; and iv. Pension Commission (PENCOM) Code (2008), for all licensed pension fund operators. The intervention of these regulatory authorities has not eradicated the inefficiencies associated financial statement governance and reporting. The limiting factors to effective assurance services and corporate reporting has been recurring. Therefore, this study aims at unmasking the circumstances that have been militating against effective assurance services and corporate reporting as well as the way forward out of the dilemma.

Conceptual Framework and Conceptual Issues
As noted by Adeyemi, Okpala and Dabor (2012), the International Audit and Assurance Standard Board (IAASB), a sub-committee of the International Federation of Accountants (IFAC) defined an audit as an independent examination of, and expression of opinion on the financial statements of a business enterprise by an appointed auditor in accordance with his terms of appointment and in compliance with the relevant statutory and performance requirements. The audit report is the outcome or end product of every audit assignment that the auditor issues to the members of a client company expressing his opinion on the true and fair view regarding an enterprise’s financial statements. This statutory duty is provided for in Section 359(1) of the Companies and Allied Matters Act (CAMA), 1990 in Nigeria. The auditor has a statutory responsibility by virtue of Section 359(3) of the Company and Allied Matter Act (CAMA), 1990, to issue a report
to the members of the audit committee which must be statutorily set up by such a client.

**Reasons for which Quality Assurance Services and Reporting may be affected:**

The credibility and reliability of financial statement is a function of the effectiveness of assurance services and reporting. However, a good number of circumstances which could be either internal or external could affect the quality financial statement preparation and reporting including assurance services and corporate reporting. Some of the factors affecting audit quality assurance and corporate reporting include financial literacy of audit committee members; frequency of audit committee meetings; multiple directorship of audit committee members; independence of audit committee members; external auditors’ quality; and interaction between independence of audit committee and external audit (Adeyemi, Okpala and Dabor, 2012).

Good skill and application of knowledge of computer (ICT): Lack of knowledge and skill on the use of ICT facility like computer is a threat to efficient and effective assurance services in modern time. Digitalization has really changed the erstwhile manual accounting system. Effective assurance services and corporate reporting nowadays depends to a reasonable extent on the competence and skill of an auditor on how to use computer. The invention of computer and accounting software has made it possible for the automation accounting system enhanced by ICT, giving rise to effective corporate reporting on financial statement. Therefore, an external auditor without good knowledge and skill in computer would not carry out effective assurance services and reporting of financial statement. Audit committee members place personal interest above corporate interest: In situations where external auditor has a secret business dealing with the top management and eventually appointed auditor by shareholders at Annual General Meetings, such external auditor would not express true and fair opinion on the financial statement. Pecuniary Literacy of Audit Committee Members: Where external auditors lack competence and skills on how to handle contemporary issues bothering on accounting principles, it becomes a problem and the attendant consequences could be faulty assurance services on financial statement reporting. According to Song and Windram (2000) in (Adeyemi, Okpala and Dabor 2012), a high degree of financial literacy is necessary for an audit committee to effectively oversee a company’s financial control and reporting. The role of an audit committee in overseeing accountability of the management covers a wide scope to include the overall process of corporate reporting. This requires the audit committee to have accounting knowledge in order to acquire an in-depth understanding of financial reporting and improve compliance with regulatory requirements. The need to comprehend the overall financial and non-financial contents of corporate reports is greater considering that listed companies are operating as conglomerates with some having complex group structures and therefore, presenting technically advanced financial reporting contents. Financial literacy reduced fraud in corporate financial reporting. A formal recognition of this requirement was recently made in the U.S. with the passing of the Sarbanes-Oxley Act (2002) which requires each public listed company to disclose whether or not it has a financial expert in the audit committee. The auditor must be updated with the current or contemporary issue in accounting such are the relevance and application of IFRS to function optimally. Audit committee meeting more frequently: The more often the audit committee meets, the more opportunity to discuss current issues facing by the company. Since the level of audit committee activity reflects good governance, it should enhance the exercise of oversight function and this will reflect on the quality of assurance services and corporate reporting. Abbott, Park and Parker, (2000), noted that effectiveness of audit committee depends on the extent the Committee is able to resolve issues and problems faced by the company and to improve their monitoring function of company financial affairs. A more active audit committee is expected to provide an effective monitoring mechanism. The Code of Corporate Governance states that the provision of an institutionalised forum encourages the external auditor to raise potentially troublesome issues at a relatively early stage. As a best practice, audit committee meeting should be conducted at least once a year without the presence of executive board members. However, the total number of meetings depends on the company’s terms of reference and the complexity of the company’s operation’s operations. At least three or four meetings should be held in addition to other meetings held in response to circumstances that arise during the financial year (Finance Committee on Corporate Governance, 2001). Although the number of meetings may not provide an effective monitoring mechanism, it is noted that an audit committee without any meeting or with small number of meetings is less likely to be a good monitor (Menon and Williams, 1994). Multiplicity Directorship of Audit Committee Members: This connotes the number of director...
positions occupied by a member of audit committee in different committees (Shivdasani, 1993). Song and Windram (2000) argue that multiple directorship may cause limitations of time and commitment for audit committee members from performing effectively. Auditing and assurance services require time to carry out critical evaluation. When this is missing, quality work as regards assurance services and reporting on financial statement may be carried out. Audit committee members who held directors’ posts of too many companies may have limited time fulfilling their responsibilities. However, Ruzaidah and Takiah (2004), were of different view when they argued that multiple directorships of audit committee members was found to have significant positive relationship with corporate social reporting practices and corporate performance. This suggests that audit committee with multiple directorships provides an effective monitoring mechanism. Independent Audit Committee: Blue Committee 1999, Cadbury Committee 1992 and Treadway Commission 1987) noted that independence of audit committee essential factor for an audit committee to ensure that management is held accountable to shareholders (The Code of Corporate Governance states that the majority of audit committee members must be independent and the chairman should be an independent non-executive director. It increases the effectiveness of monitoring functions. It serves as a strengthening force to the independence of internal and external auditors. It is believed that the more independent the audit committee, the higher the degree of supervision and the more likely that members act objectively in evaluating the susceptibility of the company accounting internal control and reporting practices. Again, this helps the auditor to express true and fair opinion concerning the financial statement hence quality assurance and corporate reporting services. Relations existing independent audit committee and external audit: External auditors, through their interactions with audit committees are able to influence the company’s internal control strength as well as reporting quality (Goodwin and Seow, 2000) in (Adeyemi, Okpala and Dabor (2012). The audit committee is expected to deal with the appointment and dismissal of external auditors. The Code of Corporate Governance (2001) spells out that it is the responsibility of the audit committee to discuss with the external auditors the nature and scope of audit before the audit starts and to review the findings of the audit subsequently. Such linkage is expected to produce an interaction effect between the external auditors and audit committees. The negative relationship between independence of board of directors and discretionary accruals is being weakened by the audit of non-Big 5 firms. (Klein, 2002). The finding suggests that negative relationships between discretionary accruals and independence of board of directors and the board financial literacy respectively are stronger for the companies audited by Big 5. This is because the control by independent board of directors and financially literate audit committees becomes more important when the companies do not get quality audit. Audit-Firm Tenure: Effective and quality financial reporting and assurance services are influenced by the audit-firm tenure. Audit-firm tenure is the length of the audit-firm-client relationship as of the fiscal year-end covered by the audited financial statements. Following prior research (e.g., St. Pierre and Anderson 1984; Stice 1991), audit tenure is defined as short when the same auditor has audited the financial statements of a company for two or three years. Audit tenure is defined as long when the same auditor has audited the financial statements of a company for nine or more years. On the basis of definition of short- and long-term tenure, we define audit tenure as medium when the same auditor has audited the financial statements for four to eight years in (Adyem, Okpala and Dabor 2012).

Theoretical Framework
Akinbuli (2010) and Hayes et al (1999) they listed theories of auditing and their functions. Some of these theories include: The lending credibility theory: This theory states that the primary function of audit and assurance services is to add credibility to the financial statements. Akinbuli (2010) observed that the stakeholders’ faith can be enhanced through audited financial statement. The Policeman Theory: This is auditing theory for arithmetic accuracy basically for the prevention and detection of fraud. The theory states that auditors prevent and detect fraud in organizations. Theory of Inspired Confidence: This states that stakeholders’ contributions to organizations are accounted for by management in return. There should be proper accountability of stakeholder contribution by management. The moderator of claimant’s theory: all important participants in any organization should continue to contribute and each contributed party should receive fair share of the organization’s income. Agency theory: The party that is less informed demands for information that monitors the management behaviour (Akinbuli, 2010). According to Hayes et al., (1999), they stated that the auditor detects errors in the financial statement. This is used to point out the supply side of audit market. The contribution of audit to third party is determined
by these principles i.e. error should be detected in the financial statement and the errors should be reported willingly by the auditors. Theory of Professionalism: This is where professionals like the lawyers, accountant and bankers have mobilized claims on ethical codes, advanced education, claims to have public interest at heart in order to gain their own social power. A claim to professionals also includes the possession of practical and theoretical knowledge and exercise of skill at high level of social responsibility and technical conducts. An argument on professional monopoly and professional claims relies on the charter status which is the state recognition (Copper et al, 1988; Uche, 2002; Okike, 2004; Bakre, 2007).The Charter Status by way of state recognition gives accounting firms the control over auditing of public companies and to be self-regulated by the accountancy professionals (Bakre, 2007).The two professional bodies in Nigeria, the Institute of Chartered Accountant of Nigeria (ICAN) and the Association of National Accountant of Nigeria (ANAN), ever guaranteed charter status and the self-regulation of accountancy. ICAN and ANAN are committed to promote the highest standard of practice, competence and ethical conducts among members by the support of the charter status through the Nigeria state (Bakre, 2007). However, it has been argued that the advancement of interest of members is the primary political purpose of professional associations like ICAN and ANAN (Willmot, 1986). This professional associations (Accountancy Bodies) are allowed by their professional claims to monopolize power that they have received from the state and to justify and charter status (Bakre, 2007).

Review of Empirical Studies

Adeyemi, Okpala and Dabor (2012), in their empirical studies on the factors affecting audit quality in Nigeria, concluded among other things that multiple directorship is one of the most factors affecting audit quality in Nigeria. Besides, it is found that provision of non-audit service would likely have a significant effect on the audit quality in Nigeria. However, the study did not find audit firm rotation to be a significant factor for enhancing audit quality in Nigeria. The study recommends efforts should be made to strengthen audit quality if the quality of financial reporting was to be improved. Chioma (2015), in another empirical study on internal auditors work and professional judgment practices concluded that when external auditors evaluate financial statement through assurance services, the quality of audit and financial reporting in going concerns would improve.

Research Methodology:

This research work is a field study and descriptive hence depends on survey analysis of the views of individuals on the circumstances impeding effective assurance services and corporate reporting in developing economies. The opinion of professional accountants, doctorate students and members of academia in the field of accounting were gathered through the use of questionnaire in South-East part of Nigeria. The study equally used simple random sampling technique in gathering primary data from the sample drawn from the population. Percentage and Spearman’s Rank correlation coefficient as statistical tools are used in the analysis and testing of the hypotheses. SPSS is used to show the output of the test.

Presentation and Analyses of the Results of the Test:

The analyses of the data obtained from respondents give more concentration to these questions relevant to three null hypotheses for the study. These research hypotheses with the empirical data were tested using Spearman’s Ranks Correlation Coefficient. Based on the experiences of the respondents’ subject matter, a total of 24 copies of questionnaire were share out to 24 correspondents who are experienced in the subject matter. The researcher was able to retrieve 21 copies, representing 87.5%. Among the 21, 3 sets, representing 12.5% were found unusable due to their improper completion. In view of this, 18 sets representing 75% were used for the purpose of the analyses.

Research Hypotheses:

H01: Lack of integrity on extern auditor does not affect the quality of assurance services and reporting of financial statement.

H02: Impaired independence of external auditor against the preparers of financial statement is not a setback on assurance services and corporate reporting.

H03: Auditor’s lack of skills on the use of ICT facility like computer is not a threat to effective assurance services in era of digitalization.

Using the SPSS output of the spearman’s Ranks correlations coefficient result below, the hypotheses are tested for acceptance or rejection.
Table 1: Lack of integrity on external auditor does not affect the quality of assurance services and reporting of financial statement.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>assurance and corporate reporting</th>
<th>integrity of external auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance services and corporate reporting</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.00</td>
<td>.888**</td>
</tr>
<tr>
<td>N</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Integrity of external auditors</td>
<td>Correlation Coefficient</td>
<td>.888**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.00</td>
<td>1.000</td>
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<tr>
<td>N</td>
<td>18</td>
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</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 21

Table 1 shows a correlation coefficient of .888 which indicates a strong positive correlation between integrity of external auditors and quality of assurance services and corporate reporting and a p-value of 0.000 which is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a strong correlation between integrity of external auditors and assurance services and corporate reporting.

Table 2: Impaired independence of external auditor against the preparers of financial statement is not a setback on assurance services and corporate reporting.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>impaired independence of external auditor</th>
<th>quality of assurance services and corporate reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired independence of external auditors</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>0.969**</td>
</tr>
<tr>
<td>N</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Quality of assurance services and corporate reporting</td>
<td>Correlation Coefficient</td>
<td>0.969**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>1.000</td>
</tr>
<tr>
<td>N</td>
<td>18</td>
<td>18</td>
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</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 21

Table 2 shows a correlation coefficient of 0.969 which indicates a very strong correlation between impaired independence of external auditors and quality of assurance services and corporate reporting, and a p-value of 0.000 which is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a significant correlation between impaired external auditor’s independence and quality of assurance services and corporate reporting. The more the independence of external auditors is impaired, the more the effectiveness of assurance services and corporate reporting is reduced.
Table 3: Auditor’s lack of skills on the use of ICT facility like computer is not a threat to effective assurance services in era of digitalization

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Auditor’s Lack of skills on the use of ICT like computer</th>
<th>effective assurance services and corporate reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of skills on the use of ICT like computer</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>18</td>
</tr>
<tr>
<td>effective assurance services and reporting</td>
<td>Correlation Coefficient</td>
<td>0.721**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>18</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 21

Table 3 shows a correlation coefficient of 0.721, which indicates a strong positive correlation between auditors of skills on the use of ICT facility such as computer and effective assurance services and corporate reporting; and a p-value of 0.000 which is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a significant correlation between auditors’ of skills on the use of ICT facility such as computer and effective assurance services and corporate reporting. This buttresses the fact that the more skilled an external auditor is with respect to the use of computer in auditing exercises, the more effective he is in his assurance services and reporting in digitalization era and vice versa.

Result and Discussion

From SPSS table 1 shows a correlation coefficient of 0.888 which indicates a strong positive correlation between the integrity of external auditors and quality of assurance services and corporate reporting. The study concludes that there a significant correlation between the integrity of external auditors and quality of assurance services and corporate reporting. The p-value of 0.000 is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a significant correlation between integrity of external auditors and quality assurance services and corporate reporting. The more the integrity of the external auditor is intact, a high level of reliability and credibility is paced on the audited financial statement. A similar study by Adeyemi, Okpala and Dabor (2012), on the factors that affect audit quality confirmed that multiple directorship is one of the most important factors affecting audit quality in Nigeria. Besides, it is found that provision of non-audit service would likely have a significant effect on the audit quality in Nigeria.

Table 2 SPSS shows a correlation coefficient of 0.969 which indicates a very strong positive correlation between impaired independence of external auditors and quality of assurance services and corporate reporting, and a p-value of 0.000 which is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a significant correlation between impaired external auditor’s independence and quality of assurance services and corporate reporting. The more the independence of external auditors is impaired, the more the effectiveness of assurance services and corporate reporting is reduced.

From Table 3 shows a correlation coefficient of 0.721, which indicates a strong positive correlation between auditors of skills on the use of ICT facility such as computer and effective assurance services and corporate reporting; and a p-value of 0.000 which is also far less than the conventional 0.01 and 0.05 levels of significance. Therefore, we reject the null hypothesis and conclude that there is a significant correlation between auditors’ skills on the use of ICT facility such as computer and effective assurance services and corporate reporting. This buttresses the fact that the more skilled an external auditor is with respect to the use of computer in auditing exercises, the more effective he is in his assurance services and reporting in digitalization era and vice versa. The relevance of external auditors with high level of competence in computer is emphasized in the Association of Chartered Certified Accountants (2013).
Conclusion and Recommendation

The objective of this study is to investigate myriad of circumstances militating against effective assurance services and corporate reporting in developing economies.

The conclusions in line with the results of hypotheses testing were as follows:

Integrity of external auditors affects the quality of assurance services and corporate reporting of financial statement. Honesty and integrity on the part of external auditor are important traits as it would help remove bias and personal interest and this would give the auditor the audacity to express a true and fair opinion on the financial statement. The reverse would be the case where integrity and honesty are missing. Independence of external auditors against the preparers of financial statement would give him the courage to objectively evaluate the financial statement. By so doing, assurance services and corporate reporting is made more reliable, credible and qualitative. The more independent the audit committee, the higher the degree of oversight and the more likely that members act objectively in evaluating the propensity of the company accounting, internal control and reporting practices. This shows that an independent audit committee is capable of helping companies maintain the continuity of business though when they are faced with financial stress, they are expected to come up with certain action plans to alleviate the problem. Lack of knowledge and skill on the use of ICT facility like computer is a threat to efficient and effective assurance services in modern time. Digitalization has really changed the erstwhile manual accounting system. Effective assurance services and corporate reporting nowadays depends to a reasonable extent on the competence and skill of an auditor on how to use computer. The invention of computer and accounting software has made it possible for the automation of accounting system to be enhanced by ICT, giving rise to effective corporate reporting on financial statement. Therefore, an external auditor without good knowledge and skill in computer would not carry out effective assurance services and reporting of financial statement. The study therefore recommends that for effective assurance services and corporate reporting to be instituted in developing economies auditor must be ICT compliant and get reasonable exposure to computer-based auditing system. Developing countries should fully embrace ICT in line with globalization process. In addition, independence of auditors and audit committees should be enhanced by professional accounting bodies by instituting stringent measures and sanctions against any defaulter. Finally, honesty and integrity of auditors should be reinforced through various seminars that would emphasize the need for integrity in the accounting profession. There should be immediate withdrawal of licence of any professional member who is caught compromising his integrity.

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