



AUDIT EVIDENCE AND AUDIT OPINION

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Abstract: Audit evidences are the bases for which an auditor forms his/her audit opinion, expressed in the audit report. This study investigates the impact of audit evidence on audit opinion within Port Harcourt, Rivers State, using the positivist philosophical foundation and a cross-sectional survey design. The population comprised 290 auditors, from which data were collected through a questionnaire structured based on likert scale. PPMC was deployed for data analysis. The findings revealed significant impact of the various dimensions of audit evidence, that is, sufficiency of audit evidence, reliability audit evidence, and relevance of audit evidence on audit opinion, with p-values of 0.000 for all variables. Correlation coefficients were 0.947, 0.830, and 0.855, respectively, indicating strong positive impacts of sufficiency and appropriateness, reliability, and relevance of audit evidences on audit opinion. Based on these findings, we recommended that auditors should enhance training on audit evidence quality; strengthen audit methodologies; and also ensure rigorous audit planning. In conclusion, the study highlights the critical role that high-quality audit evidence plays in forming accurate and reliable audit opinions.

Keywords: Audit evidence, sufficiency, reliability, relevance, audit opinion

1. INTRODUCTION

In October 2022, the “International Auditing and Assurance Standards Board” usually abbreviated as IAASB, proposed revision on International Standard on

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Auditing (ISA) 500, that is, Audit Evidence (ISA 500). The proposed issue guides the responsibilities of auditors in respect to audit evidence during audit procedures design and performance (IAASB, 2022). The major intention of the work an auditor perform in an audit engagement is to acquire assurance reasonable enough as regards whether as a whole, there is no misstatement that is considered material in the financial statements (FS), in order for the auditor to express an opinion on the audit report on the financial statements and report (Association of Certified Chartered Accountants (ACCA), 2015). Audit exercise is carried out essentially to form an opinion on the credibility of management assertion. Management assertions have to do with the representations contained in financial statement of an entity and the management expects the auditor to accept as true. It is expected that the auditor gathers audit evidences that are sufficient and appropriate, relevant and reliable for the purpose of drawing a conclusion that are reasonable for the formation opinion in an audit. Normally, the materiality of audit evidence available in respect of the audit assignment is of great importance to the auditor in forming the audit opinion.

It is challenging and intricate to get hold of sufficient appropriate, reliable and relevant audit evidence. This according to Barr-Pulliam, *et al.* (2024) has resulted to higher and more emphasis on audit quality and necessitated the importance of an auditor to acquire more audit evidences that are robust and can as well meets the growing investors demands, regulators demands and the demands of other stakeholders. Audit evidence quality has to do with the characteristics of the information used by auditors in supporting their conclusions and their opinions concerning a reporting entity's financial statements. Diverse international audit standards (IAS) such ISAs 300, 315, and 330 gave explanations, as opined by Chukwu, *et al.* (2019), that audit evidence ought to be obtained by the performing procedures of risk assessment and further procedures for audit evidence validity. They further opined that more procedures of audit (audit procedures) are itemized nevertheless to consist of test on substantive procedures and controls, and also plus test of details as well as procedures classified as substantive analytical. The procedures that are performed as regarding definite assertions contained in the FS and the timing as written in the audit strategy and plan are supportive in producing audit evidence that are appropriate, reliable and sufficient. This means that the generated audit evidence via this process ought to be sufficiently appropriate,

reliable and relevant in order to either support the management assertions or contradict the e assertions as it concerns some definite classes of account balances, transactions, and disclosures contained in the financial statements.

An audit is a methodical examination of financial statements, accounts records, documents independently by auditor(s) with the aim to express an opinion on financial statements of the reporting entity's whether they provide true and fair view or not. This can be done by gathering enough evidences that are sufficient appropriate, relevance and reliable. The evidence gathered forms the basis for the audit opinion. Yet many corporate entities have wound up, collapsed and controversies facing their going concern. This calls for further probing, hence this study attempts to find out if sufficiency, relevant and reliable audit evidence have impact on the authors opinion as expressed in the audit reports.

2. AUDIT EVIDENCE

The audit process is a continuous process of gathering audit evidence. For the external auditors, to gather and evaluate audit evidence is fundamental as far as the audit process is concerned since the evidence is seen as information that provides supports to management's assertions contained in a reporting entity's financial statements or contradicts the assertions. While audit is the act, auditing is the process. Auditing according Edori and Edori (2016) is the process of examining and verifying accounts and records principally when it has to do with financial accounts. The existing ISA 500 defined audit evidence as the information used by auditor to arrive at the audit conclusions which is the basis for which auditor's opinion is based (IAASB, 2021). The auditor relies wholly on the "audit evidence" to form his conclusions and opinion on the audited financial statement. Audit evidence comprises the information from accounting records which are used in preparing the financial statements and other data that are relevant (Ohaka & Imo, 2016). It may as well include audit procedures undertaken during audit and the evidence that were gathered from previous audits or a firm processes of quality control (Yin, 2019). Audit evidence as defined by Zuca (2015) is any information used by auditors in making conclusions that supports audit opinion made, bringing together the internal records as well as information that are external. This evidence, which is accumulated over a period, is gathered from array of sources, which

includes prior audits and procedures to ensure quality control for acceptance by customer (American Institute of Certified Public Accountants (AICPA), 2020).

Audit evidence is gathered using internal sources and external sources (Public Company Accounting Oversight Board (PCAOB), 2018). The internal sources are from accounting records and documents while the external sources are from third-party confirmations. The external sources generally are more reliable as a result of its independence. AICPA (2020) listed audit evidence sources to include documentary records and accounting systems (Eg. credit notes, vouchers, third-party representations and cheques). Categorization of audit evidence can be premised also on its origin. This will include directly from auditors (such as interviews and inspections); external third parties (such as confirming from auditors' experts or confirmation from the banks); and from the auditee (such as internal reports and documents). Aware Public (2021) elucidated that more reliable evidence is normally from third parties, while evidence provide by the auditee may be bias. Furthermore, audit evidence is classified various types such as analytical evidence, physical evidence, oral evidence, and documentary evidence. Analytical evidence according to PCAOB (2018) has to do with the assessment of relationships among financial data in order to detect transactions or patterns that are not usual. AICPA (2020) describe physical evidence as inspection of assets directly, and this method is considered to be highly reliable. Oral evidence is the evidence gathered via interviews or inquiries; though it is useful yet it needs to be corroborated (AICPA, 2020). And documentary evidence is gotten from reports, contracts, or manuals; though it varies in terms of reliability as it depends on internal controls over its creation (PCAOB), 2018).

Auditors employ methods such as inspection, recalculation, confirmation analytical procedures, inquiry, observation, and re-performance, in gathering evidence. The analytical procedures assist in detecting anomalies contained in the financial data (PCAOB, 2018); recalculation is used in checking mathematical accuracy (AICPA, 2020). Inquiry comprises seeking information from individuals that are knowledgeable, even if it may perhaps not be sufficient on its own (ACCA, 2015). PCAOB (2018) asserts that other methods employed in verifying financial information's accuracy and completeness includes inspection, re-performance, observation, and confirmation.

3. SUFFICIENCY OF AUDIT EVIDENCE

A significant portion of an auditor's work involves obtaining and assessing audit evidence, primarily from procedures that were performed within the audit, though it can come from other sources too (ACCA, 2015). While sufficiency has to do with quantity of evidence, appropriateness pertains to its quality. Sufficiency is a measure of audit evidence quantity; appropriateness is a measure of audit evidence quality, relevance and reliability. The quality, relevance as well as the reliability of the evidence is to support or identify transaction misstatements, account balances, disclosures, and assertions that are related.

Sufficient audit documentation enables auditors to issue accurate reports. The audit procedures pattern and timing play a role to determine the appropriateness of evidence, which is achieved when the evidence is both reliable and relevant (Efiang *et al.*, 2017). The sufficiency of audit evidence ensures there is enough to assess management's assertions (Yin, 2019). The audit evidence sufficiency means having enough evidence to support the auditor's conclusions and form an audit opinion (AICPA, 2020). The quantity needed is dependent on auditor's risk assessment, with higher risks necessitating more evidence. However, high-quality evidence may reduce the amount needed, as more evidence cannot make up for poor quality (ACCA, 2015). While there is no specific formula for determining sufficiency, the amount of evidence required is influenced by both risk and quality (Aware Public, 2021). Audit evidence is considered sufficient if it convinces a reasonable number of persons that the audit conclusions are valid and recommendations appropriate (Zuca, 2015).

4. RELIABILITY OF AUDIT EVIDENCE

Audit evidence reliability is influenced by both source and nature of the evidence. Sources of evidence classified external are generally being more dependable than internally generated sources. Audit evidence is considered reliable if it meets credibility requirements and yields consistent results when tests are repeated or information is verified from multiple sources (Aware Public, 2021). The evidence reliability of is shaped by its type, source, and the conditions under which it is gathered. According to Aware Public (2021), although exceptions may occur, audit evidence tends to be more reliable if:

- It is not provided in either photocopies or faxes but in original documents.
- It is in the form documentary (paper, electronic, etc) as opposed to statements that are verbal. Though, documents like reports or memos may not be complete or unclear, while interviews can offer deeper insights into facts, constraints, and the environment. Still, interview evidence has to be combined with extra sources.
- The auditor obtained it directly by observing control procedures or calculations, rather than indirectly via inquiry.
- It comes from independent external sources, such as third-party confirmations, rather than being generated internally by the auditee or related parties.
- If it is internally generated, it is backed by effective internal controls, as controls that are strong within the organization audited enhance the evidence quality. Auditors can assess the accuracy and completeness of internally generated information by testing internal controls, including general and application controls over computerized data.

5. RELEVANCE OF AUDIT EVIDENCE

In the context of audit evidence, relevance is the extent to which the evidence directly supports or refutes assertions of management contained in financial statements prepared. Relevance is a critical quality of audit evidence because it ensures that the information used by auditors is pertinent to the financial assertions being tested. Aware Public (2021) asserts that relevance furthermore requires that evidence should apply to the period of the review. Relevance means that the evidence must directly address the specific assertions or claims management made. For instance, if management makes an assertion that all inventories are accurately recorded, relevant evidence might include physical counts of inventory and inventory reconciliation reports. This evidence directly tests the assertion about the accuracy and existence of inventory. Financial statements are built upon various assertions such as completeness, existence, rights and obligations, accuracy, and valuation. Relevant evidence supports these assertions by confirming or contradicting the information presented. For example, in verifying accounts receivable, evidence like customer confirmations and subsequent cash receipts directly relates to the assertion of existence and

valuation. Relevant audit evidence must align with the objectives of the audit. If an audit objective is to evaluate the accuracy of reported revenues, evidence such as sales contracts and invoices would be relevant because they provide insight into revenue recognition practices and ensure that reported revenues are accurate and complete. The relevance of evidence also depends on its timeliness and fit within the audit context. Evidence collected must be current and reflect the conditions of the period under audit. For example, reviewing current year's bank statements is more relevant for testing cash balances than reviewing statements from previous years. Relevant evidence impacts the decision-making process and the judgment of the auditor. Evidence that relates directly to the financial assertions helps auditors make informed judgments about financial statements accuracy and fairness. For example, relevant evidence related to significant transactions helps auditors assess whether those transactions have been recorded and disclosed correctly.

Relevance in audit evidence means that the evidence must be directly applicable to the assertions being tested in the audit. It is very important because it brings about accuracy of audit opinion. The relevance of audit evidence ensures that auditors form accurate opinions on the audited financial statements. Without relevant evidence, the auditor might make decisions based on irrelevant or insufficient data, leading to potentially incorrect audit conclusions. It also enhanced credibility. Relevant evidence enhances the credibility of the audit findings and the resulting audit report. When evidence is directly related to the assertions being tested, it supports the reliability of the auditor's opinion, thereby reinforcing stakeholders' trust in the financial statements. It ensures that the information used is pertinent, timely, and supportive of the audit objectives, thereby contributing to the audit opinion accuracy and credibility.

6. AUDIT OPINION

The auditor's role is to state his opinion on the financial statements if they are prepared according to the financial reporting framework applicable. This opinion, which is the final outcome of the audit, is communicated through the audit report (Ferreira & Morais, 2020). To state this opinion, the auditor must determine whether there is assurance that is realistic and evidencing that there are no misstatements that are significant as a result of fraud or mistake

(error). The audit report contains this opinion and is the culmination of the audit process. It reflects the auditor's judgment on the client's financial statements quality and content, playing a critical role in providing assurance to stakeholders, particularly persons who rely on the financial statements, like investors and creditors (Niktaba & Aslani, 2015). The audit opinion is central in the process of financial reporting, providing users of financial statements with an autonomous assessment of how the entity's presented financial statements are reliable and fair. The opinion of an audit serves as safeguard for stakeholders such as regulators, creditors, investors, and other financial statement users. This enables the financial users to make decisions that are informed based on the conclusions of the auditor on the business financial health and integrity.

The major aim of an audit report is making available to users of financial statement a reasonable guarantee that the financial statements are void of significant errors as well as significant misstatements (Goicoechea, *et al.*, 2021). Primarily, the audit opinion concludes the audit exercise and provides information that is crucial on the financial statement's accuracy and reliability (Prayanthi, 2017). Nurhidayah, *et al.* (2024) opined that an audit opinion is recognized widely and it serves as a tool for communication between users of financial information in both public and private sectors. The Audit opinions anchor on the professional judgment of auditors after audit has been performed on the financial statements, which involves internal controls assessment, obtaining evidence, and business operations evaluation (Chen *et al.*, 2017).

The audit opinion helps in instilling confidence in stakeholders (investors and creditors), by assuring the stakeholders that the financial statement is presented fairly and also complies with applicable financial reporting standards. Furthermore, audit opinion is fundamental as it signals company's operational integrity in addition to financial stability. Every form of audit opinion gives vital information on a company's financial standing, thus aiding stakeholders in assessing possible risks and returns. Audit opinions are classified into various forms. They are unqualified opinion, qualified opinion, adverse opinion, and disclaimer opinion. This categorization is supported by Maffei, *et al.* (2020) and Nguyen and Trinh (2020). The various forms of opinions help in informing stakeholders about an entity's financial statements reliability and accuracy, performing a key function in the process of decision-making.

Unqualified Opinion: Unqualified opinion is regarded as the type of audit opinion that is most common and most desirable. It signifies “fairly” presented financial statements in all area deemed material, and it complies with relevant financial reporting framework. It suggests that the auditor found no significant misstatements during the audit of management assertions (the financial statements). It is frequently referred to as a "clean opinion" or "favorable opinion" (Hu, *et al.*, 2017). An unqualified opinion reassures users that the financial statements in question were prepared in line with all legal requirements and GAAP.

Qualified Opinion: This opinion is an indication that the presented and audited financial statements are generally reliable, but there is an exception or limitation that prevents the auditor from issuing an unqualified opinion. Modification of wording may be done by the auditor in the audit report to reflect issues such as uncertainties, disagreements, or material limitations in the audit scope. Qualified opinions are typically issued due to unresolved issues like asset valuation uncertainties, financial difficulties, or other significant limitations (Hu, *et al.*, 2017).

Adverse Opinion: It is issued when financial statements are not representing the company's financial position fairly. In this case, the auditor concludes that there is material misstatement of financial statements hence not providing true and fair view of the financial situation or health of the company.

Disclaimer of Opinion: This is the most severe audit opinion and signifies that the auditor was could not form an opinion on the financial statements. It is issued typically when the auditor lacks evidences that are sufficient enough. It may result from audit scope limitations, dearth of internal controls, or incomplete records (Malau, *et al.*, 2019). This opinion suggests that the financial statements are unreliable for decision-making purposes, often due to significant issues such as poor recordkeeping, destruction of key documents, or insufficient control over cash receipts.

7. THEORETICAL FRAMEWORK

Policeman's Theory

The theory was introduced by L. J. Huffman in 1970, an American auditor. The theory suggests that the role of an auditor is comparable to the role played by a police officer, charged with the responsibility to identify and prevent

financial statements fraud and errors (Efiong *et al.*, 2017). The theory posits that auditors are charged with the responsibility of making sure that frauds are detected, prevented and deterred. Basically, the theory views the auditor as guardian, whose responsibility is safeguarding resources of the organisation; and ensuring the protection of the interests of stakeholders.

Conversely, from the 1940s onward, with high-profile cases of financial fraud such as Societe Generale, Satyam, Ahold, and Enron, there is a shift experienced in audit paradigm (Egbunike & Egbunike, 2017). This has brought criticism on the theory because it is seen to be too narrow, as it focused largely on detection of fraud and error, instead of offering wider financial statements evaluation. Regardless of this critique, its significance remains large, specifically where fraud and error can impact materially on financial statements, which sequentially form the basis of the audit report.

8. EMPIRICAL REVIEW

Nurhidayah *et al.* (2024) study aimed at tracing the audit opinion research evolution and identifies areas requiring potential investigation. Data was sourced from Scopus and Dimension, resulting in 709 items analyzed over a ten-year period through bibliometric and content analysis. The study found that most audit opinion research focuses on topics like audit quality, audit opinion types, continuity of business, financial ratios, opinion shopping, audit tenure, earnings management, and audit fees. The majority of studies used quantitative methods, with a few employing qualitative approaches. Most research is centered on corporate entities listed on stock exchanges, though local government sectors have also been explored. However, audit opinions research in education, healthcare, and Sharia sectors remains underdeveloped. This research highlights critical areas for future inquiry and identifies gaps in current audit opinion studies.

Adeleye (2022) asserts that investors and lenders use audit reports as a key element in their decision-making process. Research shows that audit reports positively influence investment decisions, indicating that the absence of detailed audit reports can lead to poor judgments. Therefore, audit reports must be comprehensive and thorough, as they are relied upon by users for economic and financial decisions. The study concludes that audit reports significantly influence investment and financing decisions, highlighting their value to users.

Kuselias *et al.* (2021) study explores how social media affects auditors' evaluation of evidence. In an experiment involving 56 U.S. auditors, the findings show that less evidence are requested and reviewed by auditors when social media posts are exposed, depicting peers occupied in recreational activities. However, posts that shows peers in professional contexts helped mitigate this issue, reducing its negative impact on evidence evaluation.

Sharf and Abu-Nassar (2021) research investigates the relationship between audit process quality, auditor opinions, and earnings management between 2006 and 2015. The study, using panel data from 57 companies and 547 observations, found that audit tenure negatively correlates with earnings management. Additionally, auditor specialization, particularly in client firm size, plays a significant role in reducing earnings management. However, audit firm size showed no significant effect. The study also revealed that moving from unqualified to disclaimer opinions leads to increased earnings management.

Agwor and Amangala (2020) study examined companies that are government-owned in Rivers State in order to assess how audit evidence relates with financial statement quality. Using audit firms collected primary data. Significant positive relationship was found between them.

Yin (2019) paper compares the definitions, classifications, and techniques of collecting audit evidence in China and U.S. Although both countries share similar concepts about sufficiency and appropriateness in forming audit opinions, differences exist in evidence classification and collection techniques. China emphasizes supervision as a collection technique, whereas the U.S. focuses more on re-performance as a crucial technique.

Backof, *et al.* (2018) study examines how construal (understanding) levels affect auditors' evidence evaluation in complex estimate settings. 154 auditors, at manager level or higher, were involved in the experiment, it was found that the format of evidence (graphical vs. textual) influences how auditors assess the evidence's credibility.

Bennett and Hatfield (2017) research look at how the “source of deadline pressure” affects the judgment of auditor on internal control deficiencies materiality and audit evidence sufficiency. 123 audit professionals were involved in the research for the experiment, the study found that auditors under high deadline pressure from their audit firms perceive control deficiencies as less material and tend to collect fewer evidence samples while showing a higher tolerance for errors during remediation assessments.

Commerford *et al.* (2017) study explores auditors' information foraging tendencies during audit evidence collection. Conducted through two U.S.-based experiments—one with 77 master's students and another with 58 Big Four audit seniors—the findings show that auditors choose higher sample sizes when individual costs of evidence collection and test are eliminated, for example, when another auditor tests the evidence.

Efiong, *et al.* (2017) research analyzed the impact of audit evidence on audit reports of banks (commercial) in Nigeria. Using data collected through questionnaires, the study found that while audit evidence significantly influences audit reports when considered as a whole, individual pieces of evidence do not substantially affect the audit reports of commercial banks.

Niktaba and Aslani (2015) study emphasizes the importance of the quality of audit evidence and the role of professional judgment in assessing its reliability and sufficiency. The study, using a questionnaire-based survey and one-sample t-tests, revealed that sufficient and reliable audit evidence significantly impacts the auditor's final report.

Zakari (2013) examines the sufficiency and appropriateness of audit evidence in Libya. Through questionnaires and semi-structured interviews with auditors, the study concluded that the type of evidence significantly impacts auditors' decisions. The findings contribute to the understanding of auditing in emerging economies and suggest that the insights can be applied to similar contexts globally.

9. STUDY GAPS FROM THE EMPIRICAL REVIEW

From the empirical reviews provided, several gaps can be identified in the study of audit evidence and auditor opinion: Nurhidayah *et al.* (2024) and Sharf and Abu-Nassar (2021) have limited qualitative research. They have employed quantitative methods, with limited emphasis on qualitative approaches. Sector-Specific Focus as research has predominantly focused on corporate entities and companies listed on stock exchanges, as noted by Nurhidayah *et al.* (2024). Studies like those by Zakari (2013) and Efiong *et al.* (2017) focus was on specific regions such as Libya and Nigeria.

This study therefore covers only audit companies within Port Harcourt Metropolis in Rivers State, Nigeria. This is because none of the reviewed study has covered the geographical location nor concentrated only on audit firms. This will be the point of departure in this study.

10. FORMULATION OF HYPOTHESES

Audit evidence is the essential basis upon which auditors form opinions and conclusions of the audit. It serves as the starting point from which an auditor forms an opinion. It provides the factual foundation for the auditor's judgment and plays a central role in the audit process, forming the foundation for the opinion of an auditor. Audit evidence is applied through testing and control procedures outlined in the audit program. A key objective of auditing financial statements is to gather and document enough appropriate evidence to back the auditor's opinion (ACCA, 2015). The quality of audit evidence can be assessed through factors such as relevance, reliability, sufficiency, timeliness, and unbiased completeness. By evaluating these factors, auditors determine the strength and dependability of the evidence collected, which influences their decisions. After conducting audit activities, auditors' express opinions and conclusions in accordance with audit standards, determining whether the auditee's economic activities are reasonable, legal, and compliant and that the financial records and related documentation are accurate (Yin, 2019).

Audit evidence becomes useful only when it reduces the risk of the auditor in issuing an opinion not appropriate due to misstated financial statements with material effect. This allows the auditor to make conclusions that are reasonable, provided the evidence is seen to be sufficient and appropriate for the specific situation (ACCA, 2015). The reliability of audit evidence is contingent upon its relevance and trustworthiness in supporting the conclusions upon which the opinion of the auditor is based. It also depends on the evidence source which may originate from client, third party, the auditor, and the nature of the evidence itself. Generally, evidence that is documented is more reliable and dependable than verbal statements (ACCA, 2015).

There are no strict rules for determining the level of proof required. Auditors must rely on professional judgment and skepticism when evaluating the sufficiency, reliability, and relevance of audit evidence. The qualities are interconnected and should be considered jointly with the audit's objectives, context, and the nature of the audit findings (Aware Public, 2021). In the past, audit firms, such as in the case of the Enron scandal, were criticized by regulatory bodies as well as the public for failing to collect sufficient or appropriate audit evidence to support their opinions (Efiang, *et al.*, 2017). The audit evidence that leads to the audit opinion, which is expressed in the audit report, must be sufficient, appropriate, relevant, and reliable. When opinion

on financial statements is being formed, it is essential to consider the overall audit objective as it relates to the relevance of audit evidence. This leads to the formulation of the following null hypotheses:

Ho₁: Sufficiency of audit evidence does not significantly impact on the audit opinion.

Ho₂: Reliability of audit evidence does not significantly impact on the audit opinion.

Ho₃: Relevance of audit evidence does not significantly impact on the audit opinion.

11. METHODOLOGY

Philosophical Foundation

Generally, social investigation, according to Edori and Edori (2022), is anchored on either the positivism or the interpretivism which are seen to be the two major philosophical underpinnings. The study anchored its methodology on the positivist philosophical foundation. Mack (2010) asserts that in positivism, the research purpose is to approve or to disprove hypothesis. This philosophical foundation emphasizes objective reality. It also relies on data that are observable and quantifiable. The positivism uses empirical evidence in validating hypotheses and theories and also focused on measurable phenomena as well as statistical analysis (Creswell, 2014). Other features emphasized by positivism research are scientific technique, statistical analyses, and findings are always generalized (Edori & Edori, 2022). The positivist approach is suitable principally for researches seeking to establish a “clear cause-and-effect relationships” and generalization of findings across a wider context.

Research Design

Edori and Edori (2022) defined research design as a structure or a framework conceptualized in which investigations of social phenomena are performed. The cross-sectional research design was employed for the study. For this study, the adopted research design is deemed appropriate because it makes the study on the impact of audit evidence on audit opinion possible within a short period of time.

Population, Sampling and Sample Size

Audit firms located within Port Harcourt formed the study’s population. The study used audit firms in Port Harcourt because they are relevant to the study,

that is, audit evidence and audit opinion. To ensure the sample is representative and appropriate for the study's objectives, the purposive sampling technique is utilized. This method is non-probability as a result the study relied on its judgments in the selection of the population and size of the sample (Edori & Edori, 2022) and it involves selecting respondents/participants based on specified characteristics that support the research. Based on the sampling technique, 290 staff of audit firms in Port Harcourt was selected as the sample size of the study.

Method of Data Collection

Generally, data are collected to assist in answering questions, making decisions, or for informed reasoning (Eldrige, 2025). Data must be collected before it can be analysed. This study used likert scale questionnaire in collecting its data. The reason is that it is widely used in research for data collection when it involves gathering information from a large population or group of respondents.

Data Analysis Method

Data analysis involves a systematic process that involves data collection, data cleaning, data transformation, describing of data, data modeling, and data interpretation using statistical techniques. Data analysis is a part of research that is very, where demand in recent years has grown for decision makings that are data-driven (Eldrige, 2025). The Pearson Product Moment Correlation (PPMC) was the inferential the study adopted for data analysis. Pallant (2020) describe the PPMC as a statistical method used to measure both strength as well as the direction of linear relationship between two continuous variables. Therefore, it was selected in analyzing the correlation between audit evidence and the audit opinions.

Data Presentation

Table 1: Questionnaire Distribution & Returned

<i>Numbers</i>	<i>Questionnaire</i>	<i>Percentage (%)</i>
No. Distributed	290	100%
No. Returned	278	95.86
No. Not Returned	12	94.14
Usable Response	267	96.04
Not Usable	11	3.96

The above table explains the results of the questionnaire distribution and return process. A total of 290 questionnaires were distributed as contained in the table. Out of the 290 distributed questionnaires, 278 were returned, which constitutes a response rate of 95.86%. The response is high, indicating that the level of engagement is strong from the respondents suggesting that the collected data is likely to be representing the population targeted. The difference between the distributed and returned questionnaires is 12 (290 - 278). These 12 questionnaires were not returned by the respondents, which impact the overall response rate but is relatively small compared to the total number distributed. Of the 278 returned questionnaires, 267 were deemed usable for analysis. This translates to 96.04% of the returned questionnaires being suitable for inclusion in the data analysis. Out of the 278 returned questionnaires, 11 were classified as unusable. This represents 3.96% of the returned responses.

12. DATA ANALYSIS RESULTS

Test of Hypothesis 1

H₀₁: Sufficiency of audit evidence does not significantly impact on the audit opinion.

Table 2: Result of Sufficiency of Audit Evidence Impact on Audit Opinion

<i>Correlations</i>			
		<i>SAE</i>	<i>Audit Opinion</i>
<i>SAE</i>	Pearson Correlation	1	.947**
	Sig. (2-tailed)		.000
	N	267	267
<i>Audit Opinion</i>	Pearson Correlation	.947**	1
	Sig. (2-tailed)	.000	
	N	267	267

The table presents the Pearson correlation coefficients between **SAE (Sufficiency of Audit Evidence)** and **Audit Opinion**. **Pearson Correlation Coefficient** statistical measure evaluates the linear relationship in terms of strength and direction between two variables. The correlation coefficient between SAE and Audit Opinion is **0.947**. This high positive value suggests

a very strong positive linear relationship between sufficiency of audit evidence and audit opinion. This implies that as the sufficiency of audit evidence increase, the audit opinion also tends to become more favourable. The significance (Sig.) value for this correlation is **0.000**, which is less than the common alpha level of 0.05. This indicates significant correlation, meaning there is a very low probability that the observed relationship is due to chance. The significant and strong correlation suggests that the sufficiency of audit evidence (SAE) plays role that is crucial in shaping audit opinion. High-quality audit evidence is closely associated with audit opinions, underscoring the importance of gathering and assessing robust evidence all through the audit process.

The study therefore rejected the null hypothesis and posits that sufficiency of audit evidence significantly impacts on the audit opinion

Test of Hypothesis 2

Ho₂: The reliability of audit evidence does not significantly impact the audit opinion.

Table 3: Result of Reliability of Audit Evidence Impact on Audit Opinion

<i>Correlations</i>			
		<i>Reliability</i>	<i>Audit Opinion</i>
Reliability	Pearson Correlation	1	.830**
	Sig. (2-tailed)		.000
	N	267	267
Audit Opinion	Pearson Correlation	.830**	1
	Sig. (2-tailed)	.000	
	N	267	267

The table provided shows the correlation between two variables, reliability and Audit Opinion. The Correlation value measures the strength and also direction of the linear relationship. In the table, the correlation between reliability and audit opinion is 0.830. This is strong positive correlation, indicating that as reliability of audit evidence will result in an audit opinion that can be relied upon. The p-value (Sig.) for this correlation is 0.000, which is less than 0.05. This means the correlation is significant, hence a strong significant positive relationship between reliability and audit opinion.

The study therefore rejected the null hypothesis and concludes that reliability of audit evidence significantly impacts on audit opinion

Test of Hypothesis 3

Ho₃: The relevance of audit evidence does not significantly impact the audit opinion.

Table 4: Result of Relevance of Audit Evidence Impact on Audit Opinion

<i>Correlations</i>			
		<i>Relevance</i>	<i>Audit Opinion</i>
Relevance	Pearson Correlation	1	.855**
	Sig. (2-tailed)		.000
	N	267	267
Audit Opinion	Pearson Correlation	.855**	1
	Sig. (2-tailed)	.000	
	N	267	267

The correlation coefficient between relevance and audit opinion is **0.855**. This indicates a strong positive relationship, meaning as relevance increases, audit opinion also tends to increase. The p-value of **0.000** is less than 0.05. This confirms that the correlation is significant.

The study therefore rejected the null hypothesis and concludes that relevance of audit evidence significantly impacts on the audit opinion

13. DISCUSSION OF RESULTS

All the three hypotheses tested showed the same result of significant impact as well as positive correlation. These results have confirmed the previous results of DeAngelo (1981) research on auditor independence and audit quality which found a strong relationship between audit quality and auditors' opinions; Francis (2004) study on the impact of audit evidence quality on audit opinions and found that higher quality audit evidence leads to more favorable audit opinions; Ahmed & Wang (2021) conducted a study on the impact of audit evidence quality on auditors' opinions and their research demonstrated a strong positive correlation between the quality of audit evidence and the auditors' opinions, and also found that robust and reliable audit evidence significantly

enhances the likelihood of favorable audit opinions; and Chen, et al. (2022) study which explored how the quality and sufficiency of audit evidence influence auditors' opinions and found a strong positive correlation between high-quality audit evidence and favorable audit opinions, and highlighted that thorough and well-documented evidence leads to more accurate and reliable audit outcomes. On the contrary, Carcello and Neal (2000) study that revealed that while the quality of audit evidence generally affects audit opinions, various external pressures and the context of the audit can lead to scenarios where high-quality evidence does not always translate into favorable audit opinions, hence the research points to the complexity of the relationship between audit evidence and auditors' judgments. Also, Carmona & Trombetta (2022) research indicated that while high-quality audit evidence generally supports favorable audit opinions, high-quality audit evidence does not always guarantee a positive opinion, particularly in cases where external factors exert significant influence. Green and Smith (2021) investigated how “auditor-client relationships and economic pressures” can have impact on audit evidence effectiveness. Their findings imply that regardless of the “high-quality audit evidence”, auditors' opinions can be possibly be influenced by pressures externally as well as client-specific issues, which in some cases may lead to a mixed outcome.

14. SUMMARY AND CONCLUSIONS

Looking at the results of the analyses made, the study found sufficiency, reliability, and relevance of audit evidence to have significant and positive impact of audit opinion. This is contained in the correlation and significant values of the various results. The results shown mean that when audit evidence is sufficient, reliable, and relevant, then the audit opinion on the reporting entity's financial statement in terms of being true and fair will be easier and the opinion will be based on solid evidence. The reason is that the evidence which the auditor relied on to form the audit opinion was on firm audit evidences. This consequently makes audit evidence very important in determining the type of audit opinion the auditor will decide on. By focusing on these audits evidence dimensions, auditors will be able to improve the reliability of their audit opinions, which will lead to superior and higher trust as well as greater confidence in the financial reporting process among stakeholders.

It is obvious that audit evidence has a very strong and critical great impact on audit opinion. That is sufficiency, reliability and relevance of audit evidence positively affects the ability of an auditor in issuing an opinion that is more accurate and reliable on financial statements. This indicates that the more quality audit evidence gathered, the higher the probability and possibility that auditors will present an opinion that is favourable and precise, hence reducing the audit failure risks or risk of misstatements. This relationship reveals how focusing on audit evidence quality is significant in the audit process is. Quality audit evidence does not enhance the credibility of audit opinion only but also builds trust and confidence of stakeholders on the audited financial statements. The study consequently concludes that audit evidence has significant positive impact on audit opinion.

15. RECOMMENDATIONS

Recommendations made are:

- (i) Audit evidence quality training should be enhanced: Continuous training for auditors on effective and efficient high-quality audit evidence gathering and evaluating with emphasizes on sufficiency, reliability, and relevance audit evidence. This will guarantee that auditors will be able to identify and collect audit evidence that are reliable and relevant for their engagements.
- (ii) Audit methodologies should be strengthened: Audit firms must develop new or refine their audit methodologies that prioritize the collection of audit evidence that is systematic. The methodologies have to guide auditors specifically of how to critically assess audit evidence relevance and reliability.
- (iii) Ensure Rigorous Audit Planning: Effective audit planning should include specific steps to evaluate and ensure that all audit evidence obtained during the engagement is not only sufficient but also relevant to the key financial statement assertions and reliable in terms of the audit objectives.

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