

AUDIT MARKET CONCENTRATION AND AUDIT QUALITY: A REVIEW OF LITERATURE

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ABSTRACT

The study is a review of the literature on audit market concentration and audit quality. The research adopts a library-based methodology which essentially entails a review of extant literature as the basis for understanding the research issue and reaching necessary inferences. The review of literature has shown that debate on the value of audit market concentration especially in improving audit quality is still very contentious. From a broader viewpoint, the paucity of audit market concentration literature as a whole is the first important problem to address. Secondly, the mixed results in the few studies conducted in both the developed and developing economies indicate that more studies need to be carried out to establish the link between audit market concentration and audit quality. Thirdly, from the Nigerian perspective, it is observed that studies on audit market concentration are scarce. A few studies conducted have emphasized audit firm attributes with audit market concentration as one of the studied variables. Another gap established from the review of literature is that prior studies tend to focus on the Big 4 audit firms in the audit market. There is a possibility that among the Big 4, there are other domineering Audi(s) having a larger share of the audit market. According to the findings of the study, the problem such a firm has audit market concentration will define the audit market dynamics in the foreseeable future, and as a result, there is a need for more research-based evidence on the topic.

KEYWORDS: *concentration, literature, emphasized, attributes, contentious.*

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