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Effect of Auditors' Years of Experience on Financial Statements' Fraud Reduction in Public Nigerian Business Enterprises

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ABSTRACT: This study investigates the effect of auditors' years of experience on financial statements' fraud reduction in public Nigerian business enterprises. Anchored on the white-collar crime theory, and fraud diamond theory, it aims to determine how auditors' years of experience influence their effectiveness in minimizing financial statement fraud. Employing a quantitative research design, the study collected primary data through a self-constructed 52-item questionnaire administered to 576 purposively selected respondents accounting and finance staff from six major Nigerian public enterprises, including NNPC, NPA, PHCN, NRC, NIPOST, and FAAN. Data were analyzed using both descriptive and inferential statistical methods. Findings revealed that auditors' tenure and industry specialization significantly reduce the incidence of financial statement fraud, suggesting that accumulated experience and professional competence enhance fraud detection and prevention. The study concludes that while auditors' experience plays a vital role in detecting and deterring fraud, these must be reinforced through strong ethical standards and institutional support. The study recommends that auditors be encouraged to pursue postgraduate education, professional certifications, and continuous development programs to strengthen their analytical and ethical capacities, thereby promoting credibility and integrity in financial reporting within Nigeria's public enterprises.

KEYWORDS: Auditors, Business enterprises, Financial statement, Fraud reduction, Public sector.

INTRODUCTION

The emerging problems of counterfeiting the 21st century's financial statements of business oriented government establishments, which have dominated the headlines for years now in both developed and developing nations, this make people wonder if there are auditors or whether auditors play a genuinely important role in the transparency, avoidance and detection of financial statements fraudulent acts, despite the fact that most of the auditors have required a number of years auditing their client's entity. Financial related fraud and the increase in financial crime have led to the need to strengthen auditing practices to aid the investigation and prosecution of economic crime syndicates (Abdulrahman, 2019).

Financial statements are essential documents that showcase a business's value, serving as a formal record of its financial activities over a specific time frame. These reports provide a clear picture of a company's financial strength, performance, and liquidity. Financial statements reflect the financial effects of business transactions and events of the entity; an internal control system, if adequate, will help in reducing the activities of fraudulent stakeholders (Oyedokun et al., 2018).

Sulaiman (2023) stated that financial statements fraud is a significant concern for government business establishments, as it can lead to financial losses, reputational damage, and erosion of public trust. He further stated that auditors play a critical role in detecting and preventing financial statements fraud. However, the effectiveness of auditors in fulfilling this role can varies depending largely on their experience, the extent of staff training, adequate knowledge of the client's area and industry of operation, and so on (Odutola, 2024). The specific objective is to establish the effect of auditors' years of experience on financial statements' fraud reduction in public Nigerian business enterprises.

Research Question

i. How do the years of experience of the auditors affect the financial statements' fraud reduction in Nigerian publicly owned business enterprises?

Research Hypotheses

The research hypotheses for this study are stated in the null (Ho only) format as follows:

H_{01}: there is no significant influence of auditors' years of experience on financial statements' fraud reduction in Nigerian business enterprises

LITERATURE REVIEW

Auditor Experience

According to Sodipo (2021) auditors' experience refers to the knowledge, skills, and expertise gained by auditors through their work experience, training, and education. He proceeded to state that auditors' experience is crucial in ensuring the quality of the audit exercise and the reliability of financial statements. According to Sodipo (2021), the following are typical types of auditors' experience:

i. Practical Experience: Hands-on experience gained through working on audit engagements, reviewing financial statements, and performing audit procedures

ii. Technical Experience: Knowledge and expertise gained through training, education, and certifications in accounting, auditing, and related fields.

iii. Industry Experience: Familiarity with specific industries, such as banking, healthcare, or manufacturing, gained through working with clients in those industries.

Sodipo (2021) further established the importance of Auditors' Experience as follows: Improved Audit Quality: Experienced auditors are better equipped to identify and address complex audit issues, leading to higher quality audits, Enhanced Professional Judgment: Auditors' experience helps them develop professional judgment, enabling them to make informed decisions and provide valuable insights to clients, Increased Efficiency: Experienced auditors can complete audits more efficiently, as they are familiar with audit procedures and can identify potential issues earlier, and Better Risk Assessment: Auditors' experience helps them assess risks more effectively, enabling them to focus on high-risk areas and provide more effective audit coverage.

Aremu (2024) established some factors affecting auditors' experience: Training and Education: Ongoing training and education are essential for auditors to stay up-to-date with changing regulations, standards, and industry developments, Mentorship: Experienced auditors can provide guidance and mentorship to less experienced auditors, helping them develop their skills and expertise, Industry Developments: Changes in industry developments, such as new technologies or regulatory requirements, can impact auditors' experience and require them to adapt and learn, Firm Culture: The culture of the audit firm can influence auditors' experience, with firms that prioritize training, mentorship, and professional development likely to have more experienced auditors.

Aremu (2024) also suggested further the benefits of experienced auditors in preventing the occurrence of financial fraud in government-owned establishment as follows: Improved Client Satisfaction: experienced auditors can provide higher-quality audits, leading to increased client satisfaction, Enhanced Reputation: audit firms with experienced auditors can enhance their reputation and attract new clients, Increased Efficiency, experienced auditors can complete audits more effectively and efficiently, reducing costs and improving profitability, and Better Risk Management, experienced auditors can help clients manage risks more effectively, reducing the likelihood of financial losses or reputational damage.

Financial Statement Fraud

The global financial crisis revealed numerous fraudulent schemes, with Bernie Madoff's multi-billion-dollar Ponzi scheme being the most notable example. Jayeoba (2021), faithful representation is a fundamental qualitative characteristic of financial statements. To achieve this, financial reports must accurately reflect economic phenomena including resources, obligations, transactions, and related events by being complete, neutral, and free from material error.

The Association of Fraud Examiners Manual (2018) states that financial statements fraud involves the intentional publication of false information in any portion of the financial statements. The typical goal of a fraudulent financial statements is not to directly enrich the perpetrator, but rather to mislead third parties; Prospective Investors, Entity Owners, Business Management, Regulatory Authority, Entity Stakeholders, and Government Agency as to the profitability or viability of an organization, while management benefits indirectly from financial statements fraud when the tactic is used to obtain financing on company's behalf, or to inflate the value of the company. (Oyedokun et al., 2018).

Fraud

Okoye (2016); Olayiwola (2021); Adekusibe (2024), define fraud as all multifarious means which human ingenuity can devise and which are resorted by one individual to get an advantage over another by false suggestions or oppression of truth. It includes all surprises, tricks, cunning or dissembling and any unfair way by which another is cheated.

Albrecht et al. (2008) reaffirmed that fraud embraces many varied forms of conduct, ranging from false claims against an insurance policy to some corporate frauds that are meticulously planned and intricate in their execution. The variety and complexity of fraud, such as impunity, stealing, large-scale fraud, bribery and corruption, including other forms of malpractice, has necessitated that, for purposes of explanation, the concept of fraud is "broken down" into manageable categories.

i. Fraud committed against an organisation by principal or senior officials of the organisation. Examples of this include offences against shareholders or creditors by errant high-flying entrepreneurs or corrupt practices by senior public officials (Egbunike, 2021).

ii. Fraud committed against an organisation by clients (an outsider) or employee (an insider). This category includes embezzlement, insurance fraud, tax evasion, and other fraud against the company or government (Egbunike, 2021).

iii. Fraud committed against one individual by another in the context of direct face-to-face interaction. This would include classic con games (Okeye, & Okaro, 2019). Classic con games refer to traditional confidence tricks where a fraudster deceives victims by gaining their trust and then exploiting it for personal gain. Frauds by sales staff and predatory activities against clients or customers by unethical investment advisers, shady roof repairers, and others who prey directly on a consumer. It usually involves face-to-face interaction, persuasion, and psychological manipulation rather than sophisticated technology

iv. Fraud committed against a number of individuals through print or electronic media or by other indirect means. This would include Nigerian advance fee frauds, share market manipulation, and deceptive advertising or investment solicitations pitched at a relatively large number of prospective victims (Nenyiaba et al., 2020).

Empirical Review

Tinyase et al., (2025) focused how auditor experience influences the link between audit pressure and audit quality in Ghana. They surveyed 350 auditors from Big Four, local, and government audit firms, using confirmatory factor analysis (AMOS) and regression models (Hayes PROCESS) to test their ideas. Their findings revealed that while audit pressure seemed to boost audit quality at first, this effect diminished when they factored in auditor experience. Notably, auditor experience turned out to be a strong positive predictor of audit quality and played a significant role in moderating the impact of audit pressure. This meant that seasoned auditors were more adept at turning pressure into better audit results. The statistical tests they conducted showed reliable measurement models and moderate explanatory power ($R^2 \approx .38$–$.44$). This study adds to the auditing literature in emerging economies by emphasizing the importance of auditor experience as a strategic asset within the resource-based view framework. However, the reliance on self-reported perceptions of audit quality, the purposive sampling limited to Accra, and the cross-sectional design pose challenges for making causal inferences and generalizing the results. Despite these limitations, the findings suggest practical steps for firms, indicating that investing in training, mentorship, and professional development can help auditors build resilience under pressure.

Okeke-Muogbo and Egungwu (2019) examined the effect of audit experience on earnings management of quoted non-financial companies in Nigeria. Secondary data were obtained from twenty-four (24) firms quoted on the floors of the Nigerian stock exchange for the period, 2007-2017 (11years). The study adopted ex-post facto research design. In the analysis of data, the study employed Hausman specification test to test between the fixed and random effects since data for the study involved panel data. The white test (homoskedasticity test) was also conducted to check for constant variation of the disturbance term or whether the variance of the error term is not constant. The findings indicated that audit experience, has a significant positive effect on earnings management of the Nigerian quoted companies.

Bambang, Wishnu, Ari, and Syntia (2019) analyzed the effect of financial liquidity, audit rotation and audit experience on financial statement fraud. Population determined is a manufacturing company with a food and beverage subsector listed on the Indonesia Stock Exchange period 2013-2018. The sample selection is done by purposive sampling technique, the sample results that meet the criteria are 78 samples. The research method used is multiple linear methods, where the results of the research partially show that the liquidity financial variable does not significantly affect fraudulent financial statements, variable audit rotations significantly influence fraudulent financial statements, and variable audit experience does not significantly influence financial statement fraud.

Theoretical Review

White Collar Crime Theory of Fraud

Edwin Sutherland in 1939 was the first to coin the term White Collar Crime. It means a crime committed by a person of respectability and high social status in the course of his occupation (Sutherland, 1949). Crimes committed by corporations were also included. Sutherland originally presented his theory in an address to the American Sociological Society in an attempt to study two fields, crime and high society, which had no previous empirical correlation. White collar criminals are attributed different characteristics and motives than typical street criminals. He used the concept to challenge conventional stereotypes and theories: assumption of this theory is that prosecutors and judges are more lenient on white-collar criminals as opposed to street criminals. The legal case which advanced this was that he noted that in his time, less than two percent of the persons committed to prison in a year belong to the upper class. His goal was to prove a relation between money, social status, and the likelihood of going to jail for a white-collar crime, compared to more visible, typical crimes.

The term White-Collar Crime dates back to 1939, Sutherland (1949) as cited Michael (2004). The assumption behind this theory is that those who commit white collar crimes are educated, intelligent, affluent individuals who are qualified enough to get a job that allows them unmonitored access to often large sums of money. Because of the high status of perpetrators of these crimes, highly trained and experienced examiners or investigators like the professional experience auditor is needed to forestall the occurrence of such high-profile fraud. They hypothesised white collar criminals attributed different characteristics and motives than typical street criminals. Sutherland originally presented his theory in an address to the America Sociological Society in attempt to study two field crime and high society which had no previous empirical correlation.

Theory of the Fraud Diamond

The theory was developed and published in 2004 by David T. Wolfe and Dana R. Hermanson. According to Wolfe and Hermanson (2004), the theory is an advanced version of Fraud Triangle Theory by adding a very important element to the existing elements. In an attempt to commit fraud in an organization, an individual is influenced by four factors, namely pressure at work, opportunity or chances that pave the way for the act, rationalisation, and capability. However, before the explanation of the theory by Wolfe and Hermanson, capability was not involved. However, studies have further shown that while opportunities can open doors to fraud, stimulus and streamlining can attract people. However, such a person must be able to identify an open door as an opportunity and must be able to take an inappropriate gain from the loopholes found. Hence, the inclusion of capability was added to the initial basic elements seen as the fraud diamond.

This theory believes that the presence of pressure, opportunity, and rationalisation alone cannot lead to fraud except the person/employee has the capacity to commit that fraud. They opined that opportunity opens the doorway to fraud, and that pressure and rationalisation can draw a person towards fraud. It therefore shows that, for fraud to occur in any organisation, including the banks, these three elements must first be present. Pressure, which is a significant financial need or problem, is frequently what causes the act of fraud. Opportunity facilitates the ability to commit fraud, while rationalisation connotes the justification of the fraud as consistent with the employees' or fraudsters' personal code of ethics (Okoye et al., 2017).

However, Wolfe and Hermanson (2004) concluded that for fraud to be committed, the person must have the capacity to recognize the open doorway as an opportunity and take advantage of it by walking through it as also started by (Okoye et al., 2017). Capacity is the possession of relevant traits or skills and the ability to turn such opportunity to a reality. Hence, capacity connotes an understanding of the internal control system and its lapses that could be exploited in the planning and implementation of the fraud. Wolf and Hermanson believed that many frauds would not have occurred without the right person with the right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud as; authoritative position in the organisation, capacity to understand and exploit the organisation's systems of accounting and internal control, confidence that they will not be detected or if caught, they will get out of it easily, capability to deal with the stress created within and otherwise be a good person when he or she commits bad act.

With the additional element presented in the fraud diamond theory affecting individuals' decision to commit fraud, the organisation and auditors need to better understand employees' individual traits and abilities in order to assess the risk of fraudulent behaviours. In addition, better systems of checks and balances should be implemented and monitored to proactively minimise risks and losses resulting from fraudulent activities in the workplace. It is therefore, pertinent to note that for the capability of those who engaged in fraud and other forms of atrocities to be detected and prevented, the services of a trained and experienced investigator like the forensic auditor are required to forestall incidences of fraud in the Nigerian banking sector (Wolfe & Hermanson 2004).

METHODOLOGY

The study adopted a quantitative research design using primary data analyzed through both descriptive and inferential statistical methods. A purposive sampling technique was employed to select respondents from the target population of 1,704 staff members working in the accounting, finance, and related departments of selected public sector business enterprises in Nigeria, including the Nigerian National Petroleum Corporation (NNPC), Nigerian Ports Authority (NPA), Power Holding Company of Nigeria (PHCN), Nigerian Railway Corporation (NRC), Nigerian Postal Service (NIPOST), and the Federal Airports Authority of Nigeria (FAAN). From this population, 576 respondents representing 34% of the total were purposefully chosen based on their relevance, accessibility, and willingness to participate. Data were collected through a self-constructed questionnaire comprising 52 items, designed to capture both demographic information and issues related to financial statement fraud reduction, with auditors' experience serving as the key variable of measurement. The questionnaires were personally administered to accounting and finance staff within the identified public enterprises to ensure reliability and accuracy of responses.

RESULTS AND PRESENTATION OF DATA

Descriptive Statistics on Demographic Factors

Frequency Table

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	195	33.9	33.9	33.9
	Female	381	66.1	66.1	100.0
	Total	576	100.0	100.0	

Age Range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	250	43.4	43.4	43.4
	31-40	172	29.9	29.9	73.3
	41-50	69	12.0	12.0	85.2
	51-60	43	7.5	7.5	92.7
	60 and Above	42	7.3	7.3	100.0
	Total	576	100.0	100.0	

Academic Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE	76	13.2	13.2	13.2
	HND/BSC	331	57.5	57.5	70.7
	MSC/MBA	92	16.0	16.0	86.6
	PhD	71	12.3	12.3	99.0
	OTHERS	6	1.0	1.0	100.0
	Total	576	100.0	100.0	

Professional Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ACA	157	27.3	27.3	27.3
	ANAN	216	37.5	37.5	64.8
	ACTI	129	22.4	22.4	87.2
	ACIB	66	11.5	11.5	98.6
	OTHERS	8	1.4	1.4	100.0
	Total	576	100.0	100.0	

Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Accounting	297	51.6	51.6	51.6
	Finance	155	26.9	26.9	78.5
	Audit	91	15.8	15.8	94.3
	Store/Warehouse	33	5.7	5.7	100.0
	Total	576	100.0	100.0	

Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 Years	139	24.1	24.1	24.1
	6-10 Years	234	40.6	40.6	64.8
	11-15 Years	126	21.9	21.9	86.6
	16-20 Years	52	9.0	9.0	95.7
	Above 20 Years	25	4.3	4.3	100.0
	Total	576	100.0	100.0	

Experience of the Statutory Auditor for your Enterprise

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 Years	52	9.0	9.0	9.0
	3-4 Years	101	17.5	17.5	26.6
	4-6 Years	207	35.9	35.9	62.5
	7-8 Years	184	31.9	31.9	94.4
	Above 8 Years	32	5.6	5.6	100.0
	Total	576	100.0	100.0	

Table 1: Gender Distribution on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	195	33.9	33.9	33.9
	Female	381	66.1	66.1	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 1 presents the gender distribution of respondents on the relationship between auditors' experience and financial statements' fraud reduction in Nigeria. The result shows that the study's 576 respondents consisted of 33.9 percent males and 66.1 percent females, indicating that female participants dominated the sample. As a result, the perspectives and experiences of female auditors were more strongly reflected in the findings on the relationship between auditors' experience and financial-statement fraud reduction in Nigeria. The study noted that this greater female representation may have offered deeper insight into women's engagement with fraud-reduction issues, but it also meant that male viewpoints were comparatively limited, thereby constraining the extent to which the results could be generalized across genders.

Table 2: Age Distribution on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	250	43.4	43.4	43.4
	31-40	172	29.9	29.9	73.3
	41-50	69	12.0	12.0	85.2
	51-60	43	7.5	7.5	92.7
	60 and Above	42	7.3	7.3	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 2 presents the age distribution of respondents on the relationship between auditors' experience and financial statements' fraud reduction in Nigeria. The result shows that most respondents were young auditors, with 43.4 percent aged 21–30 and 29.9 percent aged 31–40, together making up more than 70 percent of the sample. Older age groups were less represented, as 12.0 percent were between 41–50 years, 7.5 percent were between 51–60 years, and only 7.3 percent were 60 years and above. This distribution indicated that the study primarily reflected the perspectives of younger auditing professionals who likely brought recent training and technological adaptability to fraud-detection practices. However, the limited representation of older auditors suggested that insights grounded in long-term experience were less prominent in the overall findings.

Table 3: Professional Qualification on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

Professional Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ACA	157	27.3	27.3	27.3
	ANAN	216	37.5	37.5	64.8
	ACTI	129	22.4	22.4	87.2
	ACIB	66	11.5	11.5	98.6
	OTHERS	8	1.4	1.4	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 3 reveals the professional qualifications of respondents involved in the study. The result explained that most respondents were affiliated with major Nigerian professional accounting bodies, with 37.5 percent belonging to ANAN and 27.3 percent to ACA, while 22.4 percent were members of ACTI and 11.5 percent of ACIB; only 1.4 percent came from other unspecified groups. This distribution showed that ANAN and ACA members dominated the sample, meaning the study's findings largely reflected the standards and practices emphasized by these bodies. It also indicated that, although smaller in number, ACTI and ACIB members contributed valuable specialised perspectives in taxation and banking, both of which were important for understanding financial-statement fraud.

Table 4: Department of Respondents on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Accounting	297	51.6	51.6	51.6
	Finance	155	26.9	26.9	78.5
	Audit	91	15.8	15.8	94.3
	Store/Warehouse	33	5.7	5.7	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 4 presents the departmental distribution of respondents who participated in the study. The result shows that over half of the respondents (51.6 percent) worked in the accounting department, followed by 26.9 percent in finance, 15.8 percent in audit, and 5.7 percent in the store/warehouse department. This distribution showed that the study was largely shaped by individuals in accounting and finance, whose roles are central to financial reporting and fraud-related matters. The presence of auditors added perspectives directly related to fraud detection, while the smaller representation from the store/warehouse unit still highlighted the importance of inventory control in preventing fraud. Overall, the findings reflected that views on auditors' experience and financial-statement fraud reduction in Nigeria were predominantly influenced by respondents closest to financial management functions.

Table 5: Working Experience of Respondents on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

		Working Experience			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 Years	139	24.1	24.1	24.1
	6-10 Years	234	40.6	40.6	64.8
	11-15 Years	126	21.9	21.9	86.6
	16-20 Years	52	9.0	9.0	95.7
	Above 20 Years	25	4.3	4.3	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 5 shows the distribution of respondents according to their years of working experience. The result shows that most respondents had mid-level work experience, with 40.6 percent having 6–10 years of experience, followed by 24.1 percent with 1–5 years and 21.9 percent with 11–15 years. Smaller proportions had 16–20 years (9.0 percent) or over 20 years (4.3 percent) of experience. This distribution indicated that the study relied largely on early- and mid-career auditors, whose blend of theoretical knowledge, practical exposure, and technological adaptability contributed valuable insights into the relationship between auditing experience and financial-statement fraud reduction in Nigeria. Although highly seasoned auditors were less represented, their perspectives still added depth to the study's overall findings.

Table 6: Experience of Statutory Auditor on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

		Experience of Statutory Auditor			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 Years	52	9.0	9.0	9.0
	3-4 Years	101	17.5	17.5	26.6
	4-6 Years	207	35.9	35.9	62.5
	7-8 Years	184	31.9	31.9	94.4
	Above 8 Years	32	5.6	5.6	100.0
	Total	576	100.0	100.0	

Source: *Field Work, 2025*

Table 6 presents the distribution of respondents based on their years of experience as statutory auditors. The result shows that most statutory auditors had mid-career experience, with 35.9 percent having 4–6 years of experience and 31.9 percent having 7–8 years, while smaller groups had 3–4 years (17.5 percent), 1–2 years (9.0 percent), or more than 8 years (5.6 percent). This distribution indicated that the study mainly reflected the perspectives of auditors with 4–8 years of statutory audit experience, who were likely to possess well-developed practical skills and active engagement with contemporary auditing practices. Early-career and highly seasoned auditors were less represented, meaning their views had comparatively less influence on the findings. Overall, the study captured insights from auditors at a stage where professional judgment and hands-on experience were strong, thereby enhancing the reliability of conclusions about fraud detection and financial-statement integrity.

Table 7: Regression Analysis on the Relationship That Exists Between Auditors' Experience and Financial Statements' Fraud Reduction in Nigeria

Model 1		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.006	.132		.048	.962		
	AUS	.309	.042	.306	7.352	.000	.040	25.194
	AUX	.222	.039	.217	5.613	.000	.046	21.811
	AUQ	.178	.044	.176	4.028	.000	.036	27.846
	AST	.293	.042	.292	6.942	.000	.039	25.634
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson			
1	.980[a]	.961	.960	1.41851	1.896			

a. Predictors: (Constant), AST, AUX, AUS, AUQ
b. Dependent Variable: DFI
a. Dependent Variable: DFI

Source: *Field Work, 2025*

The regression analysis presented in Table 7 Model 1 provides a comprehensive examination of the relationship between auditors' experience and the reduction of financial statement fraud in Nigeria. The results reveal that the model possesses an exceptionally strong explanatory power, with an R^2 value of 0.961. This indicates that approximately 96.1 percent of the variance in the incidence and detection of financial irregularities can be explained by the combined effects auditors' experience. The adjusted R^2 of 0.960 further confirms the robustness of the model by accounting for the number of predictors included, while the Durbin-Watson statistic of 1.896 suggests that there is no serious issue of autocorrelation in the residuals.

The study finds that individual predictors significantly contribute to reducing financial statement fraud in Nigeria, with auditors' years of experience emerging as a key factor. Specifically, auditors' practical experience shows a strong positive effect on fraud detection, reflected by a standardized coefficient of 0.217 and a t-value of 5.613. The results highlight that professional attributes, especially hands on audit experience, are critical in enhancing fraud prevention. Consequently, the study underscores the need for continuous professional development, skill upgrading, and investment in audit technologies to promote accountability, transparency, and financial integrity in Nigerian enterprises.

Hypothesis Testing

Structural Analysis of Research Questions and Hypotheses

S/N	RESEARCH QUESTIONS	RESEARCH HYPOTHESES	RELEVANT QUESTIONNAIRE ITEM
	Questions Related to Dependent variable		
1	How does the experience of the auditor affect financial statement fraud reduction in Nigerian public business establishments?	There is no significant influence of auditor experience on financial statement fraud reduction in Nigerian business enterprises	9, 10, 11, 12, 13, 14, 15 & 16

DISCUSSION OF FINDINGS

The study investigated the relationship between auditors' experience and the reduction of financial statement fraud in Nigerian public business enterprises, with a particular focus on auditors', experience. The findings were discussed in line with the stated objective and aligned with recent literature between 2021 and 2025.

The objective examined the effect of auditors' experience on fraud reduction. Regression results showed that auditors' experience had a significant positive effect ($\beta = 0.217$), with mid-level auditors (6–10 years) offering the greatest contributions due to their balanced exposure to both traditional and contemporary auditing practices. Experienced auditors were found to be better equipped to anticipate fraudulent behaviors and detect irregularities. This finding aligns with (Okoye et al., 2023), who revealed that auditor tenure and industry specialization significantly reduce the incidence of financial statement fraud among Nigerian firms listed on the Exchange Group. Their work suggests that sustained exposure and specialization enhance fraud detection, supporting the present study's conclusion that accumulated practical experience remains a vital determinant of audit effectiveness.

CONCLUSION AND RECOMMENDATIONS

This study concluded that auditors' years of experience played a significant role in reducing financial statement fraud in Nigerian public business enterprises. Evidence showed that seasoned auditors demonstrated stronger professional judgment, better fraud detection skills, and a greater ability to identify irregularities that less experienced auditors often overlooked. Consequently, organizations that employed experienced auditors were better able to uphold transparent reporting, boost stakeholder confidence, and strengthen financial integrity. The study also indicated that improving auditor training, encouraging continuous professional development, and aligning regulatory frameworks with best practices would further enhance the positive impact of auditor experience on fraud reduction. Therefore, the study offered the following recommendations:

i. **Enhance Compliance Mechanisms**: Regular monitoring and evaluation of adherence to IPSAS, statutory requirements, and disclosure practices should be institutionalized to minimize reporting lapses.

ii. **Invest in Continuous Professional Development**: Organizations should implement structured training programs on emerging fraud techniques, forensic auditing, and advanced technologies.

iii. **Technological Integration**: Audit departments should invest in software tools, data analytics platforms, and forensic auditing technologies to strengthen detection capabilities.

iv. **Pursue Higher Qualifications and Certifications**: Auditors should be encouraged to attain postgraduate degrees, specialized certifications, and continuous professional development to enhance credibility and analytical competence.

v. **Foster Ethical Culture**: Auditors should maintain high ethical standards, promote transparency, and adhere strictly to professional codes of conduct to mitigate fraud risks.

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