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EXTERNAL AUDIT AND QUALITY OF ACCOUNTING AND FINANCIAL INFORMATION IN CAMEROONIAN COMPANIES

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ABSTRACT: *In the present economic and financial context of internalisation of commercial transactions and investments, benchmarks in the quality of financial and accounting information within a company are sought by the various stakeholders with quality and reliable financial information being the main factors of concern. Given its geographical setting and the fact that most Cameroonian companies are not listed, this study adopts a new approach to investigate the contribution of external audit in improving the quality of accounting and financial information produced by unlisted companies like Cameroon. To achieve, data were gathered through a survey on a sample of 52 employees of companies in Cameroon. Linear regression and the one factor ANOVA analysis were used to test the research hypotheses. The results indicate that the auditor's field of specialisation did not reduce manipulation of accounting and financial information, but that the auditor's mandate duration and the auditor's reputation have a significant influence on the quality of accounting and financial information.*

KEY WORDS: External, audit, quality, financial, statement, Cameroon

INTRODUCTION

The primary objective of external audit as a governance mechanism is to improve the quality of financial information produced by companies to ensure the reliability and credibility of companies published financial statements. But because of all the financial scandals known around the world (Enron, WorldCom ...), the credibility of audited financial statements was the subject of several writings since the external auditors caused these scandals.

Accurate financial reporting is essential for the proper valuation of securities traded in all and especially infant capital markets like the Douala Stock Exchange. Most independent business people and corporate bodies in Cameroon need accurate financial information to make informed business decisions regarding investments, reinvestments, strategy formulation, business model, and risk assessment. If the management unit or the board is well informed and served with the right information, it could do well to structure compensation packages and other distributions appropriately and for the ultimate interest of the company.

Although external audit has as a role to test for misstatement and render assurance report accordingly, the role of the audit committee to shape the accuracy of financial statements by setting audit parameters for quality, transparency and controls cannot be overlooked. In companies that there exists no audit committee as a tool for effective corporate governance, leading to unguided external audit, one may not expect accuracy and exhaustiveness. The risk of lack of accuracy and completeness, which may lead to a gap, maybe less in banks and other financial institutions in Cameroon, which have been imposed the position of audit committee by the Central African Banking Commission ("COBAC"). Therefore, industries with no audit committee may run a risk of higher audit expectation gap than the highly regulated financial industry.

The increase of large businesses and the need for corporate governance in Cameroon continuously comes under the spotlight especially after the failures of major companies like the First Investment and Financial Assistance (FIFA), CONFINEST and many others. Based on the Growth and Employment Strategy Paper for DSCE, (2009), the bankruptcy rate of Cameroonian companies is over 32%. The leading cause of this problem results from the divergence of reporting need between the shareholders and the managers. The effective management of businesses requires that this divergence of interest, especially on the part of the managers are handled correctly by the shareholders. In effect, the industry has to adopt one or both of the two strategies as highlighted by Arrow (1985). The first option consists of basing executive remuneration on the specific performance indicators and the second option is the use of an external auditor to certify that the accounts produced by the managers are compliant and that the manager has managed the business in the interest of their stakeholders in fulfilment of its stewardship (agent) responsibility.

There is, however, a limit to the first solution. Indeed, since the manager is the one who prepares the accounts, it could be tempted to resort to the methods that maximise the result and consequently his remuneration (Omri et al., 2009). This is making a reason for the use of the second solution, which involves using an auditor to give his opinion on the sincerity and clarity of the accounting figures established by the management. Indeed, the external audit is a corporate governance mechanism whose primary purpose is to ensure the reliability of the published accounting data (O'Sullivans and Diacon 2002). It helps to mitigate the asymmetry of information underlying the relationship between different economic partners, to resolve agency conflicts considered as a significant impediment to the development and sustainability of companies and to reduce related costs (Yeoh and Jubb, 2001). The external audit also helps to mitigate all accounting manipulations within an organisation. When financial statements are manipulated, they lose their credibility and reliability. As a result, the intervention of an independent and competent supervisory authority appears to be useful to ensure the credibility of the information produced.

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Tondeur and Coulombe (2001) consider that a contract based on reliable and valid information is a definite asset to minimising the costs inherent in conflicts between the different stakeholders of the company. Good quality financial and accounting information helps to reduce information asymmetry. The Enron, Parmalat and Worldcom cases (in the world at large) and specific cases in Cameroon have called into question the quality of the financial information produced by the companies and yet certified by the external auditors. Africa and more specifically, Cameroon, has not remained on the sidelines of these scandals that seem very common. Concerning SODECOTON, SONARA, FIFA, COFINEST and, more recently, the BICEC case, we understand that the problem of the quality of the accounting information produced is being brought to the forefront and has caused a lot of ink and saliva both in academic and the professional circles.

The various financial scandals and the evolution of accounting standards, with the adoption of the International Financial Reporting Standards (IFRS), have raised the question of the reliability of the financial data on which a large part of the activity of capital markets evolves. The result of these scandals is the development of audit firms and therefore the number of statutory auditors (Mouhamed 2016). Despite the increased growth of the professionals of the figure, the issue of the reliability of financial information remains at the heart of the debates of several financial experts and economic agents. The Institute of Chartered Accountants of Cameroon ("ONECCA") has a registered membership of 208 as at 2018. Although this number stands far below similar numbers in countries like Kenya and Nigeria, one may not quickly jump to the conclusion that the small number of accountants in Cameroon may be responsible for the limitation of accurate financial information and probably not the disrespect of professional ethics.

Amongst other characteristics, the external auditor must exert two important characters: independence and competence, as they seriously affect the audit quality. Indeed, the auditor influences the quality of a financial audit as he has the responsibility to uncover inconsistency in the client's accounting system and to report it. These amounts to considering the product of two probabilities: discovering the anomaly (competence) and revealing it (independence). Although the number of practitioners cannot be related to ethics, generally speaking, independence and competence as components of audit quality have been challenged by recent research demonstrating their vulnerability to certain common business risks such as adverse selection and dependence on leaders. Kinney and Martin (1994) show from an exploratory study of 1500 audit cases related to errors and irregularities detected and corrected by auditors that the intervention of an independent auditor in the control of the accounts significantly reduces biases in the financial information disclosed to the shareholders.

Independence can be at three levels: independence in scheduling audit work, that is, the auditor must decide alone on the audit program to be implemented, the independence of investigation, which requires a freedom of collection and evaluation of the data judged material by the listener without any interference or manipulations, not of other actors; and lastly independence in reporting, which

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stipulates a freedom of communication of the results of the auditor's work and of his opinion. Djoutsa and Foka (2014) came to the conclusion that an independent auditor is the one who has the freedom to schedule the activities of the audit as well as the freedom to communicate the results of the audit, unlike a dependent auditor who receives compensation other than the fees for the audit engagement and provides non-audit services to the same client.

Similarly, the studies that focused on the auditor's competence to understand the quality of the audit focused on the size of the firm, the auditor's membership in a large international audit firm, and the importance of the auditor's fees (De Angelo, 1981, Djoutsa and Foka, 2014). Some authors highlight incompetent signals from listeners. For them, an auditor would be incompetent if he lacks experience if he uses unsuitable audit methods and procedures. Going in the same direction, it appears from the work of Djoutsa and Foka (2014) that an auditor would be incompetent if he does not respect the steps of the audit process as well as the chronogram of intervention during the various missions.

According to the Centre for Audit quality (2017), audit quality largely depends on the individuals who conduct the audit. The audit committee should assess whether the primary members of the audit engagement team demonstrate the knowledge, skills, and experience necessary to address the company's risks of material misstatement and have access to appropriate specialists and national office resources during the audit. In the current paper, we have to look at what influences audit quality beyond the above three characteristics, which seem to be in the same cluster – Knowledge. We do not think knowledge without a good reputation could produce reliable figures.

Indeed, it emerges from Foka et al. (2017) that 45% of auditors who meet the criteria of competence in Cameroon are those whose audit firms belong to the "Big Four" network. We also note from Sangué-Fotso (2015) that the duration of the auditor's mandate harms the quality of financial information although a tenure of six years (renewable once) by OHADA seem to be long enough. It is imperative to reassess the relevance of these indicators on the accounting figures we produce today.

The above leads us to the aim of our study, which is to show how the quality of financial information produced by Cameroonian companies and assured by external audit may be influenced by the specialisation of the auditor, the auditor's seniority and the auditor's reputation. To achieve the aim, the following research questions are set:

Research Questions

What is the influence of the external audit characteristics on the quality of financial and accounting information produced by Cameroonian companies? The following specific questions are raised thereof:

To what extent does the auditor's specialisation affect the quality of financial and accounting information produced by Cameroonian companies?

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What is the impact of the duration of the auditor's mandate on the quality of financial and accounting information produced by Cameroonian companies?
What is the influence of the auditor's reputation on the quality of financial and accounting information produced within Cameroonian companies?

Research Objectives
The main aim of this study is to determine the contribution of external audit in the quality of financial and accounting information produced by Cameroonian companies. The specific objectives are to:
To assess the influence of the sector of specialisation of the external auditor on the quality of financial and accounting information disclosed in Cameroonian companies.
To examine the impact of the duration of the audit mandate on the quality of accounting and financial information produced by Cameroonian Companies.
To identify the influence of the reputation of the external auditor on the quality of accounting and financial information produced by the Cameroonian companies.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The term audit comes from the Latin word "audire" meaning to listen; it is a concept that is used in multiple senses: listen (hearing of a witness), check (auditing accounts). But its original meaning remains that of listening to the fact that the Romans used it to designate a control over the management of the provinces in the name of the emperor. The audit is the result of a historical evolution that has led to the emergence of an activity that today becomes the most interesting and fashionable that is different from other activities such as management control.

The audit professional examines financial statements to express an independent opinion by reference to a quality criterion. Therefore, an audit can be seen as a set of information gathering and evaluation techniques implemented by a professional to make a judgment by reference to standards and formulate an opinion on a procedure or the procedures for carrying out an operation. It is, therefore, a review of the internal and external situation of the company to reduce the informational asymmetry between the directors and shareholders of this company.

A good quality audit according to De Angelo (1981) corresponds to the probability that an auditor can detect an anomaly in the statements of a company and declare this anomaly. The quality of the audit depends on the ability of the auditor to detect irregularities. This depends on the competence of the auditor which he must have the courage to declare in his report the anomalies encountered without taking into account the consequences, thus, his independence.

Tariverdi et al. (2012), see quality financial information as one that allows users of that information to make good decisions that will lead to an optimal allocation of resources. For these authors, information must be useful to users if it has the following significant characteristics: reliability and

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relevance. Excellent financial information should contribute to improving the transparency of financial statements. Financial information is defined as all the official and mandatory communications (balance sheet, income statement, and outlook) to which companies are subject. It is the raw material for users and other economic agents to make decisions. In the theory of the agency, the external auditor plays a critical role because; it is the guarantor of the quality of the information produced by the leaders. It is with this in mind that one can ascertain that the statutory auditors are agents mandated by the owners, certifying the quality of financial information and reducing the asymmetry of information between managers and shareholders. From this role, the auditor is required to be independent, and given his expertise, he is supposed to describe and reproduce reliably and sincerely, the reality of the financial situation of the company.

The institutional theory justifies the use of external audit and the role it plays as a regulator imposed by the State and regulation in improving the quality of financial information produced and the protection of the various stakeholders. The external legal audit is mandated in all countries, and these missions are regulated, the constraints are more important in the case of listed companies the external audit legitimate answer entirely to the institutional theory, Al Ghamidi (2012). In Cameroon, external audit is seen as a mechanism resulting from a set of practices and regulations that have been imposed by lawmakers to improve the efficiency of the various organisations, especially while considering recent failures within the country. The various financial scandals facing the business world place the auditor at the centre or giving the auditor a crucial role that has favoured the institutionalisation of the external audit. These scandals have supported the implementation of various laws such as the law of financial security in France, the law of financial security in Tunisia, the Sarbanes-Oxley Act in the United States, which delimited the scope and status of external auditing for more coercive institutional isomorphism.

2.1 Effects of The Characteristics of External Audit on the Quality Of Financial Information: Empirical Foundations

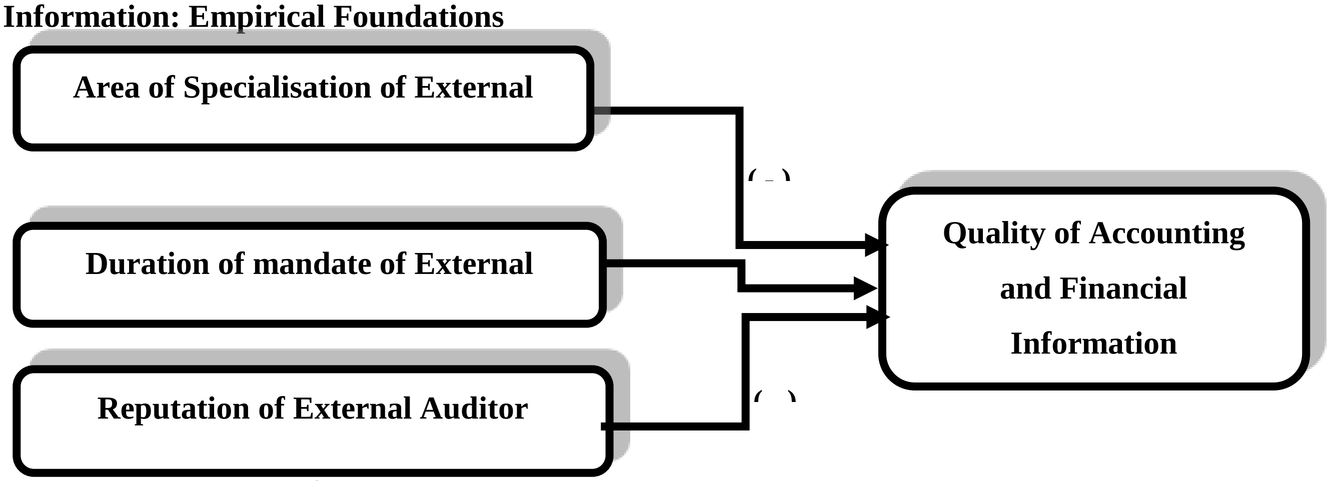

Figure 1 - Conceptual framework
Source: Authors

From the above, we construct a framework for better audit quality by extending earlier literature, which mostly used two variables. We use three variables – specialisation, duration, and reputation to check the quality of the audited financial statement. The figure above depicts those three factors that we identify as those affecting the quality of accounting and financial reporting denoted as independent variables and pointing at the dependent variable. Other prior studies have examined the determinants of the quality of financial information in different ways, but none has this package. Omri, A. et al. (2009), for example, chose the quality of accruals and relevance as a measure of the quality of the accounting and financial result from a sample of 108 observations and concluded that the sector of specialisation of the external auditor significantly improves the quality of the financial and accounting result. Also, Balsam et al. (2003) find a positive and significant association between the quality of accounting information disclosed by companies and the sector of specialisation of the external auditor as appreciated by the absolute value of discretionary accruals. However, Almutairi et al. (2009) find that the sectorial specialisation of audit firms reduces the problem of information asymmetry between managers and the different stakeholders of the organisation and thus improves the quality of financial information.

Auditor Specialisation and Audit Quality

The Specialisation of an external auditor plays a significant role in improving audit effectiveness and efficiency. When an auditor specialises in industry, he/she accumulates specific knowledge gained from serving many clients in that industry over time. A specialised auditor is one who has a grounded knowledge and long experience of the client's specific business, especially the accounting and auditing rules and regulations. Understanding or mastering the industry-specific rules and regulations in Cameroon is paramount as there exist different sector-specific rules. The banking and insurance sectors of Cameroon and CEMAC (in general) have the accounting rules deferent from those of other sectors. Therefore, mastering these specific financial reporting rules requires specific knowledge of the auditor. In the same light and although they use the same Uniform Act on accounting and financial reporting, the petroleum sector has highly regulated industry standards that address specific accounting matters that the auditor must master before carrying out the audit of companies within this sector in Cameroon. Prior research has studied the relationship between auditor specialisation and audit quality. Solomon et al. (1999), through an experiment, found that specialist auditors have more accurate knowledge information leading to material misstatements in financial statements. According to Low (2004), the knowledge that specialised auditor has on the client industry can improve the ability of risk assessment and directly influence the quality of decisions in proper risk assessment during the audit planning.

When an auditor is specialised or has specific industry knowledge, his/her performance is better than non-specialist auditors because he/she is capable of detecting errors and irregularities, and this difference is more noticeable in the first years of engagement. To buttress this, Chi and Chin (2011) found that auditor specialisation affects audit quality, and the influence of individual-level specialist auditors within the same firm is variable. Recently, research that uses surveys and interviews

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conducted by Sarwoko and Agoes (2014) on 163 public accountants in Indonesia found that specialisation of auditors have a significant impact on the implementation of audit procedures used to detect fraud and it can improve the quality of audits. According to them, this is because the auditor has a deep understanding and long experiences on the clients' specific industry; their specific accounting principles, business process, business risk, and the risk of material misstatement in the financial statements. The capability of the auditor in such a specific industrial field of the client will enable him/her to effectively select and implement appropriate audit procedures to detect material fraud that is precise and tailor-made.

Similarly, while studying whether earnings management is present within Nigerian Listed Deposit Money Banks, Jayeola et al., (2017) found that audit specialisation would be instrumental in reducing earnings management in Nigerian listed deposit money banks as specialised audit firms are employed in banks, earnings management decrease. We could not find an existing study on how specialisation of the auditor affects the quality of financial information in Cameroon. Therefore, in the current study, we propose the first hypothesis in the alternative format as follows:

H1: The specialisation of the external auditor has a negative impact on the quality of audited financial statements of Cameroonian companies

Duration of the Audit Mandate

By duration of audit mandate, we are looking at the experience acquired by the auditor over time as he stays on the same client year by year. In Cameroon and OHADA member states (in general), the auditor has a minimum mandate of six years renewable once. This duration gives room for the auditor to master and better mitigate his client's business and audit risks over time thereby minimising material misstatements in audited financial statements. Contrariwise, Zgarni et al., (2012) found a negative relationship between the duration of the audit mandate and the quality of financial information. Meyers et al. (2007) claimed that the length of the audit relationship creates a certain amount of attachment between the auditor and the client, which sways the auditor's judgment and leads him to certify the financial statements according to his client's preferences.

In their study, Chen et al. (2007) noted that long audit relationships are negatively associated with significant levels of discretionary accruals. However, Omri et al. (2009), in the Tunisian context, show that there is a positive linear relationship between the duration of the audit tenure and the quality of the accounting and financial information. This result is consistent or validates the previous finding, in the same country (Tunisia), by Zehri (2006) that shows a positive correlation between the duration of the audit mandate and the management of the published accounting result.

A similar study in neighbouring Nigeria by Jayeola et al., (2017) found that shorter audit mandates could result in decreased earnings management in Nigerian listed deposit money banks. The current study shall consider how this variable influence financial reporting of companies in Cameroon. To

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put this in our context, therefore, we propose the second hypothesis, in the alternative format as follows:

H2: The duration of the audit mandate has a negative impact on the quality of audited financial statements of Cameroonian companies.

The reputation of the Auditor

One can assume that the reputation of the auditor will be high if he/she comes from one of the big firms and that the higher the reputation, the higher the audit quality. It can also be said that auditors belonging to large (reputable) international firms are more conservative vis-à-vis discretionary accruals, therefore more likely to deliver high-quality audit. The study of Lin et al. (2011) highlighted the positive impact of large audit firms on the quality of information. In their studies, the authors were interested in the changes of auditors in China, and they selected ten large firms and came to the conclusion that the size of the audit firm provides high-quality audit than those small firms. Cameroon has many of the big firms that are contracted to perform an audit of mostly bigger companies in the country. Very few domestic and small audit firms perform an audit for large firms.

The fact that the large imported firms in the like of PricewaterhouseCoopers, Deloitte, KPMG, Ernst & Yong, and BDO share the audit market of medium and large firms in the country is an indication that these companies prefer them to smaller indigenous firms. The question is whether their preference is as a result of quality, prestige or they are being imposed on these firms by their boards. To support their choice of large firms, De Fond and Jiambalvo (1993) argue that the occurrence of conflicts between the auditor and the client concerning the accounting practices to inflate the result is less likely if the auditor belongs to a large firm, they also show their exceptional ability to withstand the pressures of their clients while maintaining independent judgment.

The study by Lawrence et al. (2011) did not show any significant difference between the audit quality of a large firm and a non-Big firm. This corroborates with the work of Zgarni et al. (2012) which revealed a negative relationship in the Tunisian context between the management of the result and the size of the firms. Similarly, Yasser and Soliman (2018) found that firms audited by a Big4 reported same levels of discretionary accruals like those who are audited by Non-big 4, contradicting the concepts by earlier research of Becker et al. (1998) and DeAngelo (1981), and questioning the wide use of audit firm size as a measure of audit quality in the accounting literature. Consequently, we seek to verify if these findings are consistent with Cameroon by setting the third hypothesis as follows:

H3: The reputation of the external auditor has a negative impact on the quality of audited financial statements of Cameroonian companies

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METHODOLOGY

In this study, we make use of primary data that was collected from a sample of seventy (70) employees of Public Limited and Private limited companies all over Cameroon using structured questionnaires. The target participants were General Managers, Assistant General Managers, Chief Accountants, and Finance Managers. These respondents are directly concerned with preparing financial statements for the company and were therefore deemed most competent to participate in the study.

The questionnaires were structured to obtain data based on perceptions of the respondents regarding external auditing and quality of financial information. The data were analysed using version 21 of the Statistical Package for Social Sciences (SPSS) software. Descriptive analyses and ordinary least squares (OLS) regression was used to analyse the collected data based on the following model:

Basic model: QL-INF = $\beta_0 + \beta_i X_i + \varepsilon_i$ (1) $i = 1, 2 \ldots n$
With QL-INF representing the dependent variable (quality of Financial Information), X being the independent variables, β_i the regression coefficient, β_0 the intercept, and ε_i the error term. This basic model is elaborated as follows:
QL-INF $= \boldsymbol{\beta_0} + \boldsymbol{\beta_1}$MSL $+ \boldsymbol{\beta_2}$MSG $+ \boldsymbol{\varepsilon}$ (2)
QL-INF $= \boldsymbol{\beta_0} + \boldsymbol{\beta_1}$BNF $+ \boldsymbol{\beta_2}$INTF $+ \boldsymbol{\varepsilon}$ (3)
Where:
MSL= Market share less than 10%, MSG = Market share greater than 10%, (to measure auditor's specialisation, auditors are more specialised when they engage only mainly large firms or firms with a market share above 10%)
BNF = Big national firms, INTF = International firm

B_1 and β_2 representing the coefficients of the parameter estimates from the regression equation, suppose that a positive coefficient means the audit variable of interest positively affects the quality of information

In order to understand the phenomenon, we have used a survey and convenient sampling method. This method consists of choosing any company as long as it corresponds roughly to the characteristics of the target to be studied and willing to answer our questions. By adopting this method, we have obtained easily and quickly the desired information. We administered 70 questionnaires out of which 61 were received and 9 rejected.

Furthermore, 5.77% of the sample consists of commercial enterprises, 26.9% of industrial enterprises and 67.31% of service providers. Concerning the legal form of these companies, 19.23% consists of Public Limited Companies, and 80.77% of Private Limited Companies.

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DISCUSSION OF RESULTS

The results consist of both descriptive and inferential analysis. Information based on respondents' perception about external audit and quality of financial information through structured questions using five items Likert scales ranging from strongly disagree to agree strongly; Yes or No question, as well as interval items, were gathered. In the table below we begin by presenting the repondents view on principal components of financial information.

	Extraction	Component	Real Values	% of variance
Quality of Financial Information 1- Do you make adjustments on the financial statements of the previous years?	.827	.909	1.654	.827
2- Do you respect the publication deadline of your financial statements?	.827	.909	.346	
KMO = 0.681 Cronbach Alpha = 0.701 Dof = 1 Definition of Bartlett = 0.000 n = 52 Chi-square approximated = .623				

Table 1- Principal Component Analysis of the Quality of Financial Information
Source: Authors

Based on this table, we find that the KMO = 0.681 above 50% which means that items or elements of the quality of the information are factorable. Also, we have a Cronbach alpha of = 0.701 which indicates that the elements of the measurement of the quality of the information are good. Looking closely at the extraction column, the information quality element 1 has a value of 0.827 which means that this item weights 82.7% in all of the items of information quality. For the component, we find that both items have very good value (0.909). By looking at the values, only the element 1 has a value greater than 1 (1.654) which results in a uni-dimensionality of the quality variable of the information. Since the quality of the data is one-dimensional, we opted to calculate the overall score of this variable, drawing on the work of Evrard et al. (2009).

The table below summarises the results of the linear regression between the auditor's area of specialisation and the quality of financial and accounting information. The level of the speciality of auditors was captured based on whether their firm holds less or more than 10% of the turnover (market share) of audited companies.

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	A	Bêta	Sig	T	Level of sig	Collinearity stat.	
						Tolerance	VIF
Audit Firm's market share of less than 10% (ms)	10.985 -1.529	 -.285	.000 .032	7.238 -2.202	1% 5%	 .978	 1.023
Audit Firm's market share greater than 10% (Ms)	-1.728	-.301	.024	-2.325	5%	.978	1.023
R = 0.444 R^2 = 0.197 Adjusted R^2 = 0.165 F = 0.160 P = 0.005							

Table 2: Regression results for Auditors specialisation and quality of financial and accounting information
Source: Authors

Overall, the results reveal that the model is significant at the 1% level. Concerning H1, we find an absence of multicollinearity (VIF very low) between the independent variables (firm holds a market share of less than 10%, and firmly holds a Market share of more than 10%). Besides, there is also an adjusted R^2 = 16.5%, which means that 16.5% of the variables in the auditor's area of specialisation explains the quality of the financial information. Looking at the significance thresholds, we can say that hypothesis H1 is validated, meaning the auditor's specialisation sector negatively influences or has no effect on the quality of financial information produced within Cameroonian companies. Consistent with previous research, this result shows a significant negative relation between auditor industry specialisation and client financial information. Also, the negative relationship between auditor industry specialisation and quality financial information is weaker for larger clients (clients with a market share above 10%). This result is consistent with those of Carcello and Nagy (2004) who showed in their work that the auditor's specialisation negatively affected the client's financial fraud. This also corroborates with the study of Lys and Watts (1994) who concluded that there is no significant difference between audited companies with no specialised auditor and audited companies with specialised auditors.

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The table below presents the summary of the results of the ANOVA analysis of the seniority of the auditor's mandate on the quality of information.

Seniority of auditors' mandate	Source des variables	Degree of freedom	Sum of squares	Mean square	F	Sig
Duration of collaboration with external auditor	Inter-group	2	137.448	68.724	14.779	.000
	Intra-group	49	227.860	4.650		
	Total	51	365.308			
	Levene statistics (0.523* ; 0.596**)					

Table 3: ANOVA analysis for Duration of Auditor's Mandate and Quality of Financial Information Source: Authors

The results reveal that the value (two stars) of the Levene test (0.596) is significant (greater than 5%). In this condition, we can interpret the results. We also note in the table above that Fisher's significance is less than one per cent ($p = 0.000$). Therefore H2 is not validated. In other words, the duration of the auditor's mandate influences the quality of the financial information. Hence the hypothesis H2 is rejected. These results are consistent with those of Knapp (1991), De Angelo (1981), and Johnson et al. (2002) who had shown that the duration of the auditor's mandate influenced the quality of financial information. In the same vein as Meyers et al. (2007), Rahmina et al. (2014), showed that the length of the audit mandate influenced the quality of the financial information produced. This does not corroborate with the work of Fatma Zehri (2006) who demonstrated that the duration of the relationship between the auditor and the audited had a negative influence on the quality of financial information. Meanwhile, Geiger and Raghumandan (2002) found that the probability of issuing an unclean audit report on the conduct of an audit increases with increasing duration of the auditor's mandate.

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The table below summarises the results of the linear regression between the auditor's reputation and the quality of financial and accounting information.

	A	Bêta	Sig	T	Level of sig	Collinearity statistics	
						Tolerance	VIF
Auditor belongs to a big national firm	2.302		.145	1.481	5%		
	2.644	.495	.000	3.920	1%	.968	1.033
Auditor belongs to the Big six or Internal Firm	.215	.022	.865	1.865	5%	.968	1.033
R = 0.492 R^2 = 0.242 Adjusted R^2 = 0.211 F = 7.829 P = 0.001							

Table 4: Regression results for Auditors Reputation and Quality of Financial Information
Source: Authors

The model is globally significant at the 1% level (p = 0.001). We find an absence of multicollinearity (VIF very weak) between the independent variables (auditor belongs to a large national firm and auditor affiliated to an international network). Also, there is also an adjusted R2 = 21.1% which means that 21.1% of the variables in the external auditor's reputation explain the quality of the financial information. Looking at the thresholds of significance, we can say that the hypothesis H3 is not validated, meaning the reputation of the external auditor influences the quality of the financial information produced within Cameroonian companies. Our results are consistent with those of Lin et al. (2011), Lawrence et al. (2011), and Albring et al. (2007) who proved that the reputation of the external auditor influenced the quality of financial information. This is not the case with the results of the work Fatma Zehri (2006) who found that the reputation of the external auditor had a negative influence on the quality of financial information.

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Hypotheses	Variable	Method of analysis	Conclusions
H1. The area of specialisation of the auditor has a negative influence on the quality of financial and accounting information.	Firms holding less than 10% MS Firms that hold more than 10% MS	Linear Regression	Confirmed
H2. Duration of the mandate of the auditor has a negative influence on the quality of financial and accounting information.	Duration of collaboration with the auditor	One way ANOVA	Rejected
H3. The reputation of the external Auditors has a negative influence on the quality of financial and accounting information	The auditor belongs to a big national firm The Auditor belongs to a Big six or an international firm	Linear Regression	Rejected

Table 5: Summary of results about hypotheses
Source: Authors

IMPLICATION TO RESEARCH AND PRACTICE

This paper evaluates the influence of external audit on the quality of financial and accounting information in Cameroonian companies. The study addresses the almost total lack of research evidence on what influence the quality of audited financial statements within Cameroonian companies, especially as these Companies are not listed on a stock exchange like those on which previous studies are based.

Accordingly, the first major practical contribution of the present research is that it provides much needed empirical data on variables that explain the quality of audited financial statements and also a new approach in the study of characteristics of external audit for unlisted companies.

A similar study on Cameroon by Ose Hanko (2016) used a qualitative approach to suggest that the auditor's knowledge of the company, the relevance of the identified zone of risks and the degree of communication with the board of directors would improve the quality of audited financial statements of Cameroonian companies. Our study employed a quantitative approach and different variables.

Besides, we believe that our research is specifically timely as the aftermath of the revised OHADA Act on
Accounting and Financial Reporting compels all companies that fall within the actual system to have their accounts reviewed and validated by Chartered Accountants.

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CONCLUSION AND RECOMMENDATION

The quality of accounting and financial information usually depends on the characteristics and functioning of the external audit. The situation of Cameroonian companies reveals that the sector of specialisation of the external auditor has a negative influence on the quality of accounting and financial information and that its duration of collaboration with the audited company and its reputation has a positive and significant impact on the quality of accounting and financial information. Consequently, Company directors and other stakeholders should take interest and deepen their knowledge in understanding the impact of various factors affecting the quality of audited financial statements. They should make the right choice of external auditors to improve the quality of accounting and financial information produced by the Cameroonian companies for consumption of Cameroonian stakeholders.

This study offers the opportunity to refine and validate the concepts and constructs that emerged from our inductive analysis. As an aftermath of the institution of the revised Uniform Act on Accounting and Financial Reporting a future research will need further refinement and elaboration, in terms of both its component elements and its internal dynamics, including whether and to what extent it is possible to identify different ideal types of characteristics so that a typology of high-quality financial reporting for Cameroonian companies can be constructed.

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