

"Navigating Conservatism and Audit Quality: Influence of Governance Strength in the COVID- 19 Era."

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Abstract

Corporate scandals in the 21st century forced audit quality and financial reporting reevaluation. The COVID-19 pandemic introduced another degree of complexity, needing more accounting practise examination. In the COVID-19 age, this paper examines the complex link between audit quality, accounting conservatism, and company governance. Corporate governance strength may moderate the relationship between audit quality and accounting conservatism before and during the pandemic. Our assumptions suggest that Big 4 and specialised auditor clients, particularly those with strong corporate governance, display strong conditional conservatism. The paper examines how large-scale disruptions like the COVID-19 epidemic might change financial reporting, governance, and audit practises. The results are expected to be important for stakeholders seeking certainty increasingly volatile economic landscape.

Keywords: Corporate scandals, audit quality, financial reporting, COVID-19 pandemic, accounting conservatism, corporate governance strength, Big 4, specialised auditor