DETERMINANTS OF AUDIT QUALITY OF LISTED CONSUMER SERVICE FIRMS IN NIGERIA

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Abstract
The main focus of this study is on the determinants of audit quality for listed consumer services firms in Nigeria. The study used some basic determinant factors, such as ***audit committee size,*** *audit committee independence,* ***financial literacy of audit committee members, auditors' independence,*** *audit committee meetings, and audit firm staff strength, while audit quality was used as a proxy. The study used a mix of correlational and ex-post facto designs. This is due to the author's collection of existing data from the financial statements of the chosen consumer services firms in order to assess the impact of the factors mentioned on audit quality. The study's sample includes the 25 consumer services firms that were listed in the Nigerian Exchange Group (NEG) as of December 31, 2022. The Multiple regression technique was used in analyzing the data obtained from the audited annual reports of the firms. The findings of the study show that audit committee size is seen as having an effect on the audit quality of consumer services firms in Nigeria. It is therefore necessary for firms to have an appreciable number of audit committee members. It was also revealed that the frequency of audit committee meetings does not have any significant effect on the audit quality of consumer services firms in Nigeria. The study concludes that audit quality largely depends on the financial literacy of audit committee members. The study recommends that to increase the independence of the audit committee, consumer services firms should nominate a sizable percentage of non-executive directors.*
Keywords: *Audit quality, consumer, firms, auditor independence*

Introduction

In order to determine whether financial statements prepared by management are true and fair and were properly prepared in accordance with auditing standards and other applicable regulations, the auditor evaluates the financial statements and formulates an independent opinion on them. Auditing entails an independent review and examination of records to determine the sufficiency of control in the accounting system, ensure compliance with generally accepted guidelines and operating measures, and recommend improvements, (Olabisi, Kajola, Abioro, & Oworu, 2020). Numerous factors have a significant impact on the quality of audit services provided by auditors and the audit reports released subsequently (Dunakhir, 2016). Research on the quality of an audit report has become increasingly necessary in recent years. Many stakeholders and business owners are asking questions about the quality and effectiveness of these bottom lines, rather than merely asking about the bottom line, as may be inferred from the knowledge of the significance of strong corporate governance. Numerous high-profile business failures can be linked to poor audit quality, which is greatly influenced by a number of variables that are essential components of the statutory corporate reporting process and are necessary conditions for enhancing the value of an audited financial statement, (Alpheaus, 2020).

Several improvements in auditing, reporting, and corporate governance have been made as a result of major firms collapse, and these innovations have been made by individuals who use financial statements, experts, and regulators. For investors who want to depend on audited financial statements when making investment decisions, auditing offers the necessary certainty. According to Adeyemi, and Fagbemi, (2010) auditing reportedly reduces knowledge asymmetry and the long-term cost caused by managers' dishonest actions to falsify financial statements.

The business climate in Nigeria has occasionally been viewed in some circles as not being particularly favorable for investment by both domestic and foreign firms. This claim's incapacity to satisfy the needs of this user group is one of the adjudged reasons behind it. The auditor is frequently viewed as the defender for correcting the anomaly and restoring balance to the workings of the business environment because of the prevalence of fraud, excessive earnings management, and other financial crimes that have decreased the level of confidence placed in these financial statements (Olabisi, Kajola, Abioro, & Oworu, 2020). Base on this premise, users of financial reports regard the creation of a high quality audit report as fostering confidence in these reports. Without a doubt, the enhanced trust that financial statement consumers have in them tends to draw in capital, which could ultimately lead to growth and development in the business environment (Adeyemi, et al., 2010).

In the current modern economy, where many people rely on trustworthy financial information to make wise economic decisions, the need for strong audit quality has grown increasingly obvious. The complexity of today's economic transactions, as well as the distance in perspective, experience, and time between shareholders, management, and potential investors, have increased the demands on auditors and audit procedures. According to Enofe, Mgbame, and Ehi-Osho (2013), these circumstances have put all dubious accounting practices used by the companies and their auditors under scrutiny and necessitated the need to ensure that audit reports contain trustworthy assurance statements to corporate investors and other stakeholders.

This study places a lot of attention on the quality report, which is the auditors' responsibility and is achieved by strict adherence to good audit quality norms. Generally Accepted Auditing Standards (GAAS), which provide reasonable assurance that the audited financial statements and related disclosures are prepared in accordance with pertinent auditing standards to ensure insignificant misstatements due to either errors or fraud, are followed in high audit quality. A mandatory requirement of excellent audit quality and significant attention to numerous variables that affect audit quality were attested to by corporate scandals like the collapse of Enron and Andersen (Abiahu & Amahalu, 2017). All publicly traded companies in Nigeria audit their financial statements, but this study only briefly examines insurance companies and the auditing strategies they use, such as external audits, internal audits, and audit committees. The major goal of this is to give better risk management methods and proper accounting information generation.

In general, stakeholders in every firm are worried about safeguarding assets and the interests of shareholders through efficient administration of the company's operations by the directors. Separating ownership from control has been linked to the loss of managerial control in insurance companies, raising concerns about investment safety (Amahalu, Okeke, & Chinyere, 2017). As a result, among Nigerian insurance businesses, policies on accountability and good audit quality place an emphasis on preserving assets and increasing shareholder wealth. Despite the interference of regulatory bodies, insurance businesses still have concerns about the accuracy of their financial reporting and auditing. As a result, it is crucial to look at factors that influence audit quality in order to increase the importance of audit and assurance functions. There are a lot of studies. Most of the studies have been done on the performance and audit quality of manufacturing firms and deposit money institutions in Nigeria. On the determining factor of audit quality of listed firms in Nigeria, there are, however, not many research. The purpose of this study is to empirically analyze earlier auditing-related studies in order to pinpoint the variables that affect audit quality of firms in Nigeria. It is possible to increase audit quality, prevent the demise of firms in Nigeria, and boost investor trust by accurately identifying the factors that affect audit quality. This paper, therefore, is designed to determining the dire factors that influence the audit report quality among consumer services firms in Nigeria. The specific objectives are:

1. To ascertain the effect of audit committee size on audit quality.
2. To identify the influence of audit committee independence on audit quality.
3. To examine the effect of the financial literacy of audit committee members on audit quality.
4. To analyse the influence of auditor independence on audit quality.
5. To determine the effect of audit committee meetings on audit quality of consumer services firms in Nigeria.
6. To investigate the effect of audit firm staff strength on audit quality.

Consequently, the following hypotheses are formulated for the study:

Ho_1: Audit quality has no significant effect on audit committee size

Ho_2: Audit quality has no significant influence on audit committee independence.

Ho_3: Financial literacy of audit committee members has no significant effect on Audit quality

Ho_4: Audit quality has no significant influence on auditors' independence.

Ho5: Audit committee meetings has no significant effect on audit quality of consumers services firms in Nigeria.

Ho6: Audit quality has no significant effect on audit firm staff strength.

Review of Related Literature
Conceptual Review
Audit Quality

According to De-Fond and Zhang, (2014), audit quality refers to the assurance that the financial statements accurately reflect the firm's core economics and distinguishing characteristics and its actual state of affairs. According to Donovan, Frankel, Lee, Martin, and Seo, (2014) the effectiveness of an audit firm's service delivery and the preferences of its client's impact the quality of the audit, (Scheure, 2002). It has been suggested that excellent audit quality increases the likelihood of providing accurate financial statements reflecting an entity's financial situation and operating results. In other words, the quality of the accounting information given includes the quality of the audit (Clinch, 2010). However, Watkin, Hillison and Morecroft (2004) censored audit quality and perceptions of audit quality in two different concepts.

Watkin, et al., (2004) employ elements like monitoring strength and reputation to refer to the real and perceived audit quality in order to maintain the separation between these two ideas. The ability to monitor financial statements helps to impact and preserve their quality, whereas the credibility of auditors as seen by stakeholders can be influenced by their reputation. The components of audit quality, which are the auditors' level of competence and independence, can be used to gauge the effectiveness of the auditors' monitoring. The same level of independence and competence assessed as factors of audit quality according to market perception would be the auditor reputation. Due to the fact that it is reliant on user perception, auditor reputation is challenging to observe and quantify. The relationship between audit quality components, audit quality products, and influence over the information in financial statements is captured by the audit quality framework (Watkin, et al., 2004). In the framework of audit quality put forward by Watkin, et al., (2004), the relationship between audit quality and either demand drivers (client risk and agency conflicts) or supply drivers (audit fees and auditor risk management methods) has been presented. One of the demand-drivers of audit quality, the client risk strategy, was detailed in the framework. High-quality information is signaled by the corporations by seeking auditors with well-known brand names. However, this might not be the case for all risky clients, for whom the cost of the renowned audits is reducing their demand for and capacity to signal high-quality information.

Consequently, Francis (2004) asserts that a number of additional factors, including the size of the public accounting firm, industry specialty, office characteristics, and variations in legal systems and laws in different nations, affect audit quality. To the best of the researcher's knowledge, no studies have been done on the most accurate proxy for gauging audit quality. However, achieving audit quality can ensure that financial report information is transparent and relevant for decision-making, as well as that the auditors' fiduciary responsibilities in analyzing financial statements are being upheld. The capacity of the auditors to spot data misstatements and identify these inaccuracies is one of the issues with audit quality that is most prominent (Muhamad, Rahmawati, Bandi, Payamta, & Rusydiana, 2021). If the auditor does not function independently, their capacity to identify data misstatements is useless, which will affect their ability to disclose already-committed violations. This incapacity will result in audit failure and reinforce the perception that the auditing process is flawed (Francis 2011).

Determinants of Audit Quality

In this study, the authors identified factors that are deemed to have an effect on the quality of an audit, and several of these are presented below:

1. **Independence of the audit committee:** In order to ensure that management is held accountable to shareholders, an audit committee is crucial (Blue Committee 1999, Cadbury Committee 1992, and Treadway Commission 1987). According to the Code of Corporate Governance, the head of the audit committee shall be an independent non-executive director, and the majority of audit committee members must be independent. The efficiency of monitoring functions is improved. It acts as a stabilizing force for the impartiality of internal and outside auditors. It is assumed that the audit committee's independence will increase its level of monitoring and increase the likelihood that its members will assess the company's internal control, reporting, and accounting procedures with objectivity. This suggests that an independent audit committee can assist businesses in maintaining business continuity, yet when they encounter financial challenges, they are expected to provide specific mitigation strategies.

2. **Frequency of Audit Committee Meetings:** According to Abbott, Park, and Parker (2000), the effectiveness of the audit committee is based on how well the Committee is able to address difficulties and problems that the company is now experiencing and enhance its function of monitoring corporate activities. It is anticipated that a more active audit committee will offer a reliable monitoring system. The audit committee has more opportunities to discuss current concerns facing the organization when it meets more regularly. The degree of audit committee activity should increase the performance of the oversight role and, as a result, the quality of the audit, as it is a reflection of good governance.
3. **Board size:** The ideal director board size is a topic on which there is no consensus worldwide. It can be difficult to use a huge group of people

efficiently or to have any kind of meaningful individual participation. According to a research by the Corporate Library, most boards have between 3 and 31 members, and the average board size is 9.2 members. The ideal size, according to some analysts, is seven.

4. **Auditor independence**: The independence of the internal or external auditor from parties who might have a financial interest in the company being audited is discussed here. Integrity and an unbiased approach to the audit process are prerequisites for independence. The idea calls for the auditor to conduct his task freely and impartially. A reference to the independence of internal or external auditors from parties who might have a financial interest in the company being audited is known as "auditor independence."
5. **Financial Literacy of Audit Committee Members**: A high level of financial literacy is required, in the opinion of Song and Windram (2000), for an audit committee to successfully monitor a company's financial control and reporting. The total corporate reporting process is just one aspect of the audit committee's duty in monitoring management accountability. In order to have a thorough grasp of financial reporting and enhance compliance with regulatory standards, the audit committee must possess accounting knowledge. Given that listed firms operate as conglomerates, some of which have complicated group structures and so provide technically difficult financial reporting contents, there is a greater requirement to understand the whole financial and non-financial contents of corporate reports. Fraud in corporate financial reporting is decreased by financial literacy.
6. **Audit Firm Tenure**: The duration of the audit firm is also taken into consideration for efficient and high-quality financial reporting due to its significant influence. The length of the client-audit-firm relationship as of the fiscal year's end for which the financial statements were audited is known as the audit-firm tenure. According to studies by Stice (1991); Alpheaus, (2020) an audit tenure is considered to be brief when the same auditor has examined a company's financial statements for two or three years. When an auditor has examined a company's financial accounts for nine or more years, such period of time is referred to as the audit tenure. The researchers describe audit tenure as medium when the same auditor has examined the financial statements for four to eight years, based on the definitions of short- and long-term tenure.
7. **Multiple Directorships of Audit Committee Members:** According to Shivdasani (1993), **multiple directorships of audit committee members** refers to the number of director seats held by audit committee members. Multiple directorships, according to Song and Windram (2000), may limit the time and dedication of audit committee members, preventing them from functioning well. Members of the audit committee who held directorships at too many businesses might not have enough time to do their duties. The

Ruzaidah and Takiah (2004) study makes clear the value of the experience audit committee members have acquired via serving as directors of other firms. They claimed that numerous audit committee member directorships were linked significantly favorably to company social reporting procedures and performance. This shows that a multi-director audit committee offers a useful monitoring method.

8. **Audit committee size:** At a minimum, three people are required for each committee. As a result, the board needs at least six members to ensure that no one serves on more than one committee. Having members do dual duties could weaken the crucial barrier separating audit from compensation, as this will helps prevent any conflicts of interest. Members who serve on several other boards might not give their duties the time they need. The board's chairman is the seventh member. The chairperson's job is to oversee the board's proper operation and the CEO's performance of his or her duties and adherence to board directions. If the CEO also serves as the board chairman, there is a potential conflict of interest. Additional personnel may be required to staff any additional committees, such as the governance or nominating committees. However, if the board has more than nine members, it may be too large to operate efficiently.

Theoretical Framework

Signaling theory is the voluntary selection of information disclosure of the auditor's choice and information asymmetry (Morris, 1987). According to the signaling theory, information imbalance between the agent and the principal should be minimized, if not completely eliminated. A reduction or elimination occurs when an agent is prepared and willing to give and expose information to the principal. When it comes to information asymmetry, the basics of signaling theory call for the appointment of outside auditors as an arbitrator to settle the issue. Audit firms, and audit fees are deemed a signaling factor in high audit quality. The higher the perception of audit quality, the more clients' and corporations' readiness to pay more for auditing their financial statements. As a result, companies and Organizations are willing to pay more to the Big Four.

As a result of the issue of the separation of ownership from control, Fama and Jensen (1983) advised preset devices like corporate governance be put into the business that moderates the manager's activity. According to Watts and Zimmerman (1978), the auditor should be chosen to act as a watchdog and defend the interests of the principal. Each category of stakeholder, including suppliers, customers, employees, and the government, contributes in a different way. Notably, each of them has something to lose if the company goes out of business, necessitating the necessity for an impartial auditor to safeguard their interests. An agent's responsibility is to properly manage the company in order to maximize the interests of all parties involved in the company. The majority of the time, however, an agent tries to unfairly benefit the principle. According to the agency's perspective, managers occasionally have self-interest, which is in opposition to the primary motives. The agent's constant goal is to dishonestly exploit the principal (Jensen & Meckling, 1976). Two strategies were identified by Jensen and Meckling, (1976) as ways to mitigate this practice: contractual mechanisms to align the manager's goals with those of stakeholders; and strategies used to reduce or eliminate information asymmetry that could allow an agent to unfairly benefit the principal (Eisenhardt, 1989). Cohen, Krishnamoorthy, and Wright, (2008); Hermanson, Tompkins, Veliyath, and Ye, (2012) they asserted that, the independence and audit committee size are stated to be the key and crucial criteria that define audit quality.

Empirical Review

Oji, Oliver, Ofegbu, and Grace (2017) conducted a study on the effect of audit committee quality on financial reporting of listed companies in Nigeria. They used a structured questionnaire administered to a sample of 145 administrative staff of selected listed companies located in Rivers State to elicit the necessary data for hypothesis testing. The statistical technique used in analyzing and testing the hypotheses was the ordinary least square regression analysis. The analysis's findings revealed that the audit committee's independence, composition, and monitoring role all significantly improve the quality of financial reporting for Nigerian listed companies.

Enofe, Mgbame, Aderin, and Ehi-Oshio, (2013) in their study conducted, looked at the factors that influence audit quality in Nigeria. The study demonstrated a favorable and significant correlation between the size of the audit firm, the independence of the board, and the ownership structure and audit quality. Audit quality and audit tenure have a poor and insignificant association. The report included suggestions for potential changes to the organizations' non-executive board makeup.

Adeyemi, Okpala, and Dabor (2012) examined the factors influencing audit quality in Nigeria. 430 respondents from a variety of financial reporting and auditing stakeholders provided the primary data, which was collected. The financial statements of forty annual reports of companies listed on the Nigerian Stock Exchange were used to generate secondary data, which was also produced. It was decided to use both the survey research approach and the combined archival method. The study took into account information on explanatory variables such financial literacy of audit committee members, frequency of audit committee meetings, multiple directorships of audit committee members, and duration of audit tenure. The test revealed that the most important factor influencing audit quality in Nigeria is multiple directorship, and that the supply of non-audit services will probably have a major impact on audit quality while audit firm rotation has no significant impact.

Amahalu and Ezechukwu (2017) examined variables that affect audit quality in a subset of listed deposit money banks between 2010 and 2015. The annual reports and accounts of the chosen banks were used to obtain secondary data. Analysis tools including the Granger causality test, OLS, and correlation coefficient have been widely used. The results demonstrated, at a 5% level of significance, a statistically significant and positive association between audit fees, audit tenure, audit firm size, and audit quality. The study suggested a brief audit tenure of between two and three years to avoid excessive intimacy between the client and audit company.

Al-Thuneibat, Al-Issa, and Ata-Baker (2011) examined the impact of the audit firm's size and the duration of the client relationship on audit quality in Jordan. The authors modified the quadratic form approach and applied it to test their hypotheses. All companies whose stock was publicly traded on the Amman Stock Exchange between the years of 2002 and 2006 were included in the study's population. The findings show that audit firm longevity has a negative (unfavorable) impact on audit quality. Due to the increase in the size of discretionary accruals, audit quality declined as audit firm tenure increased. The association between audit firm tenure and audit quality, however, did not appear to be significantly impacted by the size of the audit company, according to the results.

Yuniarti (2011) investigated the factors that affect audit quality by putting forth the theory that audit firm size and audit fees have an impact. The author's unit of analysis was a CPA business in Bandung, West Java, Indonesia. By characterizing the variables and examining the correlation, a descriptive verification was completed. The t-test and f-test were used to simultaneously test and individually test the hypothesis in this study. According to the findings, audit fees have a considerable impact on audit quality, although the size of the CPA firm has no bearing. However, there is no substantial correlation between audit quality and firm size or audit fees.

Adeyemi and Fagbemi (2010) offered data on corporate governance, audit quality, and firm-related variables in Nigeria. In order to answer the queries posed by the study, logistic regression was applied. Their findings demonstrate that non-executive directors' ownership has the potential to raise auditing standards. According to evidence from the study, business leverage and company size are crucial aspects of audit quality for companies listed on the Nigerian Stock Exchange.

However, no author appears to have thoroughly investigated the determinants factor of audit quality of listed consumer services firms in Nigeria from 2015 to 2022 using audit committee, financial literacy of audit committee member, audit committee size, auditors' independence, and audit fees as proxy for measuring audit quality and its determinants. It should be noted that each of the empirical reviews presented in this work considered different factors that affect audit quality in a variety of sectors.

This study examines these variables' effects on audit quality in the consumer services firms using the ordinary least square regression.

Methodology

The study used a mix of correlational and ex-post facto designs. This is due to the author's collection of existing data from the financial statements of the chosen consumer services firms in order to assess the impact of the factors mentioned on audit quality. The study's sample includes the 25 consumer services firms that were listed in the Nigerian Exchange Group (NEG) as at 31st December, 2022. The Multiple regression technique was used in analysing the data obtained from the audited annual reports of the firms. The Taro Yamane model was used to establish the sample size of seven (7) consumer services firms, as follows:

n = N/(1+N(e)2)

Where n = sample size. N = Population of the study and e = error term.

Thus: n = 25/ (1+25(0.05)2)

= 25/ (1+2.5) = 25/2.5 = 7

Model Specification

The model used in this study will be guided by the econometric model specified as follows;

AudQual = ∑ (AudCSize, AudCInd, FLAudCM, AudInd, AudCM, AudFSS)

$$LogAudQ = \beta_0 + \beta_1 AudCSize + \beta_2 AudCInd + \beta_3 FLAudCM + \beta_4 AudInd + \beta_5 AudCM + \beta_6 AudFSSLog + \mu \quad \ldots\ldots 1$$

Where:

AudQual = Audit Quality proxy by the natural logarithms of Audit fees paid to the auditor (Selleh, Stewart & Manson, 2006)

AudCSize = Audit Committee Size is proxy by the total number of members that comprised the audit Committee.

AudCInd = Audit Committee Independence measured by the percentage is computed as the non-directors in audit committee to audit committee members' size.

FLAudCM = Financial Literacy of Audit Committee Members as the ratio of audit committee members who possess a degree or equivalents in accounting, finance, economics or business administration and professional qualification in business related areas to the total number of members in the audit committee

AudInd = Auditors Independence in dummy (1, 0) is measured as "1" for establishment of non-audit services to the client "consumer services firms" and "0" otherwise.

AudCM =Audit Committee Meetings defined as the number of meeting held by the audit committee members in a year.
AudFSSLog = Audit Firm Staff Strength measured by the natural logarithms of the total staff in the audit firm.
B_0 and β_1 = Parameter to be estimated.
μ = Error term.

RESULTS

Results on the determinant factors affecting audit quality of consumer services firms in Nigeria.

Table 1.1. Determinant factors of audit quality

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
(Constant)		13.293	2.004		6.635	.000
AudCSize		-.072	.025	-.148	-2.881	.007
AudCInd		.442	.217	.111	2.036	.025
FLAudCM		.423	.166	.133	2.548	.016
AudInd		2.383	.000	.892	17.115	.000
AudCM		-.005	.023	-.012	-.229	.820
AudFSSLog		.038	.032	.064	1.184	.245
R	.956	Durbin-Watson	1.008			
R Square	**.914**	**F-Ratio**	**71.822**			
Std. Error of the Estimate	.16013	**Sig of F-ratio**	**.000**			

From the aforementioned table, the f-value of 71.822 (P-value =.000 @ 0.05%) indicates that the model is correctly fitted and that the independent variables utilized are suitable predictors of audit quality. According to the coefficient of determination the R^2 of 0.914, only 8.6% of the variance in audit quality is attributable to variables other than the independent variables employed in this study, while approximately 91.4% of the differences in audit quality are explained by the predictor variables. In order to test the formulated hypotheses, the results in the above table are employed.

Hypotheses Testing

The hypotheses formulated for this study is reiterated and verified to answer the hypothetical search below:

Ho_1: Audit quality is not significantly affected by the audit committee size

The result shows that AudCSize has a t-value of -2.881 (P-value =.007 @ 0.05) and that there is a significant, inverse relationship between AudCSize and AudQual. As a result, the first null hypothesis (Ho_1) is disproved, and we draw the conclusion that the audit committee's size significantly affects the quality of the audit. The findings is in agreement with Alpheaus, (2020) which result reveals that there is a significant relationship between ACSize and AudQ, disagreeing with the result made by Yuniarti (2011) and Dekordi and Makarem (2011) in other nations. Their studies discovered no conclusive evidence of a causal relationship between AudCSize and AudQual during their independent examinations in Iran and Indonesia.

Ho_2: Audit quality has no significant influence on audit committee independence.

The study shows a relationship between AudCInd and AudQual has been positive and significant, as indicated by the t-value of 2.036 (P-value =.025 @ 0.05) for AudCInd. As a result, the null hypothesis (Ho_2) for the study is disproved, and the researchers draw the conclusion that audit committee independence significantly and positively affects the quality of consumer services firms in Nigeria. Once more, this is in line with the findings of Oji, Oliver, Ofegbu, and Grace (2017) which revealed that the audit committee's independence, composition, and monitoring role all significantly improve the quality of financial reporting for Nigerian listed companies as well as the a priori anticipation.

Ho_3: Financial literacy of audit committee members has no significant effect to Audit quality.

The study revealed a positively significant relationship between FLAudCM and AudQual as indicated by the t-value of 2.548 (P-value =.016 @ 0.05). As a result, the alternative hypothesis is accepted and the null hypothesis (Ho_2) is rejected. Therefore, the study draws the conclusion that audit quality is positively and significantly impacted by the financial literacy of the audit committee members. This conclusion is consistent with the findings of Song and Windram (2000) as they found out that high level of financial literacy is required, for an audit committee to successfully monitor a company's financial statement and reporting as this has a significant impact on the quality of financial reporting.

Ho_4: Audit quality is not significantly affected by auditor independence.

The table, on the determinant factors of audit quality shows the AudInd's has a t-value of 17.115 (P-value =.000 @ 0.05) which indicates that there is a positive and significant impact on AudQual. This finding leads us to the conclusion that the auditor independence has a considerable impact on audit quality and that the null hypothesis (Ho_4) is invalid. The same conclusion was reached by Enofe, Mgbame, Aderin, and Ehi-Oshio, (2013) regarding the relationship between audit quality and independence in the Nigerian business environment, underscoring the significance of independence for the maintenance of high standards in corporate financial management and reporting.

Ho_5: Audit committee meetings do not have any significant effect on audit quality of consumer services firms in Nigeria.

The result show an inverse and insignificant relationship between AudCM and AudQual as indicated by the t-value of -.229 (P-value =.820 @ 0.05) for AudCM. Therefore, the null hypothesis (Ho_5) is accepted, and the study established that audit committee meetings have no appreciable impact on audit quality consumer services firms in Nigeria. This outcome contradicts apriori expectations because it is assumed that frequent audit committee meetings will result in increased audit process efficiency. The findings is in agreement with Alpheaus, (2020) that shows an insignificant causal relationship between ACM and audit quality.

Ho_6: Audit quality is not significantly affected by the audit firm staff strength.

Giving to the results in the table, AudFSSLog has a positive but insignificant impact on AudQ with a t-value of 1.184 (P-value =.245 @ 0.05). This finding leads us to reject the null hypothesis (Ho_6) as the study concludes that the size of the audit firm's employees has little to no bearing on the accuracy of the audit quality. In their analysis of the factors affecting audit quality in the Nigerian corporate environment, Enofe, Mgbame, Adeyemi, and Ehi-Osho (2013) discovered a strong relationship between audit firm size and audit quality. However, the outcome is in agreement with the apriori expectation.

Summary of Findings

This study made the following findings:

1. Audit committee size is seen to have an effect on the audit quality of consumer services firms in Nigeria. It is therefore necessary for firms to have an appreciable number of audit committee members, but the size should be increased with caution.

2. Audit quality has a significant influence on audit committee independence. Audit committee's independence, composition, and monitoring role improve the quality of audit of consumer services firms in Nigeria
3. A high level of financial literacy is required, for an audit committee to successfully monitor a firms the quality of audit. Financial literacy is seen as a significant and impactful to audit quality
4. Audit quality has a positive significant effected with the auditor independence. The auditors' independence will improve the audit quality of consumer services firms in Nigeria. This will increase the confidence of potential investors owing to the audit quality report which will motivate them to invest in the firms.
5. The frequency of audit committee meetings as show that, it do not have any significant effect on audit quality of consumer services firms in Nigeria.
6. Audit quality is seen not to have a significant effected by the audit firm staff strength. Thus, the size of the audit firm's employees has little to no bearing on the accuracy of the audit quality.

Conclusion

This research work examined the determinants factors of audit quality of consumers' services firms in Nigeria and concludes that audit quality largely depends on the financial literacy of audit committee members, and audit independence, and that the frequency of audit committee meetings and the staff strength of the audit firm does not enhance the audit quality significantly.

Recommendations

The study made the following recommendations:

1. Since the study reveals relationship between audit committee meetings and poor audit quality in consumer services firms, the frequency of audit committee meetings needs to be limited, accordingly.
2. The boards of directors of consumer services firms and shareholders should make an effort to protect the impartiality of the external auditors of consumer services industries.
3. The audit committees of consumers' services firms in Nigeria should be staffed by more financially literate people.
4. The number of audit committee members should be increased with caution. This is done to prevent the financial costs associated with high committee sizes and their detrimental impact on audit quality.
5. To increase the audit committee's independence, consumer services firms should nominate a sizable percentage of non-executive directors.
6. Since the study sees no effect of audit committee size on audit quality, it therefore necessitates that audit firms should employ the best and qualified professionals to carry out their audit functions.

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