AUDITORS' WORKING ENVIRONMENT AND CORPORATE INVESTMENT DECISIONS IN NIGERIA

ADENIJI, Yisa Ayinla
Department of Accountancy, Yaba College of Technology,
Yaba, Lagos State, Nigeria
adeniji.adeniyi@gmail.com *(08166873553)*

ABSTRACT
Prior to the advent of COVID-19 pandemic ravaging the entire world economy, corporate and institutional investors had suffered huge financial losses as a result of audit failures. Despite this situation, investment decisions are generally premised on audited financial statements. The study therefore examined the effect of auditors' working environment (proxied by top management support, training and development, physical work environment and autonomy to implement audit techniques) on corporate investment decisions in Nigeria. The study adopted survey research design, using purposive sampling technique to select 150 respondents. A combination of self-designed and adopted structured questionnaire was used to collect the data. The instrument was validated using Cronbach's alpha. The reliability coefficient of the constructs ranged from 0.647 to 0.907. The response rate was 73%. Data were analyzed using descriptive and inferential statistics. The study found that auditors' working environment had no significant influence on corporate investment decision (Adj: R^2=0.068; F (4, 104) = 1.905; >0.05). But top management support and physical work environment had significant impact on corporate investment decisions. It was recommended that investors and decision makers take cognizance of auditors' physical work environment together with management support for auditors as a premise for decision making.
Keywords: Auditors' working environment, corporate investment decisions, management support, physical work environment, training and development.
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INTRODUCTION

The contemporary business globally has witnessed rapid expansion in business transaction, economic growth and development prior to the COVID-19 pandemic ravaging the entire world economy. However, before the advent of this pandemic, some countries are not performing to expectations judging from the available resources, both human and material. Zarnowitz (1992) opine that the use of corporate investment decisions can be used to measure the performance level of any economy, both from macro and micro perspectives. From the macro position, investment decisions account for the majority of the volatility in the Gross Domestic Product (GDP) dynamics and their magnitude serves as a leading indicator of economic performance. From the micro angle, investment decisions are pivotal to the growth of individual establishment, enhancing their efficiency by reducing unit costs (Zarnowitz, 1992). Several indicators in Nigeria pointed to the fact that many of the problems facing corporate investment existed before COVID-19. The data obtained from the National Bureau of Statistics reveals that the trade balance between Nigeria and other countries declined from ₦ 590 billion surplus in quarter two of 2019 to a deficit of ₦ 2. 388 trillion by the end of quarter three of 2020. The decline was attributed to the closure of land borders and the impact of COVID-19 pandemic. The level of foreign investment coming to the country also declined from USD$6.3 billion in the first quarter of 2018 to USD$8.5 billion in the same period in 2019, USD$5.9 billion in 2020 and USD$1.5 billion as at the third quarter of 2020. As at Q3 2020, Nigeria's total public debt stock stood at N32.2 trillion from ₦17.6 trillion in 2016, ₦ 24.4 trillion in 2012, ₦ 17.4 trillion in 2016, ₦ 24.4 trillion in 2018. Due to the implementation of lockdown and fall in crude oil prices, Nigeria real GDP growth decline to negative 3.6% by Q3 2020. Additionally, unemployment rate went up from 7.8% in Q1' 2010, to

14.4% in Q2' 2017 and 27.1% in Q2' 2020. NESG (2021) opine that massive investment in the area of manufacturing, construction, trade, professional services, education and health are the only way to navigate the country out of the current economic doldrums.

However, for decades many establishments globally collapsed due to inappropriate investment decisions occasioned by heavy reliance on audited financial statements (Nguyen, 2011). The manipulation of accounting figures by reporting entities was due to the need to present an exceptional result that will attract higher compensation to the management (Asogwa, 2009). To guarantee the true and fair view of the prepared financial statement, section 357 of the Companies and Allied Matters Act, 2004 (CAP (20 LFN) as amended stipulates that members of every limited liability companies must appoint a statutory auditor on an annual basis. In addition, several other reforms have been introduced by government and various institutions mandated to regulate and enforce appropriate *modus operandi* for audit procedure, yet audit failure still persist with investors losing their resources in the process.

In Nigeria and elsewhere globally, investment decisions are majorly based on audited financial report (Omokkudu & Ibadin, 2015) focusing on earnings management, earnings quality, return on equity, earnings per share and accrual quality among other indicators. Scholars such as Ciao-Wei, Daniel, Collins, Kravet and Margrnthaler (2018); Abolaji and Adeolu (2015); Chan-Jane, Taiwei and Chae-Jung, (2015); and Chidiebere (2013) opine that the qualitative variables of comparability, verifiability, relevance, timeless, faithful representations together with the understandability of financial information justify the absolute reliance on audited financial statement as a key component of investment decisions. However, problems associated with corporate investment decisions through audit failure, inadequate and quality information persist both in Nigeria and globally, hence the need for this study.

1.1 Statement of the problem

In finance and business literature, in general, several scholars have investigated various factors influencing corporate investment decisions without considering auditors' working environment and audit quality. Notable among the factors investigated are: corporate risk and dividend policy (Efni, 2017); new product development (Zheng & Wang, 2018); financial reporting practices (Kapellas & Siougle, 2017); corporate taxes (Azarmi & Schmdit, 2016); financial statement analysis (Vestine, Kule & Mbabazize, 2016); Singh & Yader, 2016); earnings management (Julie & Yook, 2016); political uncertainty (Rien, 2016,); cash flow sensitivity (Basty, 2016); corporate governance (Bistrova, Lace & Travonaviene, 2015); crisis perspective (Pelvic & Durking, 2015); SMEs (Sungun, 2015); external factors (Bialowoski & Wezlak-Bialowoski, 2014); capital structure (Arafat, Warokka & Suryasaputa, 2014) risk factor (Virlics, 2013); among others. These researchers did not consider the impact of audit working environment and audit quality on corporate investment decisions. Conversely, scholars who investigated the factors influencing audit quality and auditors working environment ignored its implications on corporate investment decisions. Studies in this category include: ROA and ROE (Elewa & El-Hadda, 2019); accounting profit (Smii, 2016); auditors' independence (Okegbe, *et. al*, 2019; Haeridistia & Fadjareme, 2019; Zayol *et. al*, 2017; Tepalagul & Lin, 2015; Enofe, *et.al*, 2013); low cost of debt capital (Eskandari, *et. al*, 2014); firm performance (Wijaya, 2020; Sattar, *et. al*, 2020; Zalata, *et. al*, 2019; Ogbodo & Aklorbuogu, 2018; Ezejiofor & Erihirhie, 2018); audit fees and audit tenure (Okegbe *et. al*, 2019,; Ibrahim & Ali, 2018; Onaolapo, *et. al*, 2017; Homayoun & Hakimzat, 2017; Ndubuisi & Ezechukwu, 2017; Adeniyi & Meiseigha, 2013). Additionally, while the factors identified above can be regarded as external to the auditors' work environment, researchers focusing on the internal working environment of the auditors were concerned only with the internal audit quality. These research work include: internal audit effectiveness (Hammayo, *et. al*, 2020); internal audit competency (Abusaleem, *et. al*, 2019); internal audit quality competency (Nurdiono & Gamayuni, 2018); internal audit quality evaluation (Khani & Noroozian, 2018; Altwaijry, 2017; Deribe & Regada, 2014); size of the internal audit function (Yasin & Nelson, 2012); financial accountability (Zeyn, 2018); competence, objectivity and performance (Al-Matarneh, 2011); and key determinants (Masood & Afzal, 2016), but not related to corporate investment decision hence the need for this study. This research work therefore makes a bold attempt towards investigating the impact of auditors' working environments on corporate investment decisions in Nigeria.

1.2 Objective of the study

The main focus of this study is to investigate the effect of auditors' working environment on corporate investment decisions in Nigeria. Specific objectives are to:

(i). examine the effect of top management support to the auditors on corporate investment decisions;

(ii). establish how regular training and development for auditors affect corporate investment decisions;

(iii). investigate the impact of physical work environment of the auditors on corporate investment decisions;

(iv). ascertain how the autonomy to implement audit techniques learnt during training by the auditors influences corporate investment decisions in Nigeria.

2. LITERATURE REVIEW

Conceptual Review

Corporate investment decisions can be described as a financial commitment that usually last for several years with long term implications such as risk, returns, uncertainty and time value of money. The sum of money associated with corporate investments are usually very huge, with time scale relatively long. Notable examples of corporate investment decisions are new ventures, investment for expansion, replacement of assets, product improvement and cost reduction. The entire nature of an enterprises and its direction are mainly influenced by corporate investment decisions. Therefore, an inappropriate investment decisions may have a disastrous implications on the organizations. The economic objective of an organization is to maximize the shareholder's wealth by investing in project with positive Net Present Value (NPV) as such investment would increase the real assets (Husnan, 2000). According to (Efni, 2017), corporate investment decisions has a significant direct effect on the corporate value of an organization. By implications, appropriate investment decisions will improve the corporate value of an establishment.

Audit Quality

The problem of audit quality being in the "eye of the beholder" is reflected in the broad range of diverse, and sometimes divergent definitions that have been offered by numerous researchers and scholars over the past 30 years. Initially, audit quality was defined as an outcome conditions on the presence of certain attributes of auditors. The widely used definition by DeAngelo (1981) defines audit quality as the market assessed joint probability that a given auditor will both discover a breach in a client's accounting system, and reports the breach. From this definition, it is possible to classify audit quality into two major areas: (i) the possibility that an auditor discovers existing misstatements and (ii) that the auditors appropriately acts on the discovery. Government Accountability Office (GAO, 2003) defines audit quality as one performed "in accordance with Generally Accepted Auditing standards to provide reasonable assurance that the audited financial statements and related disclosures are (i) presented in accordance with Generally Accepted Accounting Principle (GAAP) and (ii) are not materially misstated whether due to errors or fraud" .According to Asiriuwa, Aronmwan, Uwuigbe and Uwuigbe (2018), audit quality represents the market assessed joint probability that the auditor discovers an anomaly in the financial statements, and reveals it. Other researchers were focussing on error detection and the financial statement outcome, suggesting that a high- quality auditor will detect errors in reported earnings and enhance the reliability of the financial statements (Hoffman & Joe, 2008; Chang, Dasgupt & Hillary, 2009). Some scholars focus on defining "poor audit quality" by identifying negative outcomes from an audit (Peecher & Peircey, 2008). Defining audit quality from the perspectives of audit failure is appealing because it is easy to operationalize the definition. However, poor audit quality is observable with hindsight if an audit engagement results in litigation or a claim of malpractice against the audit firm (Castreka, Jansen & Knechel, 2009) but there are relatively few cases of detectable audit failures (Francis, 2011). In summary, since there is currently no unified definition of audit quality, developing a framework may be the best alternative to gauge overall audit quality.

Theoretical Literature

Empirical literature

In the last three decades or more, scholars globally have been investigating various factors influencing corporate investment decisions among different establishments. According to Efni (2017) the value of any establishment can be increase by the level of investment decisions and the company risk profile. On the other hand, dividend and financing decisions has a direct effect on the net worth of a company. Zheng and Wang (2018) opine that knowledge spillover level influences corporate investment decision. For Kapellas and Siongle (2017), financial reporting practices influences investment decision among listed companies in Greece. Vestine, Kule and Mbabazize (2016) posit that in Kenya, the most relevant document in investment decision making is the audited financial statements. In India, study by Singh and Yasar (2016) opine that male investors rely on financial statements, but due to low level of literacy among women, female investors do not adopt financial ratio in investment decisions. Studies carried out by Julio and Yook (2016) indicates that earnings management exhibit a concave relationship with corporate investment measured by Tobin's Q. In Germany, Rien (2011) investigated the relationship between corporate investment decisions and political uncertainly. Findings reveal that investment ratios decreased by 10.5% in years when state election occurred relative to investment ratios in other years.

In Tunisia, Basty (2016) evaluated the effect of cash flow sensitivity on corporate investment decisions. Result of the study observed that financial constraints significantly influences investment decisions. According to Ibi, Effiong and Udofia (2015), interest rate alone is not an appropriate measure of investment decisions. While investigating the role of financial statement on investment decisions, Anaja and Onoja (2015) opine that investors are aware of the contents of the financial statement as a parameters for investment decision. Additionally, investors believed in the auditors objectivity, independence and integrity in expressing opinion on the financial statement. Using Croatia as a premise, Pevic and Durkin (2015) investigated major determinants of investment decision among small companies during crisis. Findings reveal that Croatia investors are mostly motivated to replace worn-out assets rather than for expansion or diversification needs.

In Turkey, SMEs do not adopt the superior generally accepted investment evaluation measures in the analysis of capital investment despite the level of awareness (Sungum, 2015). Bialowolski and Weziak-Bialowoski (2014) opine that law related and macro-economic variables are the two most significant factors influencing investment decisions among Polish investors. According to Patrick, Tavershina and Eje (2017) while investigating the effect of financial information on investment decision by shareholders of banks in Nigeria, postulate that investment decisions are significantly affected by dividend per share. But Obi and Adeyemo (2014) observed that managers rely on payback method of

investment appraisal for their capital investment decisions in Nigeria. However, in Indonesia investment decisions are positively influenced by the company's market values (Arafat, Warokia & Suryasaputra, 2014).
Research studies that investigated the key determinants of audit quality (AQ) are numerous but with contradictory and conflicting positions. Some of these studies identify top management support, physical work environment, auditors' performance, auditor's rotation, size of the audit firm, size of the audit committee, sector based specialization of the audit firms and auditor's independence. Other scholars observed that factors influencing AQ would include client importance to the auditors, auditor's tenure, client affiliation, performance of non-audit services, by the external auditor of the firm, internal factors (such as behavioural, technical and relational), audit fees, competence, objectivity and performance of internal auditors. Audit efficiency, reputation of the audit firm, proficiency of auditors, board independence, ownership structure, frequency of audit committee meetings, size of the internal audit functions, qualifications of the audit committee members, professional ethics and auditor's experience are major variables considered significant in affecting AQ.
Researchers attributed AQ to such factors as professional skepticism, audit committee independence, use of IT by the internal auditor, investors perception of the "Big 4" audit firms, together with the quality of the financial statement presented by the management for audit purposes. The aforementioned opinion were expressed by scholars such as Wijaya (2020); Sattar, Javeed and Latief (2020); Hummayo, Shittu and Abdullahi (2020); Tapang, Kankpang, Inah, Bassong and Uklala (2020); Okegbe, Ojimadu, Orajekwe and Egbunike (2019), Saleem, Zraqat and Okour (2019); Hardiningsih, Januarti, Oktaviani, Srimindarti and Udin (2019); Haeridistia and Fadjareme (2019); Elewa and El-Haddad (2019); Sulaiman, Yasin and Muhamad (2018); Sulaiman (2018), Nurdiona and Gumayuni (2018); Zeyn (2018); Ibrahim and Badarvy (2018); Khani and Norvozian (2018); Ezejiofor and Erhirhie (2018); Onaolapo, Ajulo and Onifade (2017); Masood and Afzal (2016); Jia and Li (2016); Saputra (2015); Eskandari, Abdul Rashid, Basirudin and Hosseini (2014); Tepalagul and Lin (2015); Deribe and Regasa (2014); Paydarmansh, Salehi, Moradi and Khorami (2014); Farouk and Hasan (2014); Adeniyi and Mieseigha (2013); Yasin and Nelson (2012); Enofe, Mgbame, Okunega and Ediae (2013); Al-Khaddash, Al-Nawas and Ranadan (2013); Al-Malarneh (2011); and Avezoo (2011); among others. One may therefore be tempted to situate that scholars were merely expressing their opinion based on their peculiar environment as it affects audit quality.
In Nigeria, a handful of scholars have contributed to the recurring debate on AQ using different variables. Ndubuisi and Ezechukwu (2017) investigated the major determinants of audit quality by obtaining relevant data from Deposit Money Bank listed on the Nigeria Stock Exchange. The study observed that a positive and statistically significant relationship exist among audit fees, audit firm size, auditor's tenure and AQ. By implication, one is tempted to opine from the study that the higher the audit fee the higher the AQ or vice versa. Same position for audit quality and audit firm size. However, in practice, higher audit fees may negate auditor's independence and objectivity through self-interest threat. For audit tenure, the longer the auditors stays with an organization, the higher the risk of familiarity threat and subsequently, lowers the AQ. Zayol, Kukeng and Iortule (2017) examine the relationship between auditor's independence and AQ. The study established a strong relationship between AQ and auditor's independence with empirical data from the review of related literature. Additionally, client's affiliation with the audit firm, client's importance, performance of non-audit services and audit tenure were identified as major threat influencing auditor's independence. Babatolu, Aigienohuwa and Uniamikojbo (2016) relied on purposive sampling technique to obtain relevant data from seven out of the 20 listed deposit money bank in Nigeria. The focus of the study was to evaluate the effect of auditor independence on AQ. The outcome of the investigation established a positive relationship among audit firm rotation, audit fees and AQ. However, the relationship between AQ, audit firm tenure and financial leverage is negative while AQ and company size exhibited a strong and positive correlation. In the same vein, Enofe, Ngbame, Okunega and Ediea (2013) interrogated the

relationship between auditor's independence and AQ among listed firms on the Nigeria Stock Exchange. The study obtained relevant data from 20 listed companies and subjected to both descriptive and inferential statistical analysis. Findings indicated that as auditor's independence increases AQ also improves. However, AQ reduces whenever board independence and ownership structure increases. The position of Okegbe, Ojimadu, Orajekwe and Egbunike (2019) with regards to AQ and auditor's independence is not too different. The study utilized empirical data from oil and gas sector of the Nigeria economy to establish the relationship between the two variables. Findings reveal that both audit fees and audit tenure are positively correlated with AQ. Onaolapo, Ajulo and Onifade (2017) examine the impact of audit fee on AQ based on data collected from the Cement manufacturing firms in Nigeria. Result of the regression analysis posit that client size, leverage ratio, audit tenure and audit fees exhibit a joint significant relationship with AQ. With regards to the impact of AQ on financial performance within the Nigeria sector, Farouk and Hassan (2014) opine that auditor's size and audit independence have significant effect on the financial performance of quoted cement manufacturing firms in Nigeria. Ogbodo and Akabuaga (2018) investigated the impact of AQ on the financial performance of selected banks in Nigeria. The study adopted audit firm size and audit committee independence to proxy AQ while return on equity and the profit margin were used to proxy financial performances. Analysis of the data through regression established that firm size and audit committee has significant effect on return on equity while net profit margin and audit committee size of Nigerian banks are positively correlated.

Tapang, Kankpang, Inah, Bessong and Uklala (2020) examine the influence of audit quality control on audit report in Nigeria. The study obtained relevant data purposively from 92 audit firms out of a population of 916 audit firms in the country. The dependent variable is audit report while independence, consultation, supervision, hiring, advancement, inspection, peer review, professional ethics among others were used to proxy audit quality control. Analysis of the data based on regression revealed that all the audit quality control proxy have a huge impact on audit reports. Apart from examining the AQ from the external auditor's viewpoint, Hammayo, Shittu and Abdullahi (2020) investigated the impact of auditor's proficiency and AQ on internal audit effectiveness in Nigeria's federal public service. The study obtained primary data from 139 internal auditors across 28 self - accounting federal public establishments operating in the North East geo-political zone of Nigeria. Analysis of the data through the structural equation modeling observed that competence and quality of internal audit exhibited positive and significant influence on internal audit effectiveness. However, information and communication technology reveals an insignificant positive relationship with internal audit effectiveness in Nigeria. Ibrahim and Alifo (2018) also evaluated the effect of audit fee on AQ of conglomerate firms in Nigeria. Relevant data were collected from the annual financial reports of listed companies from 2004 to 2015. The inferential statistics observed that audit fees and audit firm size are positively correlated with the company AQ

3. METHODOLOGY

The study adopted survey research design. Relevant data were collected from the respondents through structured questionnaire. The questionnaire on audit quality was adopted from the works of Masood and Afzal (2016), while corporate investment decisions questionnaire was self-designed. Several researchers supported survey design based on the argument that people's intention are better measured through survey and that causal or prediction relationship are better tested with survey (Ogunbameru & Ogungameru, 2010; Sanders & Thormhill, 2009). The population framework for the study comprises of stock brokers, financial advisors, government auditors (both at state and federal) and also qualified chartered accountants providing assurance services to different business concerns. A sample of 150 respondents are administered with the questionnaire while only 109 responded appropriately with 73% percent response rate. Respondents from Lagos were targeted. The choice of Lagos was strategic because, the state is reputed to be the economic nerve center of Nigeria. Commercially, over 65 perecnt

of all industries and commercial establishments in the country are located within the Lagos metropolis, with over 40 percent of the skilled manpower in Nigeria employed in the state (Odunwaye & Gamn-Kaka, 2007). On foreign trade, Lagos has about 80 percent of the total value of import and accommodates the largest and busiest ports (both air and sea) in the country (Odumosu, 1999).
The study adopted a quantitative approach by measuring respondents view on a graduated scale for statistical analysis in order to have a reasonably accurate measurement of the constructs rather than using observations. The questionnaire was sectionalized to reflect demographic information, independent and dependent variables. Respondents opinion were rated using the five point Likert Scale. Internal consistency (reliability test) was investigated on the research information using Cronbach alpha reliability with the aid of SPSS version 23. The result, of the test shows coefficient ranging between 0.647 to 0.907 among the constructs (Table 1). Given these results it is observed that the instrument is reliable and capable of producing consistent results. The associational statistics tested the correlation between the variables, while the inferential statistics were meant to test the hypotheses and consequently draw conclusions.

Table 1: Reliability of the instrument

Variables	**Cronbach's alpha**	**Construct**
Corporate Investment decision	0.907	13
Top Management support	0.647	2
Training and development	0.899	2
Physical Work environment	0.828	3
Autonomy to implement audit techniques learnt during training	0.876	4

Source: Author’s Computation

3.1 Model specification

Based on the available primary data, the following model functions were developed
Y = *f* (x) --- (1)
Y = Dependent variable (Corporate Investment Decisions (CID))
X = Independent variable (Auditors’ Working Environment (AWE))
∴CID= *f* (AWE) -- (2)
Y = (x1, x2, x3, x4)
X1= Top management support (TMS)
X2= Training and development (T&D)
X3= Physical work environment (PWE)
X4= Autonomy to implement audit techniques learnt during training (AAT)
Y = Corporate Investment Decisions
From these sub- variables formulated as the proxies to measure the major variables, the study established the following functional relationships to test the research objectives using primary data:
CID = *f* (TMS) --Equation 1
CID = *f* (T&D) --Equation 2
CID = *f* (PWE) --Equation 3
CID = *f* (AAT) --Equation 4
CID = *f* (TMS, T&D, PWE, AAT) --Equation 5
Equation 1-5 is thus expressed structurally as:
$CID = \beta_0 + \beta_1 TMS + \mu$

$CID = \beta_0 + \beta_2 T\&D + \mu$
$CID = \beta_0 + \beta_3 PWE + \mu$
$CID = \beta_0 + \beta_4 AAT + \mu$
$CID = \beta_0 + \beta_1 TMS_1 + \beta_2 T\&D_1 + \beta_3 PWE_1 + \beta_4 AAT_{1+} \mu$

4.0 Data Analysis and Results

Table2: Summary of Descriptive statistics

S/N	Variables	Construct	Weighted Mean
1.	Corporate Investment Decisions (CID)	13	4.06
2.	Top Management Support (TMS)	2	3.82
3.	Training & Development (T&D)	2	3.69
4.	Physical Work Environment (PWE)	3	3.78
5.	Autonomy to Implement audit Tech	4	3.83

Source: Author's Computation, 2021

Interpretation:
The result in Table 2 above indicate a weighted mean of 4.06 for corporate investment decisions (CID) and 3.83 for the autonomy granted to the auditors to implement audit techniques learnt during audit training. The breakdown of the analysis revealed that 85.6% of the respondents agreed that the sum of money involved in the CID is relatively large. Also, with a mean value of 4.12 and standard deviation of 0.92, the respondents generally agreed that inappropriate investment decision may have a very negative consequences for an organization. Additionally, corporate investment decisions involve waiting for the recoupment of expenditure over a long period ($\bar{x}$= 4.16; S. D = 0.93). Furthermore, investors are considered rational ($\bar{x}$=4.18; S. D = 0.93) and that audited financial statement represent a major source of information to the investors ($\bar{x}$ =4.03; s. D = 0.84). As indicated above, four variables were used to measure auditors working environments as a major determinants of audit quality. For top management support, weighted mean is 3.82 while standard deviation is 053. Respondents on average agreed that top management fully cooperates with them in the discharge of their responsibilities ($\bar{x}$=3.81; S.D = 0.55). On average and with a weighted mean of 3.69, respondents agreed that training and development are key influence of audit quality in Nigeria. Also, the respondents generally opine with weighted mean value of 3.78 that physical work environment affects audit quality. Furthermore, 80% of the respondents agreed that they have the required freedom to apply computer based auditing techniques while 81% of them agreed that they can change the auditing procedures as situation demands. Additionally, while 80% of the participants have the facilities required to apply training program, 85% of the respondents confirmed autonomy to access training materials. Therefore, with a weighted mean of 3.83, respondents opine that autonomy to implement audit techniques learnt during training constitute a key determinants of audit quality in Nigeria.

Correlation Analysis

To demonstrate the relationship between corporate investment decisions (CID) and auditors working environment (proxied by top management support, training and development, physical work environment and autonomy to implement audit techniques) influences the choice of Pearson's correlation matrix. From the analysis, CID is rated 93.98% (S. D = 2.59%) while top management support is rated 76.24% (SD= 9.31%). The correlation co-efficient reveals that there is a weak positive correlation between top management support and corporate investment decisions (r=0.13, p>0.05). This implies that an improvement in top management support leads to better corporate investment decisions. Also, CID is rated 93.98%; (S. D = 2.59%) while training and development is rated 73.85% (S.D =13.74). the correlation coefficient indicates that a weak and negative relationship between investment decisions and auditors training and development(r=0.02, p.0.05). The implication of this position is that an improvement in auditors training and development adversely affect corporate investment decisions. Additionally, while CID is rated 93.98%, (S.D = 2.59%), physical work environment is rated 75.66% (S.D =11.56%). The correlation coefficient indicates a weak and negative relationship between physical work environment and corporate investment decisions (r = -0.16, p>0.05). By implications, improvement in auditors' physical work environment negatively influences investment decisions. Finally, while CID is rated 93.98% (S.D = 2.59%), autonomy to implement audit techniques learnt during training is rated 76.56% (S.D = 12.09%). The correlation coefficient reveals that there is a weak and negative relationship between corporate investment decisions and autonomy to implement audit techniques (r = -0.1, p>0.05). This implies that auditor's autonomy to implement audit techniques is not related to investment decisions.

Multiple Regression Analysis

Prior to conducting a multiple regressions, the relevant assumptions of this statistical analysis were tested. Firstly, a sample size of 109 was deemed adequate given four explanatory variables to be included in the analysis. Also, the assumption of singularity was also met as the independent variables (top management support, training and development, physical work environment and autonomy to implement audit techniques learnt during training.) were not a combination of other independent variables. An examination of correlations revealed that no independent variables were highly correlated. However, as the collinearity statistics (i.e., Tolerance and VIF) were all within accepted limits, the assumption of multicollinearity was deemed to have been met. Residual and scatter plots indicated the assumptions of normality, linearity and homoscedasticity were all satisfied.

Table 4: ***Summary of regression analysis between the three predictor variables on Corporate Investment Decision***

Predictors	β	*S.E(β)*	*T–statistic*	*Tolerance*	*VIF*
Constant	93.754	2.436	36.484**		
Top Management support	.062	.029	2.128*	.812	1.232
Training and Development	.009	.022	.401	.649	1.541
Physical work environment	-.0560	.024	2.313*	.756	1.322
Autonomy to implement audit techniques learnt during training	-.012	.024	-.498	.742	1.348
R = .261, R^2 = .068, F(4, 104) = 1.905; p = .115					

Source: Authors computation from SPSS23

The multiple regression conducted revealed that four variables were included: top management support, training and development, physical work environment and autonomy to implement audit techniques learnt during training. These variables did not contribute significantly to the regression model (F (4, 104) = 13.905, p< .05). Hence, the fitted regression equation for this model is; **Corporate Investment Decision** =93.754 + 0.62* top management support + .009* training and development - .056* physical work environment + .012* autonomy to implement audit techniques learnt during training. The relationship between variables were positive weak (R = .26) and accounted for approximately 7% of the variance in corporate investment decision. Though, top management support (β= 0.062, (t (104) = 2.218, p= 0.036) and physical work environment, (β = -.056, t (104) = 0-2.313, p=0.23) had a statistically significant impact, but training and development, β = .009, t (104) = .401, p= .689 and autonomy to implement audit techniques learnt during training, β = -.012, t (104) = -.498, p= .620 were not statistically significant. Therefore, the most important predictors of corporate investment decision are top management support and physical work environment.

Implication of findings

The findings of this research have implications to both individual and corporate investors, government and regulatory agencies, lenders, creditors and scholars generally. The study revealed through the quantitative measurements used in the work that auditors working environment has no significant impact on corporate investment decisions. While the variables positively influences audit quality, users of audited financial statement are hereby advised to seek additional quality information outside the audited statement for the purpose of planning and decision making. Investors, both local and institutional are provided with empirical information that audited financial statement should not be relied upon absolutely in decision making. Auditors are provided with information that specified those environmental factors that significantly influences audit quality. To the researchers, the study provides additional literature in the field of audit quality and corporate investment decisions.

CONCLUSION AND RECOMMENDATIONS

The study examined the impact of auditors' working environment (proxied by top management support, training and development, physical work environment and autonomy to implement audit techniques) on corporate investment decisions in Nigeria. Findings from the study provide empirical evidence that the relationship among the variables were positively weak (R=0.26) and accounted for approximately, 7% of the variance in corporate investment decisions (Adj: R^2= 0.068, F (4, 104) = 1.905; p=0.115). However, out of the four variables, only top management support (β=0.062, t (104)=2.218, p=0.036) and physical work environment (β= -0.056, t (104)=-2.313, p=0.023) had statistically significant impact. Therefore, based on the aforementioned, individual and corporate investors are hereby advised to take cognizance of top management support and also auditors' physical work environment when embarking on investment decisions.

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