EFFECT OF AUDIT COMMITTEE DIMENSIONS ON QUALITY FINANCIAL REPORTING: THE MODERATING ROLE OF POLITICAL INFLUENCE A CASE OF KISII COUNTY GOVERNMENT

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ABSTRACT

Presentation of auditing information has been enhanced by the correct auditing standards and regulations. However, financial quality reporting has been ignored with audit dimensions regarding objectivity of reports. This can be fraud and errors resulting to problems in quality reporting. The purpose of this research was in the first place to establish the role of the audit committee dimension on financial quality reporting with moderation of political influence. To examine the effects of audit committee independence, audit committee meetings and the role of political influence between audit committee dimensions and quality financial reporting of Kisii County Government. Stakeholders' theory was employed for explaining the study. Therefore, the type of research design used in this study was descriptive survey research design. The sample was 125 using stratified and purposive techniques. Questionnaires were used for collection of information for this study. Regarding the reliability of the instruments, a pilot study was conducted in Migori County where 13 questionnaires were allocated with a view of assessing the reliability of the instruments used in data collection. The study stated that the political influence had a weak positive relationship on the situation and in effect, served to lessen the negativity in the situation and enhance it. On this basis, it is recommended that there should be generalisation of Audit Committee Independence on the formulation of Government Policies for the enhancement of the quality of financial reports. The Members of the Audit Committee must come with term of office and must comprise at least three Members a time. Accounting matters should be of extreme priorities during audit meetings, therefore the committees should spend sufficient time evaluating them. This research therefore proves that many audit committee dimensions indeed play the role of positively influencing the quality of financial reporting. It is recommended that the future research should determine how audit independence can impact the other sections of financial performance in other organisations.

Keywords: Audit Committee Dimension, Financial Quality Reporting, Political Influence, Kisii County Government.

INTRODUCTION

It is the process of preparing and presenting financial statements that provides sometime accountable information of the organization, results of operations, and cash flows in accordance with applicable laws and accounting standards. . In USA the broad legislation was passed known as Sarbanes Oxley Act of 2002 (SOX) that expanded immensely the reports and audit standards. In this case, Lea et al. (2008) also argued that the members of audit committees should in fact have no direct relation with the management of the firm. There should be one or more members within the committees who have accountancy knowledge. There are fixed sessions for meetings to ensure control is kept an eye on. These measures afford credibility and reliability of financial statements and serve as a reference to other countries to improve their financial reporting standards (Law and Act, 2002).

The preparation of quality financial report is guided by policies and regulations that have put in place to enhance the credibility of the reports that are produced. These standards are enforced and compliance is supervised by the Securities and Exchange Commission (SEC), which makes particular stress on the correctness of the provided financial information with the aim of protecting investors and maintaining the market's integrity. Also, for an official framework a regulation is provided by financial accounting standards aiming at putting into use GAAP (generally accepted accounting principles) which was meant to enhance the reliability of and the ability to compare financial statements. But it remains a hard task for the world to have a single set of rules and regulation with reference to the preparation of the financial statements particularly with regard to compliance with the differences that exist in local GAAPs. It is also argued that, efforts in trying to achieve the said global standardization remain as a core element that has to be-implemented (Vandanapu, 2024).

Closer observation of Europe's financial reporting reveals that its preparation is highly influenced by the IFRS, which is an acronym for International Financial Reporting Standards that is offered by the International Accounting Standards Board. The European Union has defined that the correlated specialized stock structures will be required to have their consolidated accounts ready in IFRS terms to increase the transparency of organizations in its member states. In addition to that, Statutory Audit Directive of the EU improves the role of audit committees and escalates stringent audits' efficiency to ensure the accuracy of financial reports (Tawiah & Borgi, 2022).

The various Asian emerging economies have come to appreciate the need to have higher quality of financial reports. For instance, Japan came up with the standards known as the Japanese GAAP and is now allowing the adoption of the international standards referred to as IFRS for a few organizations. Today the most important'modes'of harmonisation being implemented in China involve the Ministry of Finance, the initiator of the accounting standards in the process of transition to IFRS to increase the measure of their comparability. The Chinese authorities have also acted regarding the raising of standards in audit and officials' supervision (Palea 2013). Such efforts co-ordinate with the Asia's attempts to enhance the quality of financial information by moving towards the international standards in order to enhance confidence level of the investors and to establish strong relations with international accounting.

It has equally stressed the significance of quality financial reporting in the process of economic development in the continent including the growth of Ghana and Kenya. Ghana and Kenya have adopted the legal bodies for example the Securities and Exchange Commission in Ghana and capital markets authority, Kenya to ensure that organizations adhere to financial reporting standard. In the recent past, there has been an improvement in Ghana's ability to produce high quality of financial reports since there has been the formation of improved regulatory measures through adoption of international standards as estimated by the World Bank, 2021. The Capital Markets Authority of

Kenya has been playing an active role of encouraging transparency and accountability in financial reporting with a view of increasing investors' attractions to capital markets and enhance its position (Capital Markets Authority, Kenya, 2023).

This is backed by numerous research studies on committees dimension on financial quality reporting underlined by previous empirical papers on audit committees' relation to FPR (Ugbede et al 2013). Various sources of audit communication refer to audit dimensions in the context of the composition, structural characteristics and organizational activities of the audit committee. Audit committee dimension is defined as the number of members that sit on the audit committee. Audit committee independence means the state of affair of audit committee where members of the committee are not in any way influenced or are not holding any bias that may hinder them from performing their duty. The proportion of audit committee expertise has been defined as the financial activity knowledge and experience of the audit committee as well as its corporate governance level. An audit committee a meeting provides the members with a platform to analyze the financial statements, debate on the audit results, and sufficiently oversee the financial reporting mechanisms (Belhouchet and Chouaibi 2024).

Imperial Bank and Chase Banks, which are some of the Kenyan banks, have actually exposed quality financial reporting of audited statements to serious concerns in as much as they have failed as banks. These failures have pointed out audit committees as the key instigators of the financial provisions, whose responsibility it is to oversee the correct financial reporting and prevent investors from incurring loses. The failures have been blamed on corporate governance deficiencies mainly on audit committees' efficiency. The author also concludes that the authors Chepng'eno and Tenai and Jerubet agree that such measures as the liquidation of such banks as Imperial and Chase by the Central Bank of Kenya in 2016 are evidence of such systemic problems in reporting and governance. These banks' failures have not been herein without consequences for investors, who in their businesses use financial statements to make decisions. Lack of proper supervision and control from the audit committees can cause wrong handling and reporting of the financial information that affects investor confidence.

Of all the factors that cannot enhance the capability of audit committees in the supervision of the financial reporting procedure, this means that member numbers are crucial. Bigger committees might give a more inclusive view and could attract a more diverse pool of talents, which is likely to improve the scrutiny on financial reports and their accuracy (Chronopoulos, 2024).

Quality of financial reporting, quality can be defined many times over or can be measured using certain factors. These proxies are used to measure various dimensions of financial reporting that explain the quality of the commodity. Bushman and Piotroski (2006) pointed some of these proxies as comprising of earnings persistence, ability to predict future performances, earnings volatility, and cash and income correlation. These measures assist in assessing to what extent 'readings' of the financial reports portray the economic operations and state of a business venture. According to Li (2010), accounting standards therefore have a central function in the aspect of quality of financial reporting. A good accounting standard aims at offering the mechanical rules and frameworks that business entities have to observe especially when preparing accounts. These standards help in increasing the comparability and reliability of the mentioned practices, between different entities within specific industries.

Mohiuddin and Karbahari (2010) stress that Audit committee meetings ensure adequate understanding, review and consideration of the financial statements as well as the audits results hence improving on the quality of the financial reports. Independent audit committee plays a key role in the process of strengthening the reliability of financial reporting and helping to avoid various problems, such as improper preparation of financial statements or fraud, as well as enhancing organizational transparency.

In the context of the audit committee independence, it is customary for the members of the committee to act objectively in scrutinizing the financial reports and audit activities. They are less inclined to turn a blind eye or else avoid the possible weaknesses in the financial reporting system, thus enhancing, honor and credibility of the financial statements (Abbott & Peters, 2004). The independence of the audit committee is always considered the most essential feature contributing to the efficiency of the governance system in organizational environments The literature presents varied findings regarding audit committees independence on quality financial reports among different contexts and studies: In a study that involved examining non-financial listed firms in Nigeria in 2012, Madakawi noted a positive association between audit committee monitoring mechanisms, including independence, and the quality of firms' financial reporting. This infers that reasonable audit committee monitor improves the credibility and accuracy of financial information as well. Madawaki and Amran (2013): Using an investigation of Nigeria's listed firms, their study identified that enhanced audit committee independence, especially through independent chairs, alongside with the presence of experts in the committee, is directly related to the quick and sound financial reporting. That is why it is possible to conclude that effective audit committees' oversight requires both leadership qualities and technical expertise. Kantuda and Samaila (2015):

The orchardist international best practice stated that the audit committee must meet at least once a year without any officials from the executive board. Yet, on average the number of meetings may differ depending on the terms of reference of the organization and the level of business intricacy. In view of this, literature evidence shows that audit committee was considered the importance to solve numerous threats, including agency problems that affect the flow of reporting in firms. From the research work done by Karamanou and Vafeas (2005), the authors pointed that audit committees that meet often have enough time to perform the necessary monitoring on the process of finacial reporting.

In other authors have pointed out that increased number of audit committee meetings with the firm's management is positively related to accounting accuracy. Referring to the findings and recommendations stated by Stewart and Munro, (2007), it cannot be said that audit risks decline while having the audit committee including the frequency of its meetings. They also comprised that amongst them is; Where audit committee meets more often, they discovered that audit risks lower in Australia. Similarly, Za'bojikora (2016) also confirmed the overall conclusion about the positive impact of audit committee with the recommendations of size, frequency of meetings and financial expert for the improvement of the firm's performance among the non-financial firms listed in UK market. This implies that: A larger number of audit committee and the intense meeting schedule of the committees in addition to financial expertise enhance company's performance. Also, Saidin (2007) approached the issue of audit committee and complexity anew with the dispersion of earnings among Malaysian firms which are listed. From his study, he singled out that at the audit committee; there are factors that would assist in making the distinction of the earnings of that firm.

Aryan (2015) noted that audit committee factors, such as the meeting frequency and size, was related and positively linked to the profitability of Jordanian listed firms. In fact, Aryan has failed to provide a clear audit committee factor that affects financial quality reporting. Osarumwense (2016) conducted a study to determine impacts of audit committee on performance of Nigerian quoted firms and they both affirmed the hypothesis and observed that both factors have a positive and significant uplift on the quality of financial reporting. They postulate that companies with highly efficient audit committees, which need to possess requisite knowledge and are engaged in regular meetings, raise the bar in the firms' financial reporting in Nigeria. Similar to evidence obtained by Powar (2010) and Zhang & Zhou (2016), audit committee meeting was beneficial on financial reporting quality. Some of them argued that smaller number of meetings at a subsequent audit committee tends to impair the board to oversee the management; therefore, a negative impact on the quality of financial reports occurs.

Political influence deals with the capability of key actors within a particular organizational structure to lead other officers within the organization. This influence results from the informal interactions that political figures have with the organizational managers. Other related works' understandings of political connections are similar with those of Gomez and Jomo (1999), Johnson and Mitton (2003) and Abdul Wahab et al. (2009) whereby political connections are regarded as those that involve individuals within a firm whom have links with government officials. Faccio et al. (2006a) add to this definition the circumstances in which a politician or a person closely related to him or her (for example, a son or daughter) is involved in the management of a given company as a major shareholder, or as a member of the firm's board of directors or its management team. Other works have also defined political connection in terms of having a business relationship with those in a governmental position (Belkaoui, 2004), state ownership of firms (Bushman et al. , 2004; Nee et al. , 2007), or the presence of a special share, also known as a golden share, belonging to the government (Hanousek et al. , 2007). All these definitions underline different ways of how political connections can be exercised and affect organizational activities and choices.

According to the study conducted by Jamil (2017), for politically connected board to function properly in emerging economies, the board needs sufficient level of power, knowledge and independence in order to carry out the function of oversight on the management adequately. But, some sources indicate that such connections can lead to the presence of paradox of objectives and the growth of the organism's complexity. From the study by Menozzi et al. , (2014), it is evident that political director's power hold a strong impact of board organization and performance in the provision of network industries. They are mostly socially oriented and the positions they occupy entail a lot of social supervision and regulation. The format and detail of this summary represents key facets that stemmed from Jamil (2017) as well as Menozzi et al (2014) on the stringency of political relationships in relation to board productivity and other organizational factors in various contexts.

Statement of the Problem

Audit meeting, independence are expected to improve financial quality reporting. When implemented and moderated by political influence, there was improved financial quality reporting. Nonetheless, there has always been an audit committee in the Kisii County Government for most of its existence and continuous yearly adverse or qualified opinions from the OAG in its financial reporting matters. During the financial year ending June 2019/2020, the County Assembly received a qualified audit opinion specifically on account of un-supported expenditure on Foreign travel of Kshs. 19,342,495. 00, unauthorized ward office operation expenses of ksh 49, 410,00000 for every government departments of Kshs. 552,145. 00. Other issues records in the report include; net under spending of Kshs. The unpaid/pending bills are as bills at Kshs. 220,716,812 or 20 percent of the total budget. 120,362877. 00, failing to complete construction of and continued temporary suspension of the Library and ICT Centre, paying employees 46% of what was due instead of 35% of the total assembly receipts contrary to Section 25(i)b of the Public Finance Management Act, 2012 regulations, 2015, and including staff, which was 97% instead of the recommended 70 % of locals under the Nation, Cohesion and Integration Act, 201 The report also established that the county Assembly lacked a Risk Management Policy framework to ensure that the operations are within the acceptable limits (OAG, 2020). The following are some of the financial reporting issues that could have been noted and addressed before presentation of the final statements had it been the audit committees at the county have been functional.

Al-Aamri (2021), Marbessi (2021), Kasole (2021), Machora & Oluoch (2019) analyzed data using descriptive statistics; however, in this study, inferential analysis will be conducted in addition to descriptive statistics analysis. On this postures that, there are various dimensions of the audit committee that explains the quality of financial reporting. Therefore, the paper explores the impact of audit committee factors such as size of the committee, the expertise of the members, independence, and the frequency of the audit committee meeting .

Objectives of the study

General Objective

The general objective was to assess the effects of audit committees dimension on financial quality reporting of Kisii County government

Specific objectives of the study

i. To examine the effects of audit committee independence on financial quality reporting of kisii county government
ii. To determine the effect of audit committee meetings on quality financial reporting of Kisii County Government.
iii. To assess the role of political influence between audit committee dimensions and quality financial reporting of Kisii County Government.

LITERATURE REVIEW

Theoretical Literature Review

The Stakeholders Theory

This theory was developed by R. Edward Freeman in 1983 while; Donaldson & Preston in 1995, Mitchel, Agle & wood in 1977 Friedman & Milles in 2002 and Philips in 2003. Thus, the principal Stakeholder Theory argument, per Gay (2002), lies in the fact that the increasing delineation by boards of concerns beyond the organization’s own self-interest was necessitated by such agendas. Stakeholder Theory supports the assertion that an organization’s success depends not on its shareholders but the ability of the organization to manage relations with all stakeholders. This idea revolves around the fact that corporations should work towards creating value for all associated stakeholders such as the employees, customers, suppliers and the immediate community, shareholders as well as the society in general while disregarding the shareholders' wealth as the ultimate measure of business success. This approach implies that, if the needs and concerns of such groups are met, then a business organization will be in a better position to establish an ethical and sustainable auditing (Jones and Wick 1999).

It is assumed that the understanding that according to stakeholder Theory businesses ought to work at establishing benefits for all interest holders and not just for the stock holders. In its operations, an organization should uphold stakeholders' rights and interests thus promoting ethical decision-making and actions. When a company incorporates all the stakeholders, the company normally has a better image and there is loyalty from customers. A major risk includes conflict of interest, which may arise due to rival standings of the various players in the business.

Taking this as the assumption upon which the theory is developed, it does not go as far as postulating the formulation of organisational objectives, rather, at the most, the interests among the various stakeholders can only be accommodated or bargained for. As N. De Vlamick (2015) noted, in support of the stakeholders' theory, managers are required to add value for their constituencies by applying their good judgement and best endeavours to achieve benefits for stakeholders. In a similar tone, Prajay Maharaj (2015) identified that the board cannot avoid its mandate of protecting stakeholders' interests.

As it is with any other theory, the stakeholders' theory is not without vices; primary of which is that the theory of the firm is somewhat ill-defined and often ambiguous when it comes to delimitation of the firm. Duringetz, for instance stated that critics of this theory are of the opinion that the application of the political concept of a ''social contract'' to the corporation, erodes the very tenets upon which market economy is premised. They also add that the expectation that interest of the various stakeholders can, at best, be optimised is inconsistent with the general perspective of reality.

When complimentary or put on the scale against one another is not feasible, and contradicts with the primary goal of the firm which is profit realization (De Vlaminck, 2015).

This theory of relation to explain the efficient audit committee dimension on the improved corporate practices which is essential, because it points out that any improvement in what the audit committee does is bound to be reflected in the preparation of financial reports. From the above discussion it will be possible for the stakeholders to be over all confident and at the same time guarantee continued growth of the organization.

Empirical Literature Review

Audit committee independence and financial quality reporting

De Vlaminck (2015) reviewed the relationship between a key internal audit mechanism and the quality of financial reports; the Belgium case. The research question in the study lays its emphasis on finding out whether the audit committee independence postured in the literature, corporate governance code and audit law, complies at the quality financial reporting. . Based on the study, the stakeholder's theory formed the basis of anchorage. The kind of research used in the present study was descriptive. Questionnaires were administered on sixty (60) Belgium firms that established audit committees between the period of year 2008 and 2009 and knowledge gathered from the responses was analyzed using quantitative statistics. It is established that there is a positive and significant relationship between the proportion of the audit committee members that concurrently hold more than three mandates and quality of financial statements. Some of the finding include; it was also pointed out that a higher percentage of independent audit members increases the quality of financial statements.

In a study conducted on the German Capital Markets, Velt and Stiglbauer (2011) discovered that audit members committee and independence, experts and accountability. The study adopted the survey research design and was based on the agency theory. Documentation review was used in gathering data while regression analysis was used in data analysis. From these adjustments, they deduced that, it is impossible to attain significant results if the audit committee members are comprised of less than fifty (50) percent of independent financial experts. This study aimed at establishing whether academically qualified audit committee members contribute to high accounting quality, which is synonymous with low earning management and accounting mistakes. The sample population for this study comprised of German companies' annual reports for the corporations that are listed in the Dax30, TecDax, Mdax, and Sdax. The research used regression analysis as the technique of analysis.

In his study, Rani (2011) investigated audit independences on financial quality reporting of New Zealand. The research was carried out with the purpose of testifying on the relationship between audit committee and accounting information using independence as testing variable. In both studies, the research design adopted was sectional research design. The research variables were founded on the agency theory. This paper focused on one hundred and five (105) firms that operated in New Zealand Stock Exchange during the period 2007-2009.

The following primary variables were adopted in the study:;financial literacy of audit committee and independence of audit committee. The relevance of the values used was established by using the Ohlson Model (1995), which was used to determine an ideal relationship that may prevail between stock prices and accounting measurements after which the linear regression was used to estimate the parameters on earning and book values. Overall the study observed that there was no evidence from the results when applying the pooled regression to support the Ohlson's hypothesis, rather this indicated that the audit committee characteristics failed to offer any affiliation to the value relevance of accounting information in New Zealand. In the final analysis, the study suggested that the existing conservative strategy should be maintained as the 'lower rate of return' approach. The researcher also suggested that, other research be done based on a larger sample on obligatory status, and that the disclosure names should give a clear indication that the background, qualification and expertize of board members is communicated to investors to assist in identification of the effectiveness of the changes that have been implemented.

Kibiya (2016) explored the impact of audit independence on the quality of financial reporting in Nigeria. The objective of this research was to determine the relationship between audit independence and financial quality of firms. The study adopted a descriptive research design and was conducted based on agency theory. It involved 101 non-financial firms listed on the Nigerian Stock Exchange from 2010 to 2014. The analysis used in this paper included Multivariate Regression Analysis. The research findings established that audit committee share ownership and financial expertise impact financial quality on non-financial firms listed in Nigeria. Two control factors, namely the age and size of the firm, also affect the quality of the financial reports. The study suggested that non-executive directors should occupy all three board representative positions in the audit committees. Additionally, the audit committees should comprise individuals with finance backgrounds and industrial experience, rather than purely financial experts.

Changwena (2015) researched on audit independence and financial reporting quality in state-owned transport enterprises, which are government owned transport corporations in Zimbabwe. The specific research question that guided this study was to find out if there was a positive correlation between audit independence in the state-owned transport enterprises, which are government owned transport corporations in Zimbabwe, while controlling for other factors.

In their study, she employed a descriptive survey research design because it helped to portray the nature of the association between audit independence on financial quality reporting. Therefore, the research was more aligned with the agency and institutional theories. Quantitative data was gathered and processed with the aid of descriptive and inferential analysis. From the same research she was able to determine that poor financial quality reporting in the state-owned transport enterprises in Zimbabwe was due to the inefficiency of its audit committees since they were not independent, had no adequate financial experience and did not hold regular meetings. She suggested that audit committees should at least convene four times in a year, should consist of a minimum of three members while majority of the members or two of them should be independent directors and out of which one should have some kind of financial background.

In this paper, Maharaj (2015) examined audit committee independence, alongside with the expertise and experience on the quality of annual reports in South Africa. The rationale of the study was therefore to investigate the impact of composition of audit committee, based on the type of expertise and experience of members, independence of report preparers, report preparer's remuneration, their tenure of service and number of directorships on the quality of annual reports prepared and presented in South Africa. Accordingly, the study was underpinned by the stakeholders' theory. As for the methodology, quantitative research was used through descriptive and inferential analytics of data gathered. The researcher investigated audit committees of twelve (12) South African Companies in three sectors: banking, mining and retailing sectors controlling three Indian Companies, whereby the Companies were chosen through random sampling. In the present study, an integrated qualitative research design was employed with respect to selected mining, retail and banking industries' integrated reports. He discover that the independence of audit committee is not only measured by the independence of the committee's members, but also on the management structure of the audit committee and other of factors such as leadership.

So in their studies conducted by Majiyebo et, al (2018) on audit committee independence, size and financial reporting quality of listed Deposit Money Banks in Nigeria, the following findings were established: Audit committee independence has a negative relationship and is consequently there is a significant effect on the financial reporting quality of listed (Deposit Money banks) DMB in Nigeria, While audit committee size on the other hand has a positive relationship and therefore a significant effect on Therefore, the objective of this research study was to empirically investigate the relationship between audit committee independence and size on the financial reporting quality of DMBS in the Nigerian financial sector. The study used agency theory. Primary data in this study is cross-sectional data which was obtained from fifteen (15) DMBs listed on the Ghana Stock exchange for a period of ten years (2007-2016). Data analysis was done using STATA13. Measurement of financial reporting quality was done with the help of Modified Jones (1991) model.

Their findings indicated that the majority of directors of DMBs should ensure that the boards they form are independent since doing this will build the quality of financial reporting; They also proposed that the provisions of the Nigerian Code of Corporate Governance in relation to audit composition should be taken into consideration since doing so will improve the quality of the financial reporting of the DMBs in Nigeria.

Jerubet, Chepngeno and Tenai (2017) in there study conducted on effect of audit committee independence on quality of financial reporting among firms listed in NSE Kenya, state the following findings;That audit committee size has a positive relationship on the quality of financial reporting audit committee independence has a negative relationship with the quality of financial reporting and that as the size of the audit committee increases, the quality of financial reporting also increases. The endeavour of this research was to expound on the relationships that exist between audit committee characteristics and quality of financial reporting among firms that are listed in the NSE Kenya. The study was anchored on the agency theory. The type of research design that was used was explanatory. According to the research, forty six (46) firms that were alive in the NSE in the year 2014 were under analysis. The study adopted document analysis guide as the method of data collection, and therefore relied on secondary data only. Descriptive and inferential methods of data analysis were used to analyze the data in the study. They noted that while the stated study discovered that audit committee independence has a negative relationship with financial quality reporting, it is a critical factor/as reported by most of the literature available. They thus concluded that there is therefore still a need for a larger study which will employ a large data set in order to warrant the negative association between audit independence on financial quality reporting.

Mwangi (2018) identified the degree on the analyze on result on financial quality reporting. The study focused on all the non-financial industries recommending those that were functioning as business enterprises fully or partially owned by the state. The research design used in this study was descriptive because the intended population was 72 people, issued guidelines by Treasury in 2005. Independent, diverse, financially knowledgeable audit committee and frequent meeting of the audit committee reversed the hypothesis by reducing the number of suspicious transactions to the budgets of the non-commercial state corporations in Kenya by a significant level. It also recommended that, to increase the quality of financial reporting through audit committees: There must be high levels of independence and diverse gender and demography; the individuals must be financially competent; and, finality must be recognized by efficient meeting.

Audit committee meeting and financial quality reporting

Li et al. (2012) examined the effects of audit committee meeting on quality reporting in United Kingdom. The research was carried out with the intention of finding out the relationship between audit committee meetings and IC disclosures amongst UK firms. One hundred firms' data were collected and examined in this study under the purview of agency theory as a method of-descriptive research. Qualitative as well as quantitative data analysis methods were used in the analysis of the collected data. This work established that IC disclosure has a positive correlation with the size and frequency of audit committee meetings, while it has a negative correlation with directors' shareholding. Specifically, it was ascertained that IC disclosures are not influenced by the audit committee compliancy in terms of independence and financial experience. Barely, the study illustrated that the features of audit committees influence IC disclosures qualitatively at the components level, implying that factors that propel human capital, structural capital and the

relational capital are not the same across firms. The researchers advised that the policymakers choreograph sufficient corporate governance systems to safeguard shareholders.
Qinghau, Pingxin and Junming (2007) studied audit meeting on financial reporting in Chinese markets. The purpose of the study was to establish the correlation between board characteristics and financial reporting with more specifically to understand whether independence, financial expertise and other variables representing board behaviour characteristics namely; proportion of shares owned by the board, frequency of board meetings in a year, number of independent directors with current posting in the controlling shareholder company has a positive relationship with financial reporting. The method of research employed was descriptive and the study focalized on the classical governance theory. The economy was compared on 1192 enterprises out of 1262 enterprises openly listed in the Shenzen and Shanghai stock markets. In this study, both the descriptive and inferential statistics analyses were applied. In data analysis, regression analysis test was employed. From this they discovered that board meeting frequency is even negatively abnormally associated with the quality of financial reporting.

Salawu, Okpanachi, Yahaya and Dikki (2017) investigated the impact of audit committee characteristic as well as, frequency of meeting and expertise on audit quality of the consumer goods firms in Nigeria. The research question of the study seeks to establish the relationship between audit committee meeting and expertise on the audit quality of consumer goods firms listed in Nigeria for a period of eleven (11) years. The study was therefore based on the agency theory. An exploratory research design was adopted in the study, particularly the longitudinal research design. The study population comprised of Twenty-Three (23)Consumer goods companies operating in Nigeria as at 31st December 2016 and quoted at the floor of the Nigerian Stock Exchange. The sample size for carrying out the census was fifteen (15) firms. Eight matches were removed of which five were listed outside the periderm of the study and two lacked data. Published annual financial statements of the sampled companies in Nigeria were used for collection of secondary data. The quantitative descriptive methodology was used in the study, including the mean, standard deviation, minimum, and maximum compared to inferential statistics such as correlation and multiple regression analysis. The results of this study reveal that audit committee expertise and meetings have significantly influencing audit quality of the consumer goods listed companies in Nigeria, in an otherwise non-significant manner.
Changwena (2015) sought to determine auditor committee meetings and the quality of financial reporting in the state owned transport enterprises _ government owned transport corporations in Zimbabwe. Therefore the research question of this study was, this study sought to find out the audit committee features that affect financial reporting of enterprises in Zimbabwe. In her study she employed descriptive survey research design to portray impact of audit committee characteristic on financial reporting. Variable are developed using institutional and agency theory. Quantitative data was gathered and the summary of the study was arrived at by the usage of both descriptive and inferential statistics. In her study, she discovered and realized that, the state owned transport enterprises in Zimbabwe were under auditing and poor quality financial reporting due to inefficiency of its audit committees which include; poor independent of the committee members, lack of financial expertise, and poor working ethic of the committee in terms of holding routine meetings regularly. She suggested that audit committees need to convene at least four times a year

and should comprise not less than three members most of who should be independent, with at least two thirds of the committee, and that at least one member should have financial experience.

A similar study was conducted by Madawake (2012) on the impact of Audit committee meeting and quality of financial reporting by Nigerian listed firms using money utilization as a variable.

Therefore, the study aimed at establishing whether frequency of the audit committee meeting has an influence on quality financial reports. Therefore the study used descriptive and agency framing theory materiality of audit committee experience. The study employed the use of archival data whereby the sample consisted of firms, which are listed on the Nigeria Stock Exchange as it sought to compare data, pre-and post-implementation of the mandatory audit committee requirement in the 2013 corporate governance code. The sorts of facts that were collected and analysed were descriptive statistics and regression statistics. Earnings quality as a proxy of the financial reporting quality was estimated using the method developed by Dechew and Duchev (2002). Based on the findings of the study, the claim that audit committees led to enhancement of financial reporting quality was supported. Still, audit committee characteristics were only moderately linked to the general quality of the financial reports. On key audit matters, only audit committee independence and financial expertise were examined, and results showed that the two had a positive association with the quality of financial reports. Madawake further recommended that for audit committees to be effective, they should convene physically at least four- five times in a year and should comprise of not less than four people.

Concerning their method, Umobong, Asian and Ibanichuka (2017) employed secondary data on audit committee meetings together with the financial reporting quality of food and beverages firms in Nigeria The authors undertook a study on all the food and beverage firms which was listed in the Nigerian Stock Exchange in the year 2011 and 2014, out of which was an every sample of 50% the total population. Towards this end, the following research objective was adopted for this study: To carry out a study on the audit committee meetings in relation to the quality of financial reporting in food and beverages firms in Nigeria. Finally, the study was based on the Agency and Positive accounting theories. Consequently, descriptive research design was adopted with the help of Eviews version 7 statistical software for data analysis. It was realized that increased independence of audit committee, financial expertise, firm's age and meeting frequency enhance quality of financial reporting. On the other hand, the findings reveal that increase in audit committee size and firms size negatively affect the financial reporting quality. They suggested for the increase in appointment of accounting and finance personnel in the audit committees and ensure the audit committee members' independence in addition to providing for a minimum number of meeting per financial year.

Political Influence on Audit Committees Dimensions and Quality financial reporting

You and Du, (2012) escalates the risk of self-interested utilization of firm's resource (Shleifer and Vishny, 1994) and a decline in the performance due to low managerial motivation (Saeed et al. , 2016; Claessens et al. , 2008). The study recognizes that political influence have benefits financial report. On the same note, the prior research show that political connections weaken the board's controlling feature. On the flip side, works evidence that political connections helps the firms in availing bank credit and other funds (Infante & Piazza, 2014; Faccio, 2010; Li et al. , 2008), enhances performance (Boubakri et al. , 2012a; Du & Girma, 2010), reduces the cost of equity (Boubakri et al. , 201 Altogether, the current systematic literature review reveals that the previous empirical studies are inconclusive in evaluating the effects of political connections on firms' strategies.

Faizabad, Refakar and Champagne (2021) studied corporate, social, political connections and corporate governance: A documentary review. The objective of the study was to test the interaction effects of corporate, social and political connections in corporate governance. As a conclusion, based on findings of this research networking activities in one form or the other have impacts on corporate governance either positive or negative. In relations to the boards of directors' connections, the literature review does not offer clear evidence as to whether interlocked boards contribute positively to firm performance or not. Also, closely linked boards are significantly correlated with the spread of some governance vices that include earnings manipulation and options backdating. Pertaining to social relationships, some of the studies yielded mixed findings on the relationship between social ties and the level of compensations paid to CEOs, as well as the firms' performance. Last but not the least, the findings with regards to the mediation of political connections on corporate decisions and firm value is inconclusive. In addition, politically connected firms have low taxes; arrangements with credit markets; and contracts from the government. Moreover, it should be noted that in some situation, political connections are a sign of carrying out corrupt actions.

In their study on political connections and corporate performance: One study from Pakistan by Saeed, Belghitar and Clark (2019), employing hand-picked sample data of Pakistani firms in the period from 2008 to 2014, using the fixed effect of firm and the Heckman two-stage regression, revealed that companies with political link spet better than other entities. The study was able to reveal some of the ways through which political benefits are obtained in terms of additional debt, cheaper financial sources of funds and reduced taxes. It was also noted that these benefits were larger where the firms are connected to politicians who previously served their political term more recently and firms connected through ownership. Last intervention, the study failed to establish the variance in political favours as between the regulated and the unregulated industries. Basically, the study aimed at finding the relationship between political connection and the performance of firms.

Najaf and Najaf (2021) studied political ties and corporate performance: Its relevance comes from the fact that efficiency is of paramount importance to the productivity of businesses. As stated above, the objective of this paper was to analyse and synthesize various inter-relationships that affect politically connected firms in order to generate value for the providers of finance and the other stakeholders. It also looked at the factors that determine the connection between efficiency and availability of corporate performance of a firm with political influence. Sources for this study were collected from Scopus website. 58 papers related to the performance and efficiency of politically connected firm were discussed. Political connections was established by the research to have better quality of efficiency of politically connected firms and corporate performance was identified to have a positive relationship with the efficiency of politically connected firms. The theoretical understanding by the researcher was in harmony with the existing political theory, agency theory, stakeholder theory, resource dependency theory and the stewardship theory. These theories establish that political connections affects the performance of the firm as a politician strengthens the effectiveness. In order to cultivate a clearer picture of how political connections affects this solid performance due to efficiency, this research categorized other efficiency types and associated them with political connections. Thus the research study found that although politically connected firms' performance can improve through efficiency, they present inefficiencies of performance.

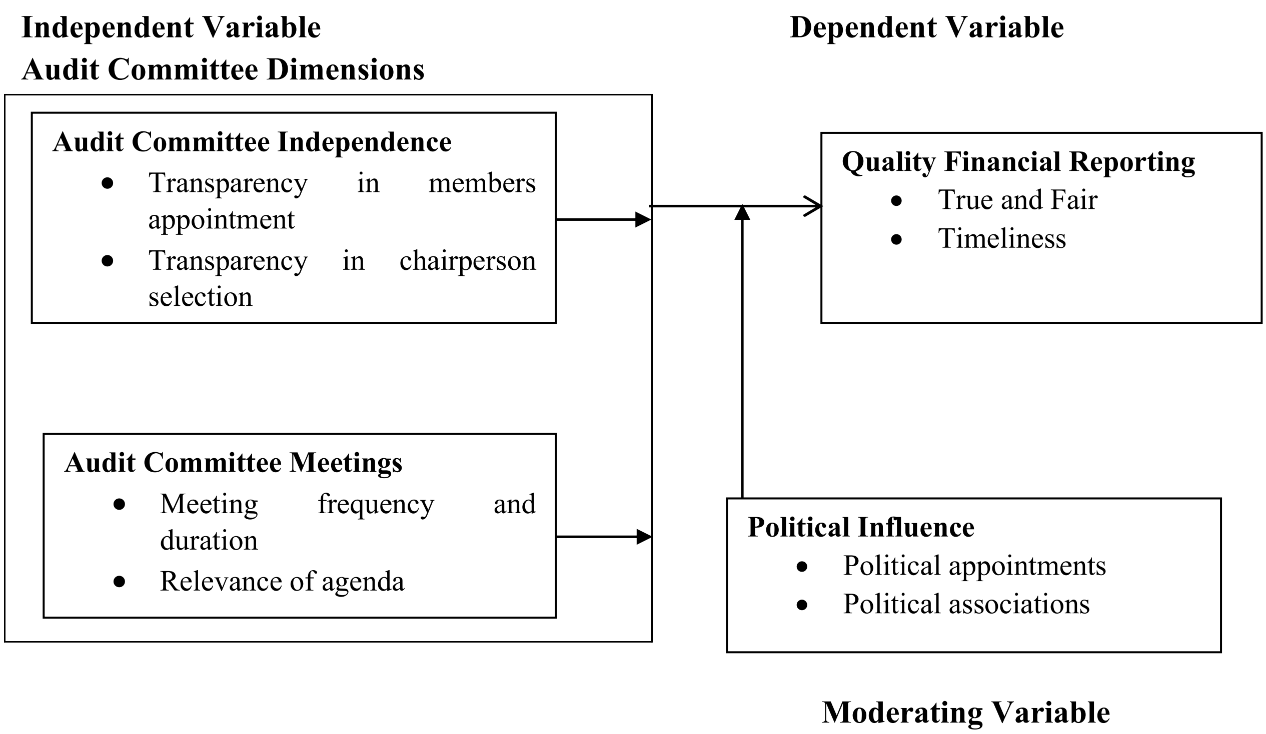
As mentioned by Maaloul and Chakroun (2018), in their study regarding the impact of political connections in company performance, they suggested that firms' performance and value are increased by PCs. Explaining these outcomes, on the one hand, it is possible to return to the facts that business can receive benefits from political connections and, on the other hand, investors can obtain high returns from investing in politically connected ventures. Applying the analysis of the results, it can be stated that diversification with the politically connected companies can be an advantage for the investors, and, more specifically, for the small minority shareholders. Leveraging on the consumers' analysis we can conclude that political connections are crucial for firms to thrive in emerging economy countries like Tunisia. However, the positive correlation of politics to business may enlarge the problem of corruption after the revolution. Specifically, the research goals of this paper include establishing the role of PCs on the total returns and stock returns and the market value of the companies under consideration. The population of this study consisted of non-financial firms that are listed on the Tunis Stock Exchange (TSE) during the year 2012 to 2014. The accounting and financial information was collected from the annual companies' reports The data regarding PCs of companies' officers and directors was collected manually from different sources. In order to analyze the hypothesis for this research, correlation and multivariate regression analysis were employed.

Ng'enoh (2015) studied the influence of organization politics on employee performance: A case of emerging business units of East African Breweries Ltd Kenya-operation strategies. Therefore, this research sought to establish the effect of organizational politics on employee performance in Emerging Business (EB), East African Breweries limited. Target population in the study was the Emerging Business group within EABL which has a total employee strength of 51. The sampling frame was a list containing all the 51 employees of the organisation. This target population is existing all over the country. The method applied in order to acquire the answers to the raised questions was the mixed-methods descriptive study, both quantitative and qualitative. This study shown that there was evidence of supporting the hypothesis that what the organizations' employees consider greatly is the transformational leadership style that is marked by motivating managers, good communication, co-operating and joining of ideas and work, and the teamwork. It was also clear that transactional leadership, which is founded on the notion of reward power and the achievement of territory objectives or targets for example meeting and exceeding requirements, was valued with trainings with accompaniments supported by the line manager being deemed as very much crucial to employee effectiveness.

Laissez-faire style of support also received support inferring that territory managers like support that is not coercive and that they like to make decisions for themselves. This indicates that performance flow is pulled by decision making and ownership of responsibilities, by employees.

The Conceptual Framework

Considering this study, the given audited conceptualized variable is the audit committee dimensions of independence, and meeting. This research has the following dependent variable: quality of financial reporting. Based on the literature, it is hypothesized that different dimensions of audit committee would exert a very fervent impact on the financial quality reporting.



Source: Researcher (2022)

Figure 2.1: Conceptual Framework

RESEARCH METHODOLOGY

Consequently, this research employed descriptive survey research design to examine the perceptions of people in the target population on the impact of AC dimensions on quality financial reports. Descriptive survey is an effective method employed in an attempt to obtain numerical data on characteristics, beliefs or behaviors of a population where closed questions are presented to some or all the respondents. Survey can involve interview, questionnaires (Collins & Hussey, 2003).

This technique enabled the researcher to get quantitative data that was assessed qualitatively with quantitative measures involving descriptive and inferential statistics. The usage of the analysis allowed the researcher to identify likely cause for a certain relationship between the independent and dependent variable and develop models for these relationships. With regards to survey strategy the researcher's welcomed the importance of being able to control the survey process from the beginning to the end, although since a sample is used it became possible to come up with results which could represent the whole population. Furthermore, a well-structured survey allowed the researcher to get the streamlined data on all the cases in the sample; makes questions pre-written for all the participants of the survey, which ensure consistent answers due to consistent questions.

The target population for this study was 134 people consisting of all members of the County Assembly, members of the County Executive, staff in Finance and Internal Audit Departments at Kisii County in the 2021/2022 Financial Year.

Table 3.1: Target Population

Category	Number.
Elected Members of County Assembly	45
Nominated MCAs	12
County Executive Officers	10
Chief Officers (COs)	20
Heads of Departments	10
Finance and Accounting Department.	
Chief Finance Officers (CFOs)	1
Deputy Chief Finance Officers (DCFOs)	2
Principal Finance Officers (PFOs)	1
Senior Finance Officers (SFOs)	5
Finance Officers (FOs)	10
Accounts Assistants	3
Internal Audit Department	
Chief Internal Auditors (CIAs)	1
Deputy Chief Internal auditors (DCIAs)	1
Senior Internal Auditors (SIAs)	2
Internal Auditors (IAs)	8
Audit Assistants	3
Totals	**134**

Source: Human Resource Department, Kisii County Government

The respondents for this study were 125 people including the legislative and executive arms of the Kisii County Government, staff from the finance and internal audit departments in the 2021/2022 Financial Year. As stated by Mugenda and Mugenda (2012), sample on the other hand is a small number of people who can be said to represent the whole population. According to Cooper and Schindler (2008), determining a sample portrays population features that research represented. The sample size for the study was estimated by applying the Yamane 10, 1969; where the formula is as follows;

$$n = \frac{N}{1 + N(e^2)}$$

Where n = Sample Size

N = Target Population

e = Error Term 95% or o.05 confidence where e^2=0.0025

$$n = \frac{134}{1 + 134\ (0.0025)}$$

$$n = 100$$

If sample size is 100, what about non-response by 20%

To cater for non-response, 20% of the sample was used. Therefore the sample size was;

100 ÷ 0.8= 125

Thus sample size was therefore 125 respondents

Table: 3.2 Sample Size

Category	Sample
Elected Members of County Assembly	39
Nominated MCAs	11
County Executive Officers	12
Chief Officers (COs)	21
Heads of Departments	11
Finance and Accounting Department.	
Chief Finance Officers (CFOs)	1
Deputy Chief Finance Officers (DCFOs)	2
Principal Finance Officers (PFOs)	1
Senior Finance Officers (SFOs)	4
Finance Officers (FOs)	8
Accounts Assistants	2
Internal Audit Department	
Chief Internal Auditors (CIAs)	1
Deputy Chief Internal auditors (DCIAs)	1
Senior Internal Auditors (SIAs)	2
Internal Auditors (IAs)	7
Audit Assistants	2
Sample Size	**125**

Source: Researcher (2022)

This study only relied on primary data only in form of views of the respondents on the impact of audit committee dimensions in the quality of financial reporting of kisii county government.

RESULTS AND DISCUSSION

Audit committee independence on financial quality reporting

The category of the study was as follows; to establish the effect of audit committee independence on quality financial reporting of Kisii County Government. The details of the findings were shown in table 4. 1.

Table 4.1 Audit committee independence on financial quality reporting

	N	Minimum	Maximum	Mean	Std. Deviation
That there is no conflict of interest of any nature between audit committee members and the county	113	1.00	5.00	2.5575	1.71619
Our audit committee has non-executive members.	113	1.00	5.00	2.7345	1.66914
That the remuneration of audit committee members is known in advance and documented	113	1.00	5.00	2.8496	1.83333
Appointment of audit committee members was well	113	1.00	5.00	3.0177	1.71642
Members appointments are transparent in audit	113	1.00	5.00	3.0708	1.77138
Audit committee do not relate with their top management	113	1.00	5.00	3.2035	1.79364
Audit committee members have no business dealings with the county government	113	1.00	5.00	3.2301	1.72693
That audit committee members do not receive rewards of any nature from the county or county management	113	1.00	5.00	3.4425	1.74713
Average				**3.013275**	**1.74677**

In this case, we have a non-executive audit committee to whom the mean age is approximately 2. 5575 and a SD of 1. 71619. The amount of directors' fees are well understood and recorded before they are paid and the audit committee has a mean of 2. Mean PL was = 7345 and standard deviation was 1. 66914. Regarding the selection of the chairman in our audit committee, the mean was 2. 8496 and the standard deviation stands 1. 83333. The response mean for appointment of audit committee members is 3.0177 which shows that appointment is a transparent process and the standard deviation being 1. 71642. Currently, there are no business relations between audit committee members and the top management of the county government, with a mean of 3. 2035 and standard deviation of 1. 79364. The members of the audit committee have no business relationship with the county government and this was confirmed by setting the mean at 3. 2301 accompanied by a standard deviation of 1. 72693. Last, audit committee members do not get any reward of any form from the county or the county management and the mean score is 3. 85 with a mean of 4425 while the standard deviation is equal to 1. 74713.

These results are consistent with the findings of De Vlaminck (2015), Kabiya, Che-Ahmad & Amram (2016) and Changwena and Maharaj (2015) in which examined audit independence affected financial quality reporting in Zimbabwe, Nigeria and Belgium. The mean of 3 was decent since the traditional average of three was 3. Mean of 13, Total observation of 013275 and standard deviation of 1. 74677 indicate that respondents had some level of confusion when answering the question on the relationship between the independence of the audit committee and financial quality reporting.

Audit Committee Meetings on Quality Financial Reporting

The study aimed to assess the impact of audit committee meetings on the quality of financial reporting. The results were presented in Table 4.2 below

Table 4.2 Audit committee meetings on quality financial reporting

	N	Minimum	Maximum	Mean	Std. Deviation
Our audit committee hold meetings frequently	113	1.00	5.00	3.1681	1.43242
The concern of an adequate number of meetings held by the audit committee is really answered by them.	113	1.00	5.00	3.1858	1.41136
That the recommendations of the audit committee are taken serious by management	113	1.00	5.00	3.4159	1.43754
That the agenda of audit committee meeting is relevant for all matters	113	1.00	5.00	3.4336	1.46918
That the recommendations of the audit committee are promptly acted upon by management	113	2.00	5.00	3.9381	1.14395
That there is always quorum for every audit committee meeting	113	1.00	5.00	4.1239	1.38958
That organization's financial matters are taken seriously and given priority during audit committee meetings	113	2.00	5.00	4.3009	1.05969
Average mean	113			3.6523	1.3348

Table 4.2 showed that our audit committee hold meetings frequently had a lowest mean [M=3.1681; SD = 1.43242] The concern of an adequate number of meetings held by the audit committee is really

answered by them had [M=3.1858; SD = 1.41136], That the recommendations of the audit committee are taken serious by management had [M=3.4159 ; SD = 1.43754], That the agenda of audit committee meeting is relevant for all matters had [M=3.4336 ; SD = 1.46918], That the recommendations of the audit committee are promptly acted upon by management had [M=3.9381 ; SD = 1.14395], That there is always quorum for every audit committee meeting had [M=4.1239; SD= 1.38958], That organization's financial matters are taken seriously and given priority during audit committee meetings had [M=4.3009; SD = 1.05969].

Table 4.2 results showed that the organisation's financial matters are taken seriously and given priority during audit committee meetings had the highest mean while our audit committee hold meetings frequently had lowest mean; The result showed that audit committees of Kisii County Government hold meetings frequently, there is quorum in every meeting, the agenda is relevant for all matters. Another finding noted in the study indicated that the recommendations made by the audit committees are not only considered, but appropriate action is also taken by management almost immediately. Average mean of 3.6523 and Std deviation of 1.3348. This indicates that majority of the respondents had a positive opinion as regards the impact of audit meetings to financial quality reporting. The study agreed with Changwena (2015) and Umobong, Asian & Ibanachuka (2017) found that audit meetings influenced financial quality reporting in Nigeria and Zimbabwe.

Political Influence between audit dimension and financial quality reporting

The study examined role of political influence between audit dimensions on financial quality reporting as presented by table 4.3.

Table 4.3 Political influence on audit dimension and financial quality reporting

	N	Minimum	Maximum	Mean	Std. Deviation
That some audit committee members or their relative have political affiliations with people in the state/government	113	1.00	5.00	2.9558	1.37184
That appointment of some audit committee members was politically motivated	113	1.00	5.00	3.0619	1.38411
That some of the decisions made by the audit committee are politically influenced	113	1.00	5.00	3.4336	1.46918
That some audit committee members were active politicians before their appointment	113	1.00	5.00	3.4867	1.47064
That some audit committee members, their relatives or firms they are associated with have business engagement the county government	113	2.00	5.00	3.8761	1.12704
Average mean				3.36282	1.36456

The study showed that some audit committee members or their relative have political affiliations with people in the state/government had [M=2.9558 ; SD = 1.37184], that appointment of some audit committee members was politically motivated had [M=3.0619 ; SD = 1.38411],, That some of the decisions made by the audit committee are politically influenced had [M=3.4336; SD = 1.46918], that some audit committee members were active politicians before their appointment had a [M=3.4867; SD = 1.47064] and That some audit committee members, their relatives or firms they are associated with have business engagement the county government had [M=3.8761 ; SD = 1.12704].

Summary of results indicates that some of the members of the audit committee or their related persons have close relations with politicians in the state/government Some of the members of the audit committee were politically appointed. The average mean of 3.36282 and Standard deviation of 1.36456 indicated that most respondents agree that political influence has adverse effect on financial quality reporting of Kisii County Government. This concurs with various empirical studies which found out that having political connections deteriorate the controlling function of the board (You and Du, 2012), increase the risk of diverting the firm's resources to political objectives (Shleifer and Vishny, 1994), and decrease in performance due to lower managerial incentives (Saeed et al., 2016; Claessens et al., 2008).

Financial Quality reporting

The specific objective of the study was to establish areas that needed to be improved regarding the financial quality reporting of Kisii County Government where the result was displayed table 4.4.

Table 4.4 Financial Quality reporting

	N	Minimum	Maximum	Mean	Std. Deviation
That recommendations of the audit committee are not taken serious and are hardly implemented by the county government	113	1.00	5.00	3.8673	1.38554
The financial reports of Kisii County Government are not prepared in time and do not give a true and fair view of the financial operations of the county government	113	1.00	5.00	4.0000	1.29560
That Finance Department of Kisii County Government is competent, well-staffed and equipped to undertake its financial reporting functions	113	1.00	5.00	4.0088	1.33293
That Kisii County Government always get adverse or qualified audit opinion by the OAG	113	1.00	5.00	4.1327	1.29218
That internal audit function of the Kisii County Government is competent and well-staffed to play its oversight role	113	1.00	5.00	4.2389	1.22674

That the financial reports of the Kisii County Government are not prepared according to IFRS and IPSAS	113	2.00	5.00	4.3097	1.10259
Average Mean				4.0929	1.2726

That recommendations of the audit committee are not taken serious and are hardly implemented by the county government had [M=3.8673 ; SD = 1.38554], The financial reports of Kisii County Government are not prepared in time and do not give a true and fair view of the financial operations of the county government had [M=4.0000; SD = 1.29560], That Finance Department of Kisii County Government is competent, well-staffed and equipped to undertake its financial reporting functions had [M=4.0088 ; SD = 1.33293], That Kisii County Government always get adverse or qualified audit opinion by the OAG had [4.1327 ; SD = 1.29218], That internal audit function of the Kisii County Government is competent and well-staffed to play its oversight role had [M=4.2389; SD = 1.22674] and That the financial reports of the Kisii County Government are not prepared according to IFRS and IPSAS had [M=4.3097 ; SD = 1.10259].

The study showed that the financial reports of the Kisii County Government are not prepared according to IFRS and IPSAS, that Kisii County Government always get adverse or qualified audit opinion by the OAG, that recommendations of the audit committee are not taken serious and are hardly implemented by the county government, That internal audit function of the Kisii County Government is competent and well-staffed to play its oversight role, That Finance Department of Kisii County Government is competent, well-staffed and equipped to undertake its financial reporting functions, The financial reports of Kisii County Government are not prepared in time and do not give a true and fair view of the financial operations of the county government, The study agreed with Faizabad, Refakar and Champagne (2021) who studied corporate, social and political connections and governance with a review.

The study aimed at establishing the relationship between variables, and as presented in table 4.5.

Table 4.5 Correlation Analysis

		Audit committee independent	Conduct of audit committee meetings	Political influence	Quality financial reporting
Audit committee independence	Pearson Correlation	1	-.089	.066	-.091
	Sig. (2-tailed)		.350	.485	.336
	N	113	113	113	113
Conduct of audit committee meetings	Pearson Correlation	-.089	1	.756**	.827**
	Sig. (2-tailed)	.350		.000	.000

	N	113	113	113	113
Political influence	Pearson Correlation	.066	.756**	1	.691**
	Sig. (2-tailed)	.485	.000		.000
	N	113	113	113	113
Quality financial reporting	Pearson Correlation	-.091	.827**	.691**	1
	Sig. (2-tailed)	.336	.000	.000	
	N	113	113	113	113

For audit committee independence, the study established a correlation of [r=- 0. 091, n=113, p>0. 05] hence the study identified a weak negative, although unrelated to the quality of the financial reporting. These findings contradict Changwena (2015), Kibiya, Che-Ahmad & Amran (2016) and Umobong, Asian & Ibanichuka (2017) who found that there is a positive and significant relationship between audit independence and financial quality reporting.

The study further indicated that audit meetings had [r= 0.827** n=113, p<0.05], this implied that there was a strong positive and significant relationship between audit meetings and quality financial reporting. This is in line with Ojeka, Maharaj (2015) and Salawu et, al. (2017) who found a positive and significant relationship between audit committee meetings and quality financial reporting. This is also supported by the findings of Changwena (2015), Salawu et, al. (2017) and Mwangi (2018) who found a positive and significant relationship between audit committee meetings and quality financial reporting.

Political influence had a moderately strong, positive and significant relationship with quality financial reporting with [r= 0.691** n=113, p<0.05]. This conforms to the findings of Faizabad, Refakar and Champagne (2021) study on corporate, social, political connections and corporate governance: A review. The purpose of the study was to investigate the effectiveness of corporate, social, and political connections on corporate governance practices. The findings of the study showed that networking activities in various forms positively and negatively affect corporate governance practices.

Regression analysis was done to ascertain the effect of audit committee dimensions on financial quality reporting with the moderating role of political influence. The results were presented in table 4.6.

Table 4.6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.855[a]	.731	.721	.80814	.731	73.239	4	108	.000
2	.859[b]	.738	.726	.80103	.007	2.926	1	107	.090

a. Predictors: (Constant), conduct of audit committee meetings, audit committee independent,

b. Predictors: (Constant), Conduct Of Audit Committee meetings, Audit Committee Independent, political influence

The model 1 summary showed that R=.855 and R^2=0.731 implied that there was a strong relationship between audit committee dimensions and financial quality reporting with political influence. The R^2 square =0.731 implied that a change in audit committee dimensions with the moderator resulted to a change in quality financial reporting by 73.1%.
The model 2 summary showed that R=.859 and R^2=0.738 implied that there was a strong relationship between audit committee dimensions and financial quality reporting with political influence. The R^2 square =0.738 implied that a change in audit committee dimensions with the moderator resulted to a change of improvement in quality financial reporting by 73.8%.
The R^2 square =0.738 which implied that a change in audit committee dimensions with the moderator resulted to a change in quality financial reporting by 73.1 % while the remaining could be explained by other variables. Political influence improved quality financial reporting R square change by 0.007 implied 0.7% which was shown by (0.738-0.731).
ANOVA was used to determine the model fitness under study with the moderator.

Table 4.7 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	191.325	4	47.831	73.239	.000[b]
	Residual	70.533	108	.653		
	Total	261.858	112			
2	Regression	193.202	5	38.640	60.221	.000[c]
	Residual	68.656	107	.642		
	Total	261.858	112			

a. Dependent Variable: Quality Financial Reporting

b. Predictors: (Constant), conduct of audit committee meetings, audit committee independent,

c. Predictors: (Constant), conduct of audit committee meetings, audit committee independent, political influence

The model 1 study showed that [(F =73.239, P=.000, Df (4, 108)], thus that the p value is less than 0.05, (p.000<.05) is significant and therefore the model was fit to predict the role of political influence on audit committee dimensions and quality financial reporting. As with model 2 for moderating role (F =60.221, P=0.000, Df (5, 107) was statistically significant at 5%, and hence the model was fit to predict the effect of political influence on the relationship between audit committee dimensions and quality financial reporting.

Table 4.8 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.234	.393		.595	.553
	Audit committee independent	-.020	.080	-.013	-.248	.804
	Conduct of audit committee meetings	.423	.117	.415	3.609	.000
2	(Constant)	-.048	.423		-.113	.910
	Audit Committee Independent	-.014	.079	-.009	-.180	.858
	Conduct of Audit Committee Meetings	.415	.116	.407	3.569	.001
	Political influence	.005	.003	.085	1.711	.090

a. Dependent Variable: Quality financial reporting

The indirect equation from model 2 becomes;

$Y = 0.234 - 0.020X_1 + 0.423X_4$ …………..model 1

$Y = -0.048 - 0.014X_1 + 0.415X_4 - 0.005Z$…………...model 2

The results showed that leaving other variables constant, audit committee dimensions and political influence could change quality financial reporting.

With the moderator to audit committee independence; the study indicated (B=-0.014, p=-0.180, T=-0.113), therefore a change in audit committee independence resulted to decrease in quality of financial reporting by 1.40% and is statistically insignificant at p=>0.05. However, without the moderator Audit committee independence indicated (B=-0.020, p=.804, T=-.248), this implied that a change in audit committee independence resulted to decrease in quality of financial reporting by 2.0 % and it's statistically insignificant at p>0.05. Therefore, the difference between (-0.02—0.014) =0.6%, the moderator contribute negatively to financial quality reporting.

Conduct of audit committee meetings (B=0.415, p<0.05, t=3.569), indicated an increase in quality financial reporting by 41.5% and was statistically significant at p<0.05. Conduct of audit committee meetings (B=.423 p<0.05, T=3.605), indicated a change in quality financial reporting by 42.3% and was statistically significant at p<0.05.

Political influence had [(B=0.005, t=1.711, p=.090)], indicated a change to quality financial reporting by 0.5% and is statistically significant at p>0.05. Therefore, accept the null hypothesis.

Conclusion and recommendation

The study determined the effect of audit committee independence on quality financial reporting of Kisii County Government. The study revealed that audit committees at the Kisii County Government had non-executive members and that audit committee members had no conflict of interest of any nature with the county government. The study concluded that audit committee independence was negatively influenced by political influence and insignificant to quality financial reporting.

The study determined the effect of audit committee meetings on quality financial reporting of Kisii County Government. The study showed those audit committees hold meetings frequently and organization's financial matters are taken seriously and given priority during audit committee meetings. The study concluded that audit committee meetings had a positive and significant relationship with quality financial reporting. Audit committee meeting had a positive and significant effect on quality financial reporting.

The study assessed the role of political influence between audit committee dimensions and quality financial reporting of Kisii County Government. From the study, it was shown that some audit committee members or their relative have political affiliations with people in the county government; have business engagement with county government officials or persons associated with them. The study therefore concluded that political influence had a positive moderating relationship and insignificant with audit committee dimensions and quality financial reporting.
The study determined the effect of audit committee meetings on quality financial reporting of Kisii County Government. The study recommended that audit committee meetings should be taken seriously, their agendas should be relevant and that financial matters of the county government should be given priority during these meetings. Audit committee meetings had a positive and significant effect on quality financial reporting.

Suggestion for Further Research

The researcher carried out a research to examine the effect of audit committee independence on quality financial reporting of Kisii County Government. This study will help resolve the inconsistencies arising from the study on the significance of audit committee independence on quality financial reporting at the county.

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