Research on the Effect of Audit Quality on Corporate Charity based on the Moderating Role of Industry Competition and Marketing Level

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Abstract. The concept of corporate social responsibility has been proposed since the early 20th century, it has been receiving continued attention from the theoretical and practical circles. While the enterprise pursues profitability, social responsibility emphasizes that enterprises pay attention to the contribution to the environment, consumers, and society in the production process. As a significant manifestation of corporate performance of social responsibility, charity has become the focus of research in social responsibility. There is already literature to analyze the influential factors from many perspectives. However, the quality of audit as an independent economic supervision activity has not been studied. Therefore, this article tries to analyze the effect on enterprises from the perspective of audit quality. This study found that the quality of the audit is significantly positively associated to the charity of the enterprise in China. The higher the quality of the audit, the stronger the philanthropic conduct of an enterprise. In terms of moderating, the industry's competitive intensity and the level of marketing of enterprises have played a positive role in pushing the relationship between audit quality and corporate charity behavior. The conclusion of this article can help the government encourage enterprises to enhance the audit quality, thereby promoting corporate contributions and achieving their social value.

Keywords: Enterprise Charity; Quality of Audit; Competition Intensity; Marketing Level.

1. Introduction

The construction of socialist ecological civilization was included in the "A five-pronged approach" layout of the socialist cause of socialism with Chinese characteristics in the 18th National Congress of the Communist Party of China. The economic development momentum is shifting, and the development of the green economy has become a new concept of leading Chinese economic development. The "14th Five -Year Plan "intended comprehensively enhance the level of green manufacturing. General Secretary Xi Jinping presided over an entrepreneurial symposium and pointed out that enterprises should shoulder social responsibility, strive to build a new development pattern, construct a contemporary economic system, and foster high -quality development. In this context, more and more entrepreneurs in China are conscious that in addition to profitability, enterprises must also integrate the attention of society into the strategic structure, and the company's social responsibility concept has been widely accepted and spread by the theoretical and practical circles. The corporate social responsibility has also become an important strategic factor influencing the development of the enterprises [1]. Therefore, corporate social responsibilities play an important role in society and enterprises themselves.

Many scholars at home and abroad pay attention to charity aspects of the performance of corporate social charity responsibilities. Many literature research from the perspective of the donation system, such as Min Zhang, Lizhen Ma, and Wen Zhang found that charity has a political and enterprise bond effect [2]. In addition, some literature reveals that the social responsibility of the enterprise may be impacted by many factors, including tax shelter, media attention etc. As a significant economic activity of an enterprise, auditing has not been studied on the relationship with the corporate charity social responsibility performance in existing literature. Therefore, this article tries to explore the relationship between the quality of audit and the performance of corporate social responsibilities from the perspective of the charitable direction of corporate social responsibility and investigate the

intensity of the industry's competitive intensity and the marketing level of the enterprise on the quality of audit quality and corporate charity behavior.

Audit is an economic supervision activity to maintain financial and economic law, enhance business governance, and upgrade economic benefits. The audit is divided into three types: internal audit, government audit, and social audit according to the nature of the execution subject. Internal audit is the effectiveness, authenticity and internal control effectiveness of the audit unit's financial information in the audit unit. Government audits are audited on the government's financial income and expenditure or fiscal activities of enterprises and institutions to determine whether it is true, legal and efficient. Social audit is a social accountant and social audit organization founded by the registered accountant and auditor accepting the party's entrustment to verify and check the financial income, expenditure and other economic activities of the auditee. Because this article wants to observe the supervision of the external market for enterprises and the restricted internal audit power, government audit cannot help us carefully observe the market's standards for enterprises. Therefore, we choose social audit as the subject of research.

In the context of the booming market economy, social audit performs an irreplaceable role. First of all, social audits can weaken chaos such as fraudulent financial statements in society, increase the credibility of financial statements, and enhance the effectiveness of the market system operation. Secondly, social audit improves the investment environment and repairs the construction of the investment environment. High-quality audit results are provided for investors' true and comprehensive financial information, which helps investors make reasonable investment decisions. In addition, audit activities promote the improvement of the internal control system of the enterprise. Auditors conducted audit based on the evaluation and testing of the internal control system of the audit subject, and suggestions for providing a good governance structure for the audit subject to help the audit unit improve the internal control system. In the development of the Chinese capital market, the Ministry of Finance and the Securities Regulatory Commission strictly control the audit and strengthen supervision. There are still frequent financial scandals, such as Yin Guangxia's fictional financial statements, Enron incidents, and the Ruihua incident. It can be seen that the quality of the audit of the enterprise holds a vital role in the company's internal development and integral economic progress.

Competition exists in any industry, which is the fundamental problem for enterprises to survive in the market. Typical economic theory believes that product market competition is one of the efficient means to enhance economic efficiency. Some studies have revealed that market competition is one of the significant factors that affect enterprises' investment in employees CSR [3]. This article tries to research the impact of the intensity of competition intensity on audit quality and corporate charity behaviour. One of the factors analogous to competition is the marketing intensity of the enterprise. Enterprises with a high level of marketing have a higher emphasis on social reputation. Charity donations are an important part of differentiated competition, so it can be guessed that the marketing level of enterprises may promote the performance of charity responsibilities [4]. In the empirical analysis, this article will explore the effect of corporate marketing level on the relationship between interpretation variables and interpreted variables.

Compared with the existing literature, the contribution of this article is primarily ascribed to: First, there are already motivations for studying corporate charity from the perspective of tax avoidance, political bonds, etc., and few literatures explore from the perspective of economic activities. This article starts from the perspective of audit quality, continues the study of motivation for continuing corporate charity supplementing the motivation factors of enterprises' good at doing good. This article offers meaningful insight into factors which encourage enterprises charity and makes contributions to analysis and inquiry in the audit field enrich the influence of audit activities. Second, this article explores the impact of industry competitive intensity and corporate marketing intensity in the relationship between audit quality and corporate charity. The influence analysis plays a supplementary role.

The structure of the following structure is as follows: The second part is the theoretical analysis and research hypothesis, the third part is the sample selection, variable description and empirical model. The fourth part presents the empirical results. The fifth part is a stable test. Eventually, the article gives conclusions and related suggestions.

2. Theoretical Analysis and Literature Review

2.1 Analysis of Corporate Charity Motivation

In the study of the type of charity motivation of non-public enterprises in Chinese, it has been divided into three types which are: economic interests, political associations and social responsibilities. The motivation for economic interests includes enhanced employee's sense of belonging, reasonable tax avoidance, which increase corporate reputation and increase the competitive advantage of enterprises. The motivation for political associations is pursuing a benign relationship with the government through charitable behavior, concerning charity as costs, weighing charity responsibility for the income and cost of gaining resources from the government. Studies at home and abroad have shown that enterprises can gain the government's favor and trust through the performance of charity and establish or maintain certain political relations. Social responsibility motivation is partially divided into two aspects: initiative and passiveness. In terms of initiative, from the perspective of corporate citizens, it is believed that enterprises have the responsibility and obligations to contribute to society; in terms of passiveness, the performance of enterprises to carry out charity responsibilities can promote their profits and achieve economic goals.

From the perspective of the motivation research of charity, there is also literature analyzing from the perspective. It mainly starts from the three viewpoints of corporate citizenship, shareholders' capitalist views and strategic charities. The view of corporate citizens believes that enterprises should be regarded as social citizens, and they are obliged to contribute to society. They do not consider their economic benefits and charity costs, which is conducive to the stable development and further construction of society. Shareholders' view of capitalism believes that enterprises should maximize shareholders' interests as their operating goals, so charity should generate value for shareholders. Hunter is the first scholar to propose the concept of "strategic charities". He believes that it can associate charity donations to economic goals and encourage the realization of corporate economic goals [5]. Compared with the previous two views, strategic charity theory is the mainstream in existing research. Scholars such as Lifen Zhang believe that through strategic charity behaviors, companies can establish a good corporate image and obtain social reputation [6].

2.2 Analysis on Audit Role

As an effective corporate governance external supervision mechanism, audit may have a certain positive impact on the charity of the enterprise. First of all, the audit has performed a role in supervising and supervising the governance of the enterprise. In addition to reviewing the financial activities of the enterprise, it also supervises the charity of the enterprise, and urges enterprises to perform substantial charity responsibility. The performance of fraudulent donations and the implementation of social responsibilities is the content of censorship. Therefore, audit activities can urge enterprises to carry out substantial charity work and fulfill social responsibility. Secondly, companies that spend higher in this economic activity are willing to convey a good intention of their own financial conditions to the outside, and to establish a good awareness of a good corporate image. Audit activities are restricted to market norms to a certain extent. Enterprise charity is one of the important embodies. Therefore, the quality of audit activities is likely to encourage the charity of enterprises.

2.3 The Role of Industry Competitive Intensity and Corporate Marketing Level

Studies have shown that competition in the industry highlights that the marketing capabilities of enterprises can moderate the company's charity. Marketing capabilities have a significant positive

adjustment of charity donation and corporate value, while industry competitive intensity has a significant effect on the effect of charity donation. The fiercer competition in the industry, the more the value -added effect of charity on corporate value [7]. The existing literature confirms the relationship between marketing capabilities that can moderate corporate charity donations and corporate value, but no study has shown whether marketing capabilities can be moderated by enterprises for charity. Although the above research believes that industry competition has a negative role in the effect of charity donations, some studies have found that charity donation to the company's competitive intensity in the product market is significantly positive [8]. Therefore, there are conclusions in different directions in the role of these two variables in the social responsibility of corporations. This article starts from the audit field to explore the role of these two variables.

Based on the above theoretical analysis and existing research experience, we propose three hypotheses.

H1: The charity of the enterprise is positively associated with the quality of the audit. The higher the quality of the audit, the higher the level of performance of the company's charity responsibilities.

H2: The relationship between the audit quality of the enterprise and the performance of the charity responsibility of the enterprise is adjusted by the level of corporate marketing.

H3: The relationship between the audit quality of the enterprise and the performance of the company's charity responsibility is adjusted by the level of market competition intensity.

3. Methodology

3.1 Research Sample and Data Source

This paper’s data is selected from the 1990 to 2021 on A-shares of the main board of the SSE and A-shares of Shenzhen Main Board listed companies as primary samples, and screen samples according to the following standards: (1) Choose ST stocks (2) Remove data whose asset-liability ratio is more than 1 and the ROA is lower than 0 (3) Delete the samples whose public welfare charitable data indicators and financial data indicators cannot be supplemented (4) Delete the sample of the financial industry and real estate industry which classified by CSRC ’s 2012 industry classification in China. After screening, there are 6083 sample observations obtained. The charity data studied in this article comes from RKS ESG Data. The company's financial data and audit quality data comes from the CSMAR database.

3.2 Research Model and Variable Measurement

To test the hypothesis proposed in this article, this article build the following ordinary least squares (OLS) regression model.

$$\text{Charity}=\beta_0 + \beta_1\text{LAF} + \beta_2\text{Controls} \quad (1)$$

Corporate social responsibility refers to the expectations of the economy, law, ethics, and liberty of the society at a particular period of the organization, including 4 levels: economic responsibility, legal responsibility, ethical responsibility, and charity responsibility [9]. The corporate social responsibility direction of this article is charity responsibility, that is, the extension of the concept of corporate citizenship, which is specifically manifested in the article as the relative level of the company's performance of charity responsibilities. The measurement method is RKS Data's "Public Welfare and Charity" score in the company's key indicator scores in S (Society).

Existing literature often measures the quality of audit with non-standard audit opinions and the proportion of continuous operating audit opinions. However, because its research subject is an accounting firm, it is not applicable in this study. We learn another method of measurement of early scholars, and adopt annual audit fees (LAF) to measure the quality of audit.

This article selects market competition intensity and corporate marketing as mediator to explore its impact on the relationship between audit quality and corporate charity. We refer to the measurement method of market competition in the existing literature, and select the Herfindahl-

Hirschman Index to measure market competitive intensity. The larger its index, the weaker the competition in the industry. Measuring method is the accumulation of the square of the ratio that the single company's assets accounted for the total assets of the industry. The specific formula is:

$$HHI = \sum_{i=1}^{n} (\frac{x_i}{X})^2$$

x_i is the assets of a individual company, and X is the total assets of the industry. (x_i /X) is the market share occupied by the company.

According to previous research methods, we utilize a company's marketing expenditure for the marketing intensity of the enterprise. This variable is reflected in the percentage of the annual marketing expenditure accounting for the total marketing amount. Considering the differences in the industry, we will measure the marketing intensity through the marketing expenditure to the proportion of industry marketing expenditures. Due to the common sales expenses of enterprises' marketing expenses, we use the annual sales expenses of the enterprise for calculation. We calculate the average marketing expenditure of the industry based on the "Classification and Code of Listed Companies" released by the CSRC.

We select the following control variables; (1) SIZE, the size of the company, using the hyperbolic logarithm of total assets to represent; (2) LEV; Financial leverage, that is, asset -liability ratio, expressed the total proportion of liabilities to total assets (3) ROAA; Profit capacity, net profit accounted for the balance of total asset balance; (4) Nature of property rights; property rights nature, distinguish between state-owned enterprises and non-state -owned enterprises; (5)Equity concentration, the sum of the top ten shareholders of shareholders (6) The degree of scientific research input, the hyperbolic logarithm of the amount of R&D expenditure.

The definition and measurement of each variable is shown in Table 1.

Table 1. Variable definition and measurement

Variable type	Variable name	Measuring method
Explained variable	Charity	RKS ESG Data's "Public Welfare and Charity" score in the company's key indicator scores in S (Society).
Explanatory variable	LAFEE	Hyperbolic logarithm of annual audit fees
Control variables	Size	The Hyperbolic logarithm of total as of the end of year *t*.
	Lev	Total liabilities divided by total assets, as of the end of year *t*.
	ROAA	Return on Assets, defined as net income for year t divided by total assets at the end of year *t*.
	Nature	Property rights nature
	HFD	The sum of the top ten shareholders of shareholders
	RDExp	Hyperbolic logarithm of the amount of R&D expenditure
Moderators	HHI	The accumulation of the square of the ratio that the single company's assets accounted for the total assets of the industry
	Marketing	The marketing expenditure to the proportion of industry marketing expenditures

4. Results

4.1 Descriptive Statistics

Table 2 provides the descriptive statistics of each variable. Variables for auditing quality: The average audit cost (LAFEE) is 14.83, and the standard deviation is 0.827. Variables that indicate charity responsibility: the average value of public welfare and charity is 2.943, which means that the average score in the key indicators of the sample companies in RKS ESG Data S (Society) is 2.943. The highest score is 7.1 points, and the lowest score is 0 points. The standard deviation proves that the performance of the charity responsibilities of the sample enterprise is different, which also shows that our research is practical. In terms of control variables: the average value of the asset -liability ratio (LEV) is 0.389, the average value of return on average assets (ROAA) is 5.6%, and the sum of the total shareholders of the top ten shareholders (HFD) is 67.95%. From the perspective of the standard deviation, there are certain differences in the control variables of each enterprise, and the performance of corporate charity responsibility may be affected to a certain extent.

Table 2. Description statistics of main variables

Variable	Average	Standard deviation	Minimum	Median	Maximum	Observations
Charity	2.943	1.640	0	3	7.100	6083
LAFEE	14.83	0.827	13.31	14.68	18.24	6083
Lev	0.389	0.587	0.064	0.502	0.859	6083
Size	24.09	1.205	21.46	24.00	28.34	6083
Nature	0.645	0.478	0	1	1	6083
RDExp	19.13	1.871	12.78	19.44	23.81	6083
ROAA	0.0560	0.0460	0	0.0420	0.295	6083
HFD	67.95	14.47	19.30	67.95	96.35	6083

4.2 Impact of Audit Quality on Charity

Table 3. Empirical results

VARIABLES	Charity
LAF	0.131***
	(3.45)
Size	0.321***
	(10.87)
Lev	0.101***
	(7.01)
Nature	-0.043
	(-0.89)
ROAA	5.980***
	(10.79)
HDF	-0.003**
	(-2.27)
RDExp	-0.013

	(-1.00)
Constant	-6.827***
	(-13.90)
Observations	6,083
R-squared	0.072
r2_a	0.0709
F	67.31

Table 3 reports on the empirical results. The results show that there is a significant positive correlation with the performance of corporate charitable responsibility (Charity) and audit quality (LAF). It is consistent with the hypothesis that the higher the quality of the audit, the higher the level of performance of the company's charity responsibility which meets our expectations. This shows that the quality of the audit of the enterprise is affecting the performance of the charity responsibility of the enterprise, and the quality of the audit of the enterprise is promoting the performance of the enterprise to fulfill the social responsibility of charity.

From the perspective of the results of control variables, the regression coefficient of the company size (SIZE), asset -liability ratio (LEV), and return of average assets (ROAA) is positive, implying that the company scale is larger, enterprises with high quality of audit are more likely to have a greater performance of charitable responsibilities. LEV and ROAA are similar to Size on impact on enterprises' charity level.

4.3 Moderating Effect of Industry Competitive Intensity Level and Corporate Marketing Level

This article explores on the basis of existing literature to try to explore the impact of competitive intensity in the industry and the degree of corporate marketing on the quality of audit quality and corporate charity responsibilities. The model is shown below.

$$\text{Charity}=\beta_0+\beta_1\text{LAF}+\beta_2\text{HHI}+\beta_3\text{LAF*HHI}+\beta_4\text{Controls} \quad (2)$$

$$\text{Charity}=\beta_0+\beta_1\text{LAF}+\beta_2\text{Marketing}+\beta_3\text{LAF*Marketing}+\beta_4\text{Controls} \quad (3)$$

According to the results (shown in the table below), we can see that β_3 (MX and MX_2) are both positive in model (2) and (3), which means these two variables are both positive on the relationship between the audit quality and charity. Both of them have pushed the positive relationship between audit quality and corporate charity behavior.

Table 4. The moderating effect of moderators

VARIABLES	Charity	Charity
Size	0.207***	0.011***
	(7.40)	(4.06)
Lev	0.108***	-0.003**
	(8.09)	(-2.16)
Nature	-0.018	-0.004
	(-0.40)	(-0.84)
ROAA	5.110***	-0.264***
	(9.92)	(-5.04)
HDF	-0.006***	0.000*
	(-3.93)	(1.67)

LAF	0.088**	-0.028***
	(2.47)	(-8.02)
HDExp	0.013	-0.000
	(1.07)	(-0.11)
HIHI	-86.878***	
	(-26.23)	
MX	31.476***	
	(31.29)	
Marketing		-0.137***
		(-101.85)
MX2		0.050***
		(811.02)
Constant	-3.799***	2.852***
	(-7.91)	(59.43)
Observations	6,083	6,036
R-squared	0.202	0.992
r2_a	0.201	0.992
F	170.7	85015

5. Robustness Test

In order to ensure the accuracy of this article, we conducted a robustness test. By testing whether there are endogenous problems and eliminating indicators that may cause interference to the results, we determine whether the results of the research are stable.

5.1 Endogeneity Issue

The result of this article may endure endogenousness. Specifically, we are not sure if there is an omission of the existence of variables, which causes us to be inaccurate to measure the effects of explanatory variable on the explained variable. In order to reduce potential endogenous effects, we adopt the instrumental variable method to carry out the two-stages least square (2SLS-IV). This article adopts the lagging item of the independent variable as an instrument variable.

In the first stage, we ran the following regression model (4). Based on this, we get the fitted value of the annual audit quality variable (LAF), and then substituted the fitted value into the aforementioned model (1) for the second phase of the regression. The measurement method of the remaining variables in the model (4) is the same as before.

$$LAF=\beta 0 + \beta 1\ LAF_1 + \beta 2\ Controls+ + \lambda \quad (4)$$

In the second stage, the fitted value obtained in the first stage is substituted into the model (4) to return, and the results shown in Table 3 (2) are obtained. The sample observation capacity has been reduced, and the coefficient of auditing quality is in line with expectations. It is still positive and the results are significant, which is consistent with the previous results. This shows that the result of this article is relatively stable. The potential endogenous problem is not enough to affect the conclusion of this article. The quality of audit can really promote the performance of enterprises to perform charitable social responsibility.

Table 5. The Endogeneity issue test

VARIABLES	LAF (1)	VARIABLES	Charity (2)
Size	0.003***	Size	0.318***
	(20.99)		(10.73)
Lev	-0.000	Lev	0.101***
	(-1.52)		(6.99)
Nature	-0.002***	Nature	-0.043
	(-6.65)		(-0.89)
ROAA	0.002*	ROAA	5.956***
	(1.84)		(10.74)
HDF	0.000***	HDF	-0.004**
	(8.95)		(-2.35)
HDExp	0.000***	HDExp	-0.013
	(4.18)		(-1.04)
LAF_1	0.992***	LAFhat	0.137***
	(4,289.86)		(3.58)
Constant	0.033***	Constant	-6.815***
	(15.27)		(-13.87)
Observations	199,163	Observations	6,073
R-squared	0.996	R-squared	0.072
r2_a	0.996	r2_a	0.0706
F	7.213e+06	F	66.91

5.2 Additional Test

5.2.1 Replace the Charity Indicators

Table 6. Regression results of replacement charity indicators

VARIABLES	Donation intention	VARIABLES	Donation level
Size	0.048***	Size	0.713***
	(38.27)		(109.31)
Lev	-0.006***	Lev	0.046***
	(-18.97)		(18.55)
Nature	-0.111***	Nature	-0.663***
	(-53.46)		(-62.16)
ROAA	0.184***	ROAA	1.396***
	(18.51)		(31.30)
HDF	-0.001***	HDF	0.002***
	(-16.25)		(6.20)
LAF	0.016***	LAF	0.167***
	(8.30)		(16.35)
HDExp	-0.010***	HDExp	0.052***
	(-17.16)		(16.84)
Constant	-0.252***	Constant	-6.394***
	(-13.73)		(-63.91)

Observations	199,700	Observations	147,227
R-squared	0.031	R-squared	0.237
r2_a	0.0312	r2_a	0.237
F	920.6	F	6541

In the empirical research of corporate charity, there are many methods for measuring charities. At present, there is no literature to unify its measurement method. In this part of the additional test, we substituted the original "public welfare and charitable" of RKS ESG Data S (Society) key indicator score table to be replaced with the donation intention and the level of donation. Re-regress the model (1) to test hypothesis 1 and hypothesis 2. From Table 4, the sign and significance level of regression coefficient have basically no change. It can be seen that our research results are relatively stable.

5.2.2 Reject Samples in 2008 and 2020

In 2008, an unprecedented earthquake occurred in Wenchuan, China. In this year, the total amount of donations from the whole society reached an unprecedented 107 billion yuan. The donation rate of Chinese enterprises and individuals in major cities reached more than 90% [10]. The year 2020 is similar to 2008, when the COVID-19 broke out on a large scale, and the unprecedented spread and speed of the epidemic promoted enterprises to fulfill their charitable responsibilities. The impact of the national disaster on enterprises and employees, the solicitation of government departments, and the high attention of the media may exert pressure on enterprises' donations and affect the accuracy of this study. Thus, we deleted the samples in 2008 and 2020 and regressed the model (1) again. Table 7 reports the results after deleting the samples of these two years. We find that the audit quality is still positively correlated with the performance of corporate philanthropic responsibilities and the results are significant. It can be seen that the research has not been greatly affected by the special events in 2008 and 2020, and the research results are relatively stable.

Table 7. Results of deleting samples in 2008 and 2020

VARIABLES	Charity
Size	0.321***
	(10.87)
Lev	0.101***
	(7.01)
Nature	-0.043
	(-0.89)
ROAA	5.980***
	(10.79)
HDF	-0.003**
	(-2.27)
LAF	0.131***
	(3.45)
HDExp	-0.013
	(-1.00)
Constant	-6.827***
	(-13.90)
Observations	6,083
R-squared	0.072
r2_a	0.0709
F	67.31

5.2.3 Group Test

According to the indicators of LEV, we will distribute the samples above the median score in each year into the "High LEV Index" group, otherwise it will be included in the "Low LEV Index" group. In this way, we divide the samples into two assets -liability groups, and then test the relationship between the explanatory variable and the explained variable again, as well as the asset -liability ratio on the relationship. As shown in Table 8, the results of the explanatory variables and the explained variables of the high and low asset-liability ratio are both significant, but the coefficients of the regression are different. Among them, the regression coefficient of the sample group with lower asset-liability ratio is negative, the regression coefficient of the sample group with a higher asset-liability ratio is positive. It can be judged that in enterprises with low asset-liability ratio, the higher the audit quality is, the stronger the corporate philanthropic behavior is, and the audit quality can play an urging role. On the contrary, in enterprises with higher asset-liability ratio, the higher their audit quality, the lower their charitable behavior. From the perspective of cost, enterprises with high liabilities will inevitably be stretched in the face of market competition, and their audit quality cannot promote them to fulfill their charitable responsibilities well.

Table 8. Results of group test

VARIABLES	Charity (Low-LEV)	VARIABLES	Charity (High-LEV)
LAF	0.355***	LAF	-0.382***
	(9.05)		(-4.54)
Size	0.391***	Size	0.343***
	(10.84)		(6.75)
Lev	1.174***	Lev	0.187***
	(11.43)		(10.06)
Nature	0.038	Nature	0.223***
	(0.70)		(2.65)
ROAA	10.723***	ROAA	3.581***
	(11.98)		(4.62)
HDF	-0.005***	HDF	0.005*
	(-3.19)		(1.87)
HDExp	-0.142***	HDExp	0.176***
	(-9.95)		(7.52)
Constant	-11.190***	Constant	-4.518***
	(-17.08)		(-4.50)
Observations	3,713	Observations	2,370
R-squared	0.168	R-squared	0.115
r2_a	0.166	r2_a	0.112
F	106.6	F	43.79

6. Conclusion

This paper makes an empirical study on the relationship between audit quality in the field of corporate social responsibility in China. We select the data of listed companies of A shares on the main board of A-shares of the main board of the SSE and A-shares of Shenzhen Main Board listed companies from 1990 to 2021, and draw the following research conclusions: (1) The philanthropic behavior of an enterprise is positively related to the audit quality of the enterprise, which means that

there is a phenomenon that high-quality audit promotes the enterprise to do charity, and the audit quality is one of the factors that encourage the enterprise to do charity. (2) Both the intensity of market competition and the intensity of enterprise marketing play a positive role in moderating the relationship between audit quality and corporate philanthropy, that is, the greater the intensity of market competition, the stronger the marketing intensity of enterprises, and the more audit quality can promote enterprises to make charitable donations. (3) For enterprises with low asset-liability ratio, corporate philanthropy is positively related to audit quality; On the contrary, enterprises with high asset-liability ratio have a negative correlation between corporate philanthropy and audit quality.

Therefore, this paper can provide the following enlightenment. For the supervision organization, audit quality can help to judge the performance of corporate social responsibility for charity. Through the comparison of the audit quality of each enterprise, the level of corporate philanthropic behavior can be preliminarily divided. In addition, the supervisory authority should guide and encourage enterprises to conduct high-quality audit services and strictly control the audit quality, which can play a role in promoting enterprises to do good and fulfill their social responsibilities. For investors, when making investment decisions, the audit quality should also be considered, which is related to the performance of the enterprise's social responsibilities.

Due to the limited nature of the survey data, this paper also has certain limitations, which need to be further explored in future research. First, this paper selects the secondary data of listed companies for research, and lacks in-depth investigation of its internal mechanism. Second, the data of the variable cannot fully match the meaning expressed by the variable. For example, the audit quality measured by the amount spent on the audit cannot fully and accurately reflect the audit quality of the enterprise; In the further test, the donation amount is only the amount of data, and does not include the donation in kind and other ways to fulfill social responsibilities.

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